



VIEWPOINT

Result Update - Q3FY2026

SECTOR

NBFC

COMPANY DETAILS

Market cap:	Rs. 1,700 cr
52-week high/low:	Rs. 131 / 176
NSE volume: (No of shares)	1.6 lakh
BSE code:	539404
NSE code:	SATIN
Free float: (No of shares)	7.0 cr

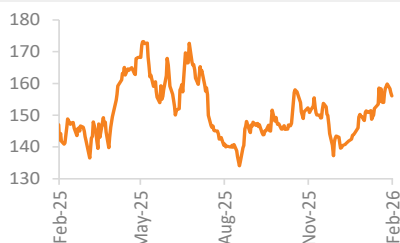
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	36.2
FII	3.6
DII	5.2
Others	55.0

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	4.0	2.4	10.6	6.1
Relative to Sensex	3.2	2.0	6.1	-4.3

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **POSITIVE**

CMP: **Rs. 156**

Price Target: **Rs. 200**

Quick Snapshot

- NII rose by 9.4% y-o-y and 17.5% q-o-q to Rs. 325 crore on lower cost of funds. AUM grew 10% y-o-y and 5.2% q-o-q driven by housing and MSME segments, MFI stayed sluggish.
- Credit cost plunged by 276 bps y-o-y 60 bps q-o-q to 3.92% driven by an improvement in asset quality and healthy recovery due to better monsoon. Gross NPA fell 60 bps y-o-y and 20 bps q-o-q to 3.30%.
- Net profit rose by 404% y-o-y and 35.3% q-o-q to Rs. 72 crore driven by lower credit cost, improvement in asset quality.
- We maintain a Buy rating with an unchanged PT of Rs. 200 as the stock trades on cheap valuation (0.5x FY28E BV), stabilising MFI industry, focus on revenue diversification, improvement in asset quality and return ratios.

Result overview

- NII grew by 9.4% y-o-y and 17.5% q-o-q to Rs. 325 crore. NIM (calculated) came in at 9.74% (% of AUM), rising 102 bps q-o-q due to drop in cost of funds (exchange effect). Cost of borrowings fell 16 bps y-o-y and 218 bps q-o-q while yield on portfolio dropped by 22 bps y-o-y and 116 bps q-o-q.
- PPOP rose by 2.9% y-o-y and 5.6% q-o-q to Rs. 224 crore. NII growth effect was offset by higher opex and lower other income.
- Credit cost plunged to 3.92% (of AUM), sharply down by 276 bps y-o-y 60 bps q-o-q due to improvement in asset quality. GNPA fell 60 bps y-o-y and 20 bps q-o-q to 3.30%. Net NPA came in at 1.1%, down by 130 bps y-o-y and 10 bps q-o-q.
- Net profit zoomed 404% y-o-y and 35.3% q-o-q to Rs. 72 crore driven by improvement in operating performance and sharp reduction in the credit costs. RoA improved by 169 bps y-o-y and 48 bps q-o-q to 2.16%.
- AUM grew 10% y-o-y and 5.2% q-o-q to Rs. 13,341 crore. Overall, growth was healthy as the company focused on asset quality over growth post crisis in the MFI industry, thus disbursement grew by 2.2% y-o-y and 19.6% q-o-q to Rs. 2,896 crore. Subsidiaries witnessed strong AUM growth, Satin Housing Finance's AUM at Rs. 1,101 crores up by 26.3% y-o-y and Satin Finserv at Rs. 759 crores up by 58.4% y-o-y growth.

Our Call

The company's strategic pivot, prioritizing portfolio health over aggressive expansion, is yielding results. This stability is further driven by strong AUM growth in housing finance and MSME segments. PAT CAGR is expected at 28% over FY25-FY28, driven by double-digit AUM growth and recovery in return ratios. As industry-wide MFI headwinds are expected to subside by FY27. Hence, we maintain our BUY rating with an unchanged PT of Rs. 200 as the stock trades at cheap valuations (0.5x FY28 BV) along with improvement in return ratios.

Key Risks

- Recovery may take longer than expectation
- Forex risk as the company has global fundings.
- Regulatory risks

Valuation (Consolidated)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
NII	981	1,254	1,267	1,546	1,778
PAT	436	186	248	319	395
EPS (Rs.)	44.3	16.9	22.5	29.0	35.9
P/E (x)	3.5	9.2	6.9	5.3	4.3
P/BV (x)	0.7	0.7	0.6	0.5	0.5
RoE (%)	21.6	7.5	9.3	10.8	11.9
RoA (%)	4.8%	1.7	2.0%	2.3%	2.4%

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 11, 2026

Concall highlights

AUM and disbursement guidance

- Standalone AUM came in at Rs. 11,482 crore, up 7% y-o-y. Consolidated AUM grew 10% y-o-y to Rs. 13,341 crores. Subsidiary AUMs include Satin Housing Finance at Rs. 1,101 crores (26.3% y-o-y growth) and Satin Finserv at Rs. 759 crore (58.4% y-o-y growth).
- Management targets a 10-15% AUM growth for the microfinance segment, while subsidiaries are expected to continue to see strong growth.
- Management is confident in the long-term potential of the rural financial services sector, observing green shoots and an improving MFI industry after a transitional phase.

NII & NIM

- Consolidated NIM stood at 14.25% while standalone NIM came in at 14.71%. NIM has remained stable on sequential basis, and management indicated that any future decreases in the repo rate could lead to passing on lower costs of funds to borrowers.
- Management noted that their NIM has been very healthy and stable, allowing them to consider passing on any future declines in the repo rate and cost of funds to borrowers. NIM remained stable q-o-q, with a previous quarter's apparent inflation in yield and cost of borrowing attributed to MTM gains and corresponding ForEx expenses
- Overseas funding now constitutes 15% of the overall funding mix, with 70% from banks and 7% from DFIs, and this foreign capital is fully hedged and long-term (average maturity 3.5-5 years) with an overall IRR similar to domestic funds.

Asset quality and credit cost

- The company aims to reduce its credit cost for FY26 to around 4%, down from 4.6% in FY'25, with expectations for further decreases in Q4 FY'26 and beyond.
- Asset quality of the company is expected to improve.

Others

- The company introduced natural calamity insurance and the Credit Guarantee Fund for Micro Units (CGFMU) to de-risk its portfolio.
- The company deliberately maintained high liquidity due to industry headwinds but plans to reduce it as the situation eases, noting that it is not a future norm.
- Satin Technologies acquired a 51% stake in QTrino Labs, a deep tech cybersecurity company focused on post-quantum cryptography, reinforcing a belief in foresight, preparedness, and innovation. The company also made a capital infusion of Rs. 50 crore into its wholly-owned subsidiary, Satin Finserv, via a rights issue, which was clarified as an investment in the subsidiary rather than an M&A for the parent company.
- The industry experienced challenging liquidity conditions for many players, but management noted the situation is now easing and green shoots are appearing.

Results Table : Consolidated Performance

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y	Q2FY26	Q-o-Q
Interest Earned	614	565	8.7%	621	-1.1%
Interest Expended	289	268	8.0%	344	-16.0%
NII	325	297	9.4%	276	17.5%
Other Income	139	123	12.9%	172	-19.4%
Total Income	463	420	10.4%	449	3.3%
Opex	240	202	18.5%	236	1.4%
PPOP	224	217	2.9%	212	5.6%
P&C	131	203	-35.5%	143	-8.8%
PBT	93	15	522.9%	69	35.5%
Tax	21	1	NA	16	36.5%
Net Profit	72	14	404.3%	53	35.3%
AUM	13,341	12,128	10.0%	12,687	5.2%
Disbursements	2,896	2,835	2.2%	2,421	19.6%

Source: Company; Mirae Asset Sharekhan Research

Particulars	As a % of AUM (Annualised)				
	Q3FY26	Q3FY25	Y-o-Y (bps)	Q2FY26	Q-o-Q (bps)
NII	9.74	9.79	-5	8.71	102
Fee & Other Income	4.16	4.05	11	5.43	-127
Opex	7.19	6.67	52	7.46	-27
Provisions	3.92	6.68	-276	4.52	-60
Tax Rate	0.64	0.02	61	0.49	15
RoA (%)	2.16	0.47	169	1.68	48

Source: Company; Mirae Asset Sharekhan Research

Particular	Rs cr					
	Q3FY26	Q3FY25	Q3FY26	Y-o-Y (bps)	Q2FY26	Q-o-Q (bps)
GS-3 (%)	3.30	3.90	3.30	-60.0	3.50	-20.0
NS-3 (%)	1.10	2.40	1.10	-130.0	1.20	-10.0

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Trishashna Holdings & Investments	34.32
2	Florintree Ventures LLP	11.14
3	Rajsonia Consultancy Services Pvt	3.22
4	Linkage Securities Pvt Ltd	2.91
5	Bhawani Finvest Pvt Ltd	2.89
6	ICICI Prudential Life Insurance Co	1.87
7	Massachusetts Institute of Technol	1.81
8	Bandhan Mutual Fund	1.40
9	Trust Team Investors Ltd	1.34
10	Taco Consultants Pvt Ltd	1.18

Source: Bloomberg

Key management personnel

Name	Designation
HP Singh	CMD
Jugal Kataria	Group Controller

Source: Company Website

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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