



Press Release
SILVER STAR FINANCE AND LEASING LIMITED
November 21, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	70.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs 70.00 Cr. bank loan facilities of Silver Star Finance and Leasing Limited. The Outlook is '**Stable**'.

Rationale for Rating

The rating assigned takes into consideration the company's long standing operations, healthy capitalisation levels and asset quality levels, the company has demonstrated a significant growth in AUM , increasing from Rs 21.57 Cr. in FY 22 to Rs 49.96 Cr. in FY 23 , Rs.104.42 Cr. in FY 24 and Rs.160.21 Cr. in FY 25. The Capital Adequacy ratio stood at 15.27 percent in FY 25 as against 19.89 percent in FY 24. Furthermore, the company converted ~ Rs 50.00 Cr of promoter loan into equity capital as of September 30, 2025, increasing the Capital Adequacy ratio to 45.00 percent with a gearing of 0.92 times for the same period. The network has seen an increase from Rs 23.78 Cr. in FY 25 to ~Rs 75 Cr. as on September 30, 2025 (Provisional). The company maintains healthy asset quality, reflected in its Gross NPA which stood at 0.50 percent and Net NPA at 0.43 percent for FY 25 with reduction in slippages over the last 2-3 years.

However, the rating is constrained by significant geographical concentration, with 82.14 percent of the AUM originating from the state of Madhya Pradesh followed by Chhattisgarh at 12.71 percent as of March 31, 2025. Additionally, the company has a limited resource profile with two lenders currently. A large part of its growth is funded through interest free promoter loans till Q2FY26. Going forward, it would be key monitorable if the company will be able to balance the increase in interest expenses and maintain spread and profitability.

About the company

Satna, Madhya Pradesh based Silver Star Finance And Leasing Limited was incorporated in 1992. The company is engaged in providing vehicle loan such as Car Loans, Two Wheeler Loans, Three Wheeler Loan and Pre owned Car Loans. The company is part of the Star Group of companies promoted by Mr. Ramesh Singh. The Star Group has been a prominent player in automobile dealerships for over four decades, with multiple OEMs such as Mahindra and Mahindra, Honda Cars India Limited, and Tata Motors Limited in Madhya Pradesh. The Group's areas of business include automobile financing, electric three wheeler manufacturing, newspaper printing, and insurance broking. Mr. Ramesh Singh, Mrs. Reena Singh, Mr. Dushyant Singh, Mr. Rewat Singh are directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Silver Star Finance and Leasing Limited to arrive at the rating.

Key Rating Drivers

Strength

Benefits derived from Star Group

The company has been operating since 1992; the company provides vehicle financing loans primarily new car loans which comprise ~94 percent for FY 25 (~90 percent for FY 24). The company is part of Star Group which has two dealerships, namely Star Automobiles (MP) Limited and Star Automobiles Limited. The promoters for the group are common sharing operational and management expertise. The promoters have significant experience of over four decades in automobile dealership, with multiple OEMs such as Mahindra and Mahindra, Honda Cars India Limited, and Tata Motors Limited in Madhya Pradesh. The dealership's also serve as lead generation source to the NBFC. The AUM of the company has demonstrated a growth from Rs 21.57 Cr. in FY 22 to Rs 160.21 Cr. in FY 25.

Healthy Capital structure

The company has a networth of Rs 23.78 Cr. as on March 31, 2025 with a gearing of 5.16 times. Additionally, the company had a Capital Adequacy Ratio of 15.28 percent for the same period. As of September 30, 2025, the company had its interest free promoter loan of ~Rs 50.00 Cr. converted to equity capital. As a result, the company's networth as of September 30, 2025 improved to Rs ~75 Cr. and improvement in gearing to 0.92 times. The Capital Adequacy ratio improved to ~45 percent for the same period.

Strong Asset Quality metrics

The company has reported strong asset quality metrics with a Gross NPA of 0.50 percent and Net NPA of 0.43 percent for FY 25 as against 0.73 percent and 0.61 percent respectively for FY 24. Over the last 2-3 years the company has seen a reduction in the slippages and overall NPA. However, Acuite believes maintaining healthy asset quality metrics while growing the AUM is key monitorables.

Weakness

Modest scale of operations coupled with geographic concentration risk

The company has modest scale of operations with an outstanding loan portfolio of Rs. 160.21 Cr. as on March 31, 2025, as compared to Rs. 104.42 Cr. as on March 31, 2024. SFL's portfolio is exposed to high geographical concentration risk, as 82.14 per cent of the total portfolio is concentrated in the state of Madhya Pradesh followed by Chhattisgarh at 12.71 percent in FY25. The concentration in the state of Madhya Pradesh previously stood at 86.55 percent of the total portfolio in FY24 and 92.83 percent of the total portfolio in FY23. The company has a branch network of 28 branches spread across 26 districts. Generally, the risk profile of an NBFC with a geographically diversified portfolio is more resilient compared to that of entity with a geographically concentrated portfolio. Acuité believes that modest scale of operations coupled with geographic concentration in its portfolio will continue to weigh on the company's credit profile over the near to medium term.

Limited Resource Profile

Silver Star Finance and Leasing Limited has a limited resource profile, with the borrowings comprising bank loan facilities from two banks and through promoter funding. As on September 30, 2025, the company has converted its promoter loan of ~Rs 50.00 Cr. to equity capital. Consequently, the borrower base is currently restricted to two banks. Going forward, the ability to diversify funding sources and maintain interest costs at manageable levels while sustaining profitability will remain key monitorables.

Rating Sensitivity

- Profitable scale up in operations.
- Movement in Asset Quality and Collection efficiency.

- Liquidity and provisioning buffers.

Liquidity Position

Adequate

The company has an adequate liquidity profile with no negative cumulative mismatches as per their ALM as on March 31, 2025. As of March 31, 2025, the company had debt obligations of Rs 13.33 Cr. over the next 12 months as against collections from advances at ~Rs 57.8 Cr. over the next 12 months, and Rs 0.85 Cr. of cash and bank balances as of March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Actual)	FY24(Actual)
Total Assets**	Rs. Cr.	163.81	107.47
Total Income*	Rs. Cr.	9.54	7.75
PAT	Rs. Cr.	2.70	1.99
Net Worth	Rs. Cr.	23.78	21.08
Return on Average Assets (RoAA)	(%)	1.99	2.50
Return on Average Net Worth (RoNW)	(%)	12.04	9.91
Debt/Equity	Times	5.16	2.85
Gross NPA (90 DPD)	(%)	0.50	0.73
Net NPA (90 DPD)	(%)	0.43	0.61

*Total income equals to Net Interest Income plus other income

** Total Assets have been adjusted for deferred tax assets

***Ratios are as per Acuite's calculation

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.67	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	22 Sep 2023	Not avl. / Not appl.	21 Mar 2028	33.33	Simple	ACUITE BBB- Stable Assigned

Contacts

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About Acuité Ratings & Research

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