July 31, 2026

Progfin Private Limited: Rating confirmed as final for SNs backed by invoice financing receivables to be issued by Jupiter 03 2026

Summary of rating action

Trust Name	Instrument*	Initial Rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Jupiter 03 2026	Series A1 SN	34.49	34.49	[ICRA]A+(SO); provisional rating confirmed as final	RBI

**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

In March 2026, ICRA had assigned Provisional [ICRA]A1+(SO) rating to the Securitisation Notes (SNs) issued by Jupiter 03 2026. The SNs are backed by pool of invoice financing receivables originated by Progfin Private Limited {Progfin/Originator, rated [ICRA]BBB+(Stable)/[ICRA]A2}[1] with an aggregate principal outstanding of Rs. 39.19 crore (pool receivables of Rs. 39.89 crore). Progfin is acting as the servicer for the transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

Pool performance summary

Parameter	Jupiter 03 2026
Payout month	June 2026
Months post securitisation	4
Pool amortisation	0.00%
Series A1 SN amortisation	0.00%
Cumulative prepayment rate	>100%
Cumulative collection efficiency[2]	97.23%
Loss-cum-0+ days past due (dpd)[3]	1.42%
Loss-cum-30+ dpd[4]	0.06%
Loss-cum-90+ dpd[5]	0.00%
Cumulative cash collateral utilisation	0.00%

Transaction structure

As per the transaction structure, the tenure of the pool shall be divided into two periods – replenishment period and amortisation period.

[1] *The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions.*
[2] *(Cumulative current collections and overdue collections)/(Cumulative billings + Opening overdues at the time of securitisation)*
[3] *Unbilled and overdue principal portion of delinquent contracts as a % of Initial pool principal*
[4] *Unbilled and overdue principal portion of contracts delinquent for more than 30 days as a % of Initial pool principal*
[5] *Unbilled and overdue principal portion of contracts delinquent for more than 90 days as a % of Initial pool principal*

The replenishment period will be for 9 months from the transaction settlement date. During this period, all collections from the pool, following the payment of the Series A1 SN interest, shall be used by the trust to purchase additional receivables from the Originator as per the replenishment period waterfall for the pool. These additional receivables shall meet the same eligibility criteria as applicable for the receivables that were a part of the underlying pool at the initiation of the transaction.

The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the start of the amortisation period. If a trigger event occurs any time during the replenishment period, then the tenure of the SNs shall be reduced and will be co-terminus with the remaining tenure of the pool of receivables assigned to the trust.

Amortisation period

After the replenishment period, the residual pool collections will be utilised to repay Series A1 SN. The monthly cash flow schedule will comprise the promised interest payout for Series A1 SN. The principal for Series A1 SN is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the Series A1 SN principal. The transaction has certain trigger events defined, on occurrence of which the residual cash flows would be passed on to Series A1 SN investors till the SNs are live.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 6.50% of the aggregate amount, i.e. Rs. 2.55 crore, to be provided by the Originator, (ii) principal subordination of 12.00% of the initial pool principal for Series A1 SN in the form of equity tranche, and (iii) the entire EIS in the structure.

Key eligibility criteria for the receivables

The key eligibility criteria shall be met on commencement of the transaction and also at each replenishment event for all the new assets being added as well as for the updated pool (as applicable)

- The Loans pertain to the "Dealer/Subdealer Financing" program of the Seller
- Each Borrower shall have a CMR of 3 or less for 25% of the Pool POS. If CMR not available ,Cibil score minimum 700 to be taken
- Top 10 borrowers to be capped at 40%
- The pool shall have at least 50 borrowers with top borrower restricted to 4%
- State wise concentration should not be more than 25%
- No borrower has peak DPD greater than 30 days during the last 12 months with Progfin
- Loan should be current on the date of replenishment.
- None of the loans in the pool has been restructured or rescheduled.
- The balance tenor of the Identified Receivables (including the follow-on receivables) not to be more than 180 (One Hundred and Eighty) days.
- All the identified receivables assigned as part of replenishment to have due date at least 90 days before the legal maturity.
- The industry segment should not be either 'FMCG' or 'other industries'
- The Identified Receivables should be unencumbered.
- All Invoice raised in connection with Loans are 'Accepted Invoices' of the Obligors, and none of the Obligors are subject to pending disputes or legal proceedings with respect to invoices;

Key trigger events for early amortisation

The following key early amortisation triggers which will lead to end of amortisation period:

- On any payout day, if more than 5% of the receivables are overdue for more than 15 days as at previous month end.
- Failure of the Seller to provide sufficient eligible receivables for 2 consecutive month (such that follow on receivables purchased is less than 80% of the collected principal including Prepayments)

- If the CC is drawn even once during the tenure of the transaction
- Downgrade in the rating of the SN by 1 notch by Rating Agency
- Downgrade in the rating of the Servicer by 1 notch by Rating Agency
- Capital Adequacy Ratio of the Seller falls below 20%
- GNPA > 4.0% of Total AUM

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The current pool is granular and basis the eligibility criteria the follow-on pools are also expected to be granular with no obligor exceeding 4% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the SN payouts.

Adequate servicing capability of originator – The originator has adequate processes for servicing of the loan accounts in the securitised pool. It has an adequate track record of nearly three years of regular collections across multiple geographies.

Credit challenges

Moderate pool selection criteria – A potential concern pertaining to a replenishing structure is the uncertainty regarding the exact composition of the additional receivables. While the current transaction has a specified eligibility criteria the follow-on pools may have lower interest rate contracts, contracts from weaker geographies and moderate share of lower bureau score contracts. A higher presence of lower interest rates contracts would impact the excess interest spread adversely, which acts as a credit enhancement in the structure.

Risks associated with lending business – The performance of the initial as well as the follow-on pools would remain exposed to macroeconomic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. Both the initial and the follow-on pools are exposed to the inherent credit risk associated with the unsecured nature of the asset class and the fact that recoveries from delinquent contracts tend to be lower.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered based on the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. However, since the pool in the current transaction would be revised during the replenishment period, the characteristics of the pool would change unlike other PTC transactions where the pool is static. ICRA has used the defined eligibility criteria to arrive at a potential loss for the follow-on pools. The resulting collections from the current pool and follow on pools, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current transaction, ICRA has estimated the shortfall in the pool principal collection during its tenure at 6.00% of the initial pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 5% to 12% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

Details of key counterparties

The key counterparties in the rated transaction is as follows:

Transaction Name	Jupiter 03 2026
Originator	Progfin Private Limited
Servicer	Progfin Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	ICICI Bank Limited
Collection and payout account Bank	ICICI Bank Limited

Liquidity position: Strong

The liquidity for Series A1 SN is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~3.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – Since the principal amortisation would begin on the crystallisation of the final pool, the rating is unlikely to be upgraded till the final pool is crystallised. The rating could be upgraded basis the healthy collections observed in the final crystallised pool, leading to the build-up of the credit enhancement cover over the rated SN.

Negative factors – The rating could be downgraded on the occurrence of a trigger event, non-adherence to the key transaction terms and deterioration in the performance of the follow-on pools such that the delinquencies during the amortisation period are higher than expected. Weakening in the credit profile of the servicer (Progfin) could also exert pressure on the rating.

Analytical approach

The rating action is based on the Trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the Originator

Progcap was founded by Ms. Pallavi Shrivastava and Mr. Himanshu Chandra under Desiderata Impact Ventures Pvt. Ltd (DIV) in FY2017 as a digital lending platform for engagement between retailers/distributors and financiers. In September 2022, DIV acquired Hytone Holdings Pvt Ltd, renaming it Progfin Private Limited, and commenced lending operations in October 2022, sourcing borrowers through the Progcap platform. Progfin is a wholly-owned subsidiary of DIV. It provides anchor-led supply chain financing and working capital term loans across multiple industries, including two-wheelers, agri inputs, white goods, FMCGs and emerging brands. On a standalone basis, Progfin reported a profit after tax (PAT) of Rs. 14 crore on total income of Rs. 375 crore in FY2026 compared to Rs. 12 crore and Rs. 258 crore, respectively, in FY2025. The AUM stood at Rs. 2,440 crore as on March 31, 2026 comprising dealer financing and working capital term loans.

Progfin Private Limited (standalone)	FY2024	FY2025	FY2026
	Audited	Audited	Audited
Total income	109	258	375

Progfin Private Limited (standalone)	FY2024	FY2025	FY2026
	Audited	Audited	Audited
Profit after tax	3	12	14
Total managed assets	1,133	1,554	2,440
CRAR	45.2%	40.3%	30.3%
GNPA/Gross stage 3	1.5%	1.1%	1.5%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Current Rating (FY2027)			Chronology of Rating History for the Past 3 Years		
	Instrument	Amount Rated (Rs. crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
			July 31, 2026	March 31, 2026	-	-
Jupiter 03 2026	Series A1 SN	34.49	**[ICRA]A+(SO)**	**Provisional [ICRA]A+(SO)**	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 SN	Highly Complex

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

Trust Name	Instrument Type	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount rated (Rs. crore)	Current Rating	Financial Sector Regulator#
Jupiter 03 2026	Series A1 SN	March 30, 2026	10.60%	June 29, 2027	34.49	[ICRA]A+(SO)	RBI

Source: Company

#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.

For more information, visit www.icra.in

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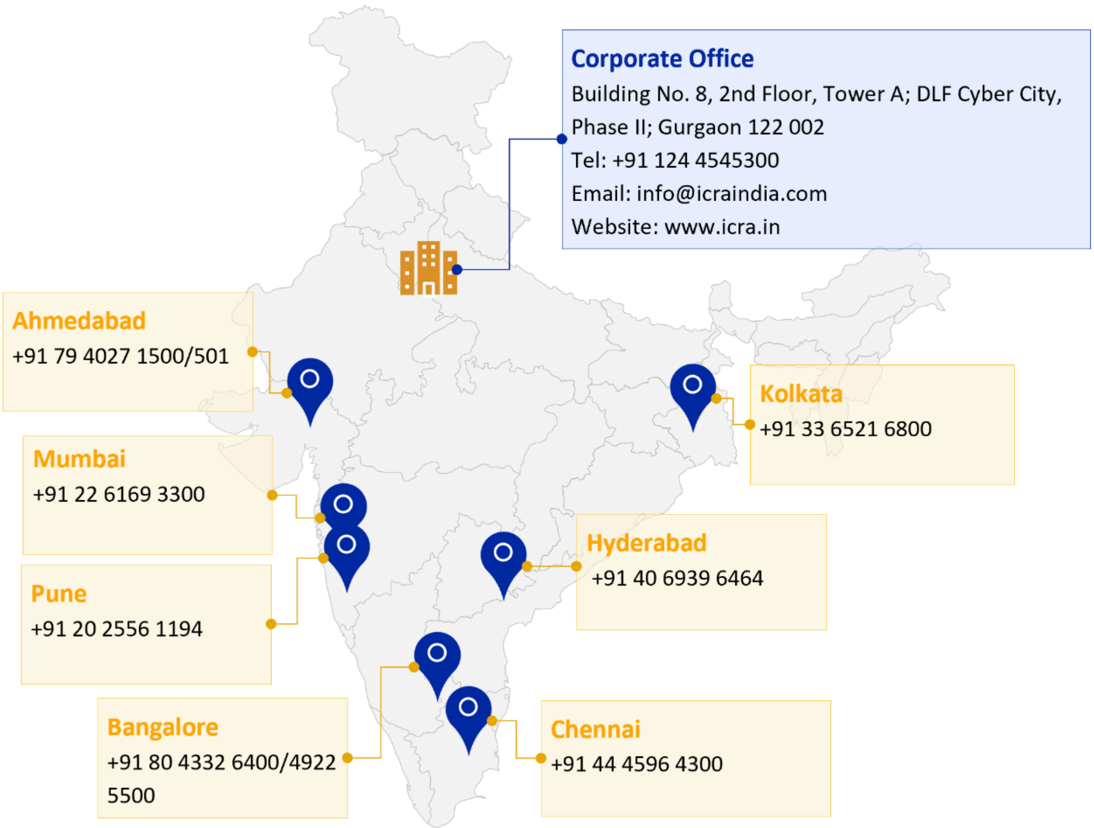

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