

September 23, 2025

## Svakarma Finance Private Limited: Provisional ratings assigned to PTCs backed by a pool of MSME roof top solar loans receivables

### Summary of rating action

Trust Name	Instrument*	Rated Amount (Rs. crore)	Rating Action
Radiant 09 2025	Series A1(a) PTCs	6.86	Provisional [ICRA]A-(SO); Assigned
	Series A1(b) PTCs	3.43	Provisional [ICRA]BBB+(SO); Assigned

\*Instrument details are provided in Annexure I

Rating in the absence of pending actions/documents	No ratings would have been assigned as it would not be meaningful
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### Rationale

The pass-through certificates (PTCs) are backed by a pool of MSME roof top solar (RTS) loan receivables originated by Svakarma Finance Private Limited (Svakarma/Originator) with an aggregate principal outstanding of Rs. 11.43 crore (pool receivables of Rs. 15.25 crore). Svakarma would be acting as the servicer for the transaction.

The provisional ratings are based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The provisional ratings are subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

### Transaction structure

As per the transaction structure, both Series A1(a) PTCs and Series A1(b) PTCs investors will receive the promised interest payouts each month on pari-passu basis. All the principal collections including prepayments would be passed on to Series A1(a) PTCs on an expected basis till the 'attachment month'. The 'attachment month' is defined as January 2029, the month till which the pool principal billing would be 1.6 times the Series A1(a) PTCs principal. Post the attachment month, all principal collections including prepayments would be 1.6 times the Series A1(a) PTCs principal. From attachment date, the expected principal to Series A1(a) PTCs and Series A1(b) PTCs will be on pari passu<sup>1</sup> basis of their respective amounts outstanding. The principal is promised to the investors for both series of PTCs (Series A1(a) PTCs and Series A1(b) PTCs) on the legal final maturity date of the tranches.

The credit enhancement for PTC Series A1a is available in the form of pool principal cover of 1.6 times over the PTC Series A1a principal and pool cashflow cover of ~2.0 times over the PTC Series A1a cashflows till the attachment month. For PTC Series A1b the credit enhancement is available in the form of subordination of 10.00% of the initial pool principal. In addition, there is excess interest spread (EIS) of 17.83% for both PTC Series A1a and PTC Series A1b. Further credit enhancement is available in the structure in the form of a CC of 10.00% of the initial pool principal, amounting to Rs. 1.14 crore, to be provided by the Originator (Svakarma). The CC will be used to meet shortfalls in promised payouts to PTC investors.

<sup>1</sup> Will be in the ratio of initial Principal outstanding of Series A1(a) [and Series A1(b)] to the sum of Series A1(a) and Series A1(b) for Series A1(a) [and Series A1(b) respectively]

## Key rating drivers and their description

### Credit strengths

**Granular pool with available credit enhancement** – The pool is granular, consisting of 379 contracts, with top 10 borrowers forming less than 6.5% 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 PTC payouts. Further as per the transaction structure, Series A1(a) PTCs would receive principal collections till the attachment date and thus the pool cashflow cover over Series A1(a) PTCs payouts is significantly high that supports the rating assigned to Series A1(a) PTCs.

**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. Further, none of the contracts in the pool have ever been delinquent post loan disbursement, thereby reflecting the borrowers' relatively better credit profile, which is a credit positive.

### Credit challenges

**Relatively new entrant in lending segment** – Svakarma is a new entrant in the NBFC and Roof top solar (RTS) space. It provides customized financial solutions to micro-enterprises. It initiated disbursement of the RTS loans in May 2023 and thus, the scale of operations and the vintage of the portfolio remain limited. Performance of the loans as they season further will be a key monitorable.

**High geographical concentration** – The pool has high geographical concentration with the top state, viz Uttar Pradesh contributing ~92% 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 6.00% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 2.4% to 9.0% 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.

### Liquidity position

#### Superior for Series A1(a) PTCs

The liquidity for the PTC instrument is superior after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~9.00 times the estimated loss in the pool.

## Strong for Series A1(b) PTCs

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

## Rating sensitivities

**Positive factors** – The rating could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the credit enhancement cover for the remaining payouts.

**Negative factors** – The sustained weak collection performance of the underlying pool (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 (Svakarma) could also exert pressure on the rating.

## Analytical approach

The rating action are based on the analysis of the performance of Svakarma's loan portfolio till June 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

## Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned ratings are provisional and would be converted into a final rating upon the execution of:

1. Trust deed
2. Assignment agreement
3. Power of Attorney
4. Legal opinion
5. Trustee letter
6. KYC Chartered Accountant's certificate
7. Any other documents executed for the transaction

## Validity of the provisional rating

The trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

## Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at [www.icra.in](http://www.icra.in).

## About the originator

Svakarma Finance Private Limited (SFPL) is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India, incorporated in November 2017. The company is focused on providing customized financial solutions to micro-enterprises across India. It was founded by seasoned professionals—Kalpana Iyer, Vivek Vig, Kaushik Mazumdar, and Anuradha Nadkarni, each with over three decades of experience in banking and financial services.

The company offers secured and partially secured loans, primarily for working capital and capital expenditure needs. In 2023, it launched the 'Suryakiran Loans' product to support rooftop solar installations.

As of June 30, 2025, SFPL Asset Under Management stood at Rs. 243.2 crore comprising of MSME loans (83%) and RTS (17%). The company operates across seven states through 19 districts locations with a team of ~250 employees.

## Key Financial Indicators (Standalone; audited)

	FY2023	FY2024	FY2025
Total income	27.9	54.0	14.5
Profit after tax	-4.6	-1.9	-1.3
Total managed assets	188.0	270.8	260.3
Gross stage 3	4.3%	7.1%	9.1%
CRAR	29.8%	26.1%	27.2%

Source: Company, ICRA Research

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

## Any other information: None

## Rating history for past three years

Trust Name	Current Rating (FY2026)			Chronology of Rating History for the Past 3 Years		
	Instrument	Amount Rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
			Sep 23, 2025			
Radiant 09 2025	Series A1(a) PTCs	6.86	Provisional [ICRA]A-(SO)	-	-	-
	Series A1(b) PTCs	3.43	Provisional [ICRA]BBB+(SO)	-	-	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1(a) PTCs	Moderately Complex
Series A1(b) PTCs	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

ISIN	Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
NA	Radiant 09 2025	Series A1(a) PTCs	September 23, 2025	12.25%	April 22, 2030	6.86	Provisional [ICRA]A-(SO)
NA		Series A1(b) PTCs	September 23, 2025	14.13%	April 22, 2030	3.43	Provisional [ICRA]BBB+(SO)

Source: Company

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

Not Applicable

## ANALYST CONTACTS

**Manushree Sagar**

+91 124 4545316

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

**Himanshi Doshi**

+91 22 6114 3410

[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

**Shruti Jain**

+91 22 6114 3414

[shruti.jain@icraindia.com](mailto:shruti.jain@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

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

**Ritu Rita**

+91 22 6114 3436

[ritu.rita@icraindia.com](mailto:ritu.rita@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6169 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)

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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.

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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



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