July 24, 2026

Standard Chartered Capital Limited: Ratings reaffirmed; withdrawn for matured instruments

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action	Financial sector regulator#
Non-convertible debentures	925	925	[ICRA]AAA (Stable); reaffirmed	SEBI
Non-convertible debentures	180	0	[ICRA]AAA (Stable); reaffirmed and withdrawn	SEBI
Commercial paper	5,500	5,500	[ICRA]A1+; reaffirmed	RBI
Total	**6,605**	**6,425**		

**Instrument details are provided in Annexure I; # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI*

Rationale

The ratings for Standard Chartered Capital Limited's (SCCL) derives support from its parent - Standard Chartered Bank (UK) (SCB UK; rated A1 (Stable)/P-1 by Moody's Investors Service). The company benefits from the shared brand name, operational and management support, and risk oversight from the parent. SCCL serves as the non-banking lending arm of the SCB UK in India, managing an AUM of Rs. 6,064 crore as on March 31, 2026 comprising of corporate and retail lending segments. Given the ownership structure and shared brand name, ICRA expects SCCL to receive timely support from the parent as and when required.

The ratings also consider SCCL's adequate capitalisation profile, (net worth of Rs. 2,150 crore and gearing of 2.3 times as on March 31, 2026), good financial flexibility by virtue of its parentage, track record of adequate profitability and comfortable asset quality indicators.

Despite the moderation in the loan portfolio to Rs. 6,064 crore as on March 31, 2026 (Rs. 8,058 crore as on March 31, 2025), ICRA believes that the company will remain strategically important to Standard Chartered Group, given the shared brand name and expects that support would be forthcoming, as and when required. While the concentration risk remains relatively high due to the larger share of wholesale exposures (67% of total book as on March 31, 2026) in the loan book, asset quality indicators have remained healthy with Gross stage 3 & Net stage 3 of 0.12% & 0.04%, respectively as on March 31, 2026.

The decline in the loan book was primarily driven by the management's cautious growth strategy due to geopolitical uncertainties and changes drawn in regulatory framework by RBI.

The Stable outlook reflects ICRA's expectation that SCCL will continue to benefit from operational synergies and management support from its parent. It also indicates ICRA's expectation that the company will maintain an adequate capitalisation and liquidity profile.

In accordance with the policy on withdrawal of credit ratings, ICRA has reaffirmed and withdrawn the ratings assigned to Rs. 180 crore non-convertible debenture programme as no amount is outstanding against the same.

Key rating drivers and their description

Credit strengths

Strong parentage with operational and management support – The company benefits from being a part of the Standard Chartered Group with linkages with the parent, SCB UK, on the operational and management front. SCCL's risk management systems are aligned with the Standard Chartered Bank Group's global policies. Further, considering the shared brand name and linkage, ICRA expects support from the Standard Chartered Group through Standard Chartered Bank (UK) to be forthcoming, as and when required. Any change in the likely support from SCB UK would be a key rating sensitivity.

Adequate capitalisation levels – The company's capitalisation profile is adequate for its current scale of operations, with a net worth of Rs. 2,150 crore and a gearing of 2.3 times as on March 31, 2026 (Rs. 1,995 crore and 3.62 times, respectively, as on March 31, 2025). External capital requirement remains low for growing the book as per business plans while maintaining gearing below 4 times on a steady state basis. ICRA expects timely capital support from the parent to be forthcoming, if required.

Adequate profitability profile supported by comfortable asset quality profile – SCCL' net interest margin (NIM) improved in FY2026 due to the decline in gearing with the loan book moderating due to on account of prepayments in the loan book, especially in the retail segment. Further, low operating expenses and credit costs resulted in improvement in return on managed assets (RoMA) to 3.1% in FY2026 vis-a-vis 2.3% in FY2025 (2.2% in FY2024). Going forward, the NIMs could moderate from current levels with the increase in leverage as the loan book expands. Nonetheless, overall earnings profile is expected to remain adequate, supported by low operating expenses, subject to the company's ability to maintain control over the asset quality which have remained comfortable with gross stage 3 and net stage 3 of 0.12% and 0.04% respectively as on March 31, 2026 (0.07% and 0.04% as on March 31, 2025).

Credit challenges

Decline in the scale of operations; relatively high credit concentration arising from wholesale book – SCCL's loan portfolio declined to Rs. 6,064 crore as on March 31, 2026, from Rs. 8,058 crore as on March 31, 2025. The decline in the loan book was primarily driven by the management's cautious growth strategy due to geopolitical uncertainties and changes drawn in regulatory framework by RBI. The company provides corporate loans, Corporate Book and Wealth & Affluent (LAS - Retail & Elite, earlier known as Private Banking). As on March 31, 2026, wholesale loans constituted 67% of the total loan book with LAS – Retail and Elite, accounting for the balance.

While the company's track record of comfortable asset quality metrics over several years provides comfort, credit concentration remains relatively high (top 20 exposures accounting for 185% of the total net worth as on March 31, 2026), given the wholesale nature of the loans, making the portfolio vulnerable to asset quality shocks. Track of record of comfortable asset quality over the past several years, supported by demonstrated strength of credit underwriting practices and risk management policies, provides comfort.

Liquidity position: Strong

As per the asset-liability management (ALM) statement as on March 31, 2025, the company had unencumbered cash and bank balance of about Rs. 222.8 crore and liquid investments in Treasury bills of Rs. 291.6 crore, unutilised bank lines of Rs. 2,350 crore, including Rs. 600 crore of committed lines from Standard Chartered Bank (SCB India). The company has debt obligations of Rs. 2,861.6 crore (including interest) over the next one year while inflows from advances stood at Rs. 3,423 crore for this period. The liquidity profile is also supported by SCCL's good financial flexibility by virtue of its parentage.
While SCCL has historically been significantly reliant on short term borrowing (commercial paper (CP), however the same has moderated with scale now accounting for 32.4% of total borrowings as on March 31, 2026 compared to 52.4% as on March 31, 2025). SCCL relies on long-term bank borrowings, NCDs and ICDs, which account for 34.9%, 20.4% and 12.3% respectively of total borrowings as of March 2026.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A significant deterioration in the credit profile of the parent or a reduction in the support from the parent would be a credit negative for the company. Also, a significant deterioration in SCCL's asset quality and profitability metrics could exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy On Withdrawal of Credit Ratings
Parent/Group support	Parent company: SCB UK The ratings derive significant strength from the company's ultimate parentage in the form of SCB UK. SCCL also enjoys a high level of operational synergies with its parent, with access to senior management guidance and robust risk management systems and standards. ICRA expects liquidity & capital support from the parent to be forthcoming, if required.
Consolidation/Standalone	Standalone

About the company

SCCL was incorporated in October 2003 by Standard Chartered Bank (UK) as its wholly-owned subsidiary. It was registered with the Reserve Bank of India as a non-banking financial company not accepting public deposits in February 2004. The Standard Chartered Group has management control over SCCL. The company's board of directors comprises, among others, senior management personnel from the Group's senior management. SCCL offers lending & financing solutions to large corporates and institutions; and Loan against securities to retail / affluent and high-net-worth individuals.

SCCL reported a profit after tax (PAT) of Rs. 256 crore in FY2026 on a total asset base of Rs. 7,114 crore as on March 31, 2026, compared with a PAT of Rs. 205 crore in FY2025 on a total asset base of Rs. 9,315 crore as on March 31, 2025. Its portfolio increased to Rs. 6,064 crore as on March 31, 2026 from Rs. 8,058 crore as on March 31, 2025 (Rs. 7,316 crore as on March 31, 2024). The share of Corporate Book and Wealth & Affluent (LAS - Retail & Elite) stood at 67% and 33%, respectively, of the portfolio as on March 31, 2026.

Key financial indicators

	Mar-25	Mar-26
	Audited	Audited
Total Assets	9,315	7,114
Profit After Tax	205	256
Total Income	932	870
ROMA (%)	2.3%	3.1%
Gearing (times)	3.6	2.3
Gross Stage 3 (%)	0.1%	0.1%
CRAR	21.6%	30.6%

Source: SCCL, ICRA Research; Amount in Rs. crore; All calculations are as per ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs crore)	Jul 24, 2026	Date	Rating	Date	Rating	Date	Rating
Commercial Paper	Short Term	5,500.00	[ICRA]A1+	Jul 24, 2025	[ICRA]A1+	Jan 17, 2025	[ICRA]A1+	May 29, 2023	[ICRA]A1+
				-	-	-	-	Jan 19, 2024	[ICRA]A1+
Non-Convertible Debenture	Long Term	925.00	[ICRA]AAA (Stable)	Jul 24, 2025	[ICRA]AAA (Stable)	Jan 17, 2025	[ICRA]AAA (Stable)	May 29, 2023	[ICRA]AAA (Stable)
				-	-	-	-	Jan 19, 2024	[ICRA]AAA (Stable)
Non-Convertible Debenture	Long Term	180.00	[ICRA]AAA (Stable); withdrawn	Jul 24, 2025	[ICRA]AAA (Stable)	Jan 17, 2025	[ICRA]AAA (Stable)	May 29, 2023	[ICRA]AAA (Stable)
				-	-	-	-	Jan 19, 2024	[ICRA]AAA (Stable)

Source: ICRA Research

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple
Commercial paper programme	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details as on July 10, 2026

ISIN	Instrument Name	Date of Issuance	Coupon Rate (%)	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook	Financial sector regulator#
INE403G07103	**NCD**	Mar-17-2025	8.05%	May-18-2026	180.00	[ICRA]AAA (Stable); withdrawn	SEBI
INE403G07095	**NCD**	Mar-11-2024	8.25%	Mar-11-2029	60.00	[ICRA]AAA (Stable)	SEBI
INE403G07111	**NCD**	Dec-10-2025	7.30%	Jan-09-2029	250.00	[ICRA]AAA (Stable)	SEBI
INE403G07129	**NCD**	Feb-17-2026	7.70%	Apr-30-2027	500.00	[ICRA]AAA (Stable)	SEBI
Yet to be placed	**NCD**	NA	NA	NA	115.00	[ICRA]AAA (Stable)	SEBI
INE403G14TU6	**CP**	Nov-18-2025	7.15%	Sep-04-2026	100.00	[ICRA]A1+	RBI
INE403G14TU6	**CP**	Jun-05-2026	8.05%	Sep-04-2026	275.00	[ICRA]A1+	RBI
INE403G14TT8	**CP**	Nov-14-2025	7.15%	Sep-10-2026	200.00	[ICRA]A1+	RBI
INE403G14TV4	**CP**	Nov-21-2025	7.15%	Sep-23-2026	25.00	[ICRA]A1+	RBI
INE403G14TX0	**CP**	May-25-2026	7.95%	Nov-23-2026	200.00	[ICRA]A1+	RBI
INE403G14TY8	**CP**	Jun-11-2026	7.90%	Dec-14-2026	225.00	[ICRA]A1+	RBI
Yet to be placed	**CP**	NA	NA	7-365 days	4,475.00	[ICRA]A1+	RBI

Source: SCCL, ICRA Research; CP – Commercial paper; NCD – Non-convertible debenture;

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Annexure II: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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