

May 21, 2025

## Satin Finserv Limited: Ratings confirmed as final for PTCs backed by secured business loan receivables issued by Yoda 2025

### Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Yoda 2025	Series A1 PTC	33.24	[ICRA]A(SO); provisional rating confirmed as final
	Series A2 PTC	1.85	[ICRA]BBB+(SO); provisional rating confirmed as final

\*Instrument details are provided in Annexure I

### Rationale

ICRA had assigned provisional ratings to the pass-through certificates (PTCs) issued by Yoda 2025 under a securitisation transaction originated by Satin Finserv Limited {SFL/Originator; rated [ICRA]A- (Stable)}. The PTCs are backed by a pool of secured business loan receivables originated by SFL with an aggregate principal outstanding of Rs. 36.93 crore (underlying pool receivables of Rs. 49.14 crore). SFL would also act 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 ratings have now been confirmed as final.

### Pool performance summary

Parameter	Yoda 2025
Payout month	April 2025
Months post securitisation	2
Pool amortisation	10.1%
Series A1 PTC amortisation	11.4%
Cumulative prepayment rate	1.0%
Cumulative collection efficiency <sup>1</sup>	98.9%
Loss-cum 0+ days past due (dpd) <sup>2</sup>	2.6%
Loss cum 30+ dpd <sup>3</sup>	0.7%
Loss cum 90+ dpd <sup>4</sup>	0.2%
Cumulative cash collateral (CC) utilisation	0.0%

### Transaction structure

The transaction has a two-tranche structure, wherein Series A2 PTC is subordinate to Series A1 PTC. As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout to the outstanding senior tranche. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) to the outstanding senior tranche but is promised on the final maturity date. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal. After the maturity of the senior tranche, the principal is expected to be paid on a monthly basis (100% of the pool

<sup>1</sup> Cumulative collections/ (Cumulative billings + Opening overdues at the time of securitisation)

<sup>2</sup> Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>3</sup> Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>4</sup> Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation

principal billed) to the outstanding Series A2 PTC (principal payouts to Series A2 PTC) on expected basis. Any surplus excess interest spread (EIS), after meeting the expected and promised payouts, will flow back to the Originator on a monthly basis.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the initial pool principal, amounting to Rs. 1.85 crore, provided by the Originator, (ii) subordination of 10.00% of the initial pool principal for Series A1 PTC and 5.00% of the initial pool principal for Series A2PTC, and (iii) the EIS of 22.76% of the initial pool principal for Series A1 PTC and Series A2 PTC.

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is granular, consisting of 3,060 contracts, with no contract exceeding 1% 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 a part of the losses in the pool and provide support in meeting the PTC payouts.

**No overdue contracts in the pool** – The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date.

**Contracts backed by self-occupied residential properties** – The pool (~94% of its contracts in terms of the principal amount outstanding on the cut-off date) is backed by self-occupied residential properties. This is expected to support the quality of the pool as it has been observed that borrowers tend to prioritise repayments towards such loans even during financial stress.

**Servicing capability of SFL** – The company has adequate processes for servicing the loan accounts in the securitised pool. It has demonstrated a considerable track record of regular collections and recoveries across a wide geography and multiple economic cycles.

### Credit challenges

**High geographical concentration** – The pool has high geographical concentration with the top 3 states, viz Punjab, Uttar Pradesh and Haryana, contributing ~60% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

**Risks associated with lending business** – The pool's performance would remain exposed to macro-economic 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.

## 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 on the basis of 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. The resulting collections from the pool, 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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.75%, with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.80% to 18.00% 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 are as follows:

Transaction Name	Yoda 2025
Originator	Satin Finserv Limited
Servicer	Satin Finserv Limited
Trustee	SBI CAP Trustee Company Limited
CC holding bank	ICICI Bank Limited
Collection and payout account bank	State Bank of India

## Liquidity position:

### For Series A1 PTC- Strong

The liquidity for the instrument in the transaction is strong after factoring in the credit enhancement available to meet the promised payouts to the investors. The total CE would be ~4.75 times the estimated loss in the pool.

### For Series A2 PTC- Strong

The liquidity for the instrument in the transaction is strong after factoring in the credit enhancement available to meet the promised payouts to the investors. The total CE would be ~3.75 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

**Negative factors** – The sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the ratings.

## Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and ICRA's evaluation of the executed transaction documents.

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Rating Methodology for Securitisation Transactions</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

## About the originator

SFL is a non-banking financial company (NBFC) and a wholly owned subsidiary of Satin Creditcare Network Ltd. (SCNL). It offers micro, small and medium enterprise (MSME) loans (retail and wholesale) and loans to joint liability groups (JLGs) for its business correspondent (BC) partners. It had operations in 11 states as on September 30, 2024 with assets under management (AUM) of Rs. 435.43 crore. On a standalone basis, it reported a net profit of Rs. 3.4 crore in H1 FY2025 (total comprehensive income (TCI) of Rs. 3.5 crore) against Rs. 5.1 crore in FY2024 (TCI of Rs. 5.1 crore).

SCNL is an NBFC-microfinance institution (NBFC-MFI), primarily offering JLG loans to women. It had 1,463 branches spread across 29 States/Union Territories, on a consolidated basis, as on September 30, 2024. Apart from SFL, SCNL has two wholly-owned subsidiaries – Satin Housing Finance Limited and Satin Technologies Limited.

#### Key financial indicators

Satin Finserv Limited	FY2023	FY2024	H1 FY2025^
Total income	107	121	59
Profit after tax	6	5	3
Total managed assets	791	643	549
Gross NPA	4.6%	4.3%	4.8%
CRAR	46.6%	48.0%	41.2%

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore; ^ Limited review financials for H1 FY2025

#### Status of non-cooperation with previous CRA: Not applicable

#### Any other information: None

#### Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2026)				Chronology of Rating History for the Past 3 Years		
		Instrument	Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
					May 21, 2025	Mar 03, 2025	-	-
1	Yoda 2025	Series A1 PTC	33.24	33.24	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-
		Series A2 PTC	1.85	1.85	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-	-

#### Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTC	Moderately Complex
Series A2 PTC	Moderately 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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
Yoda 2025	Series A1 PTC	February 21, 2025	12.00%	May 24, 2029	33.24	[ICRA]A(SO)
	Series A2 PTC	February 21, 2025	-	May 24, 2029	1.85	[ICRA]BBB+(SO)

Source: Company

#### Annexure II: List of entities considered for consolidated analysis

Not Applicable

## ANALYST CONTACTS

**Manushree Saggar**

+91 124 4545 316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Sumit Kumar Pramanik**

+91 22 6114 3462

[sumit.pramanik@icraindia.com](mailto:sumit.pramanik@icraindia.com)

**Swapnali Chauhan**

+91 22 6114 3410

[swapnali.chavan@icraindia.com](mailto:swapnali.chavan@icraindia.com)

**Sheetal Nayak**

+91 22 6114 3411

[sheetal.nayak@icraindia.com](mailto:sheetal.nayak@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3304

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## 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](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.