

October 30, 2025

Satin Finserv Limited: Rating confirmed as final for PTCs backed by secured business loan receivables issued by Bournville 06 2025

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Bournville 06 2025	Series A1 PTC	24.76	[ICRA]A(SO); provisional rating confirmed as final
	Equity Tranche	1.39	[ICRA]BBB+(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

ICRA had assigned a provisional rating to the pass-through certificates (PTCs) issued by Bournville 06 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. 27.82 crore (underlying pool receivables of Rs. 37.69 crore). SFL is also 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	Bournville 06 2025
Payout month	September 2025
Months post securitisation	3
Pool amortisation	8.53%
Series A1 PTC amortisation	9.81%
Equity Tranche amortisation	0.00%
Cumulative prepayment rate	0.32%
Cumulative collection efficiency ¹	97.61%
Loss-cum 0+ days past due (dpd) ²	4.80%
Loss cum 30+ dpd ³	2.11%
Loss cum 90+ dpd ⁴	0.51%
Cumulative cash collateral (CC) utilisation	0.00%

Transaction structure

The transaction has a two-tranche structure, wherein Equity Tranche 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

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

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

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

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

principal billed) to the outstanding Equity Tranche (principal payouts to Equity Tranche) on expected basis. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events, the 100% residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTCs till its full redemption. The event is triggered on the breach on any of the following conditions, i.e. (i) the cumulative collection efficiency in respect of the pool is less than 92.50% (including pre-payments) for any 2 consecutive payouts and/or, (ii) the PAR>90 of the Pool is more than 5.00% of the initial principal outstanding, (iii) rating downgrade of the Company by the Rating Agency

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 4.00% of the initial pool principal, amounting to Rs. 1.11 crore, provided by the Originator, (ii) subordination of 11.00% of the initial pool principal for Series A1 PTC and 6.00% of the initial pool principal for Equity Tranche, (iii) the EIS of 23.55% of the initial pool principal for Series A1 PTC and Equity Tranche.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 2,168 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 some amount 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. Further, as of the pool cutoff date, 100% of the pool principal have borrowers which have never been delinquent since disbursement, which is credit positive.

Contracts backed by self-occupied residential properties – The pool (100% 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 the SFL– SFL has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated a considerable track record of regular collections and recovery 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 ~61% 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 6.25%, with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% 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.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	Bournville 06 2025
Originator	Satin Finserv Limited
Servicer	Satin Finserv 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 the Series A1 PTC and the Equity Tranche 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 ~4.50 times and ~3.50 times the estimated loss in the pool for Series A1 PTC and Equity Tranche respectively.

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	Securitisation Transactions
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 SCNL. It offers micro, small and medium enterprise (MSME) loans (retail and wholesale). It had operations in 11 states as on June 30, 2025 and reported an AUM of Rs. 582 crore. On a standalone basis, it reported a net profit of Rs. 1.9 crore in Q1 FY2026 against Rs. 7.5 crore in FY2025.

SCNL is an NBFC-microfinance institution (NBFC-MFI), primarily offering joint liability group (JLG) loans to women. It had 1,487 branches spread across 27 States/ Union Territories, on a consolidated basis, as on June 30, 2025. Apart from SFL, SCNL has

three wholly-owned subsidiaries–Satin Housing Finance Limited, Satin Technologies Limited and Satin Growth Alternatives Limited.

Key financial indicators

Satin Finserv Limited	FY2024	FY2025	Q1FY2026^
Total income	121	127	38
Profit after tax	5	8	2
Total managed assets	643	687	707
Gross NPA (%)	4.3	4.8	3.9
CRAR (%)	48.0	37.6	36.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore; ^ Limited review financials for Q1 FY2026

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. N o.	Trust Name	Current Rating (FY2026)					Chronology of Rating History for the Past 3 Years		
		Instrument	Initial Rated Amount (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2026		Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
					Oct 30, 2025	July 03, 2025			
1	Bournville 06 2025	Series A1 PTC	24.76	24.76	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-	-
		Equity Tranche	1.39	1.39	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTC	Moderately Complex
Equity Tranche	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
Bournville 06 2025	Series A1 PTC	June 27, 2025	11.70%	October 17, 2028	24.76	[ICRA]A(SO)
	Equity Tranche		-		1.39	[ICRA]BBB+(SO)

Source: Company

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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