

December 22, 2025

Progfin Private Limited: Rating confirmed as final for PTCs backed by invoice financing receivables to be issued by Piastri 07 2025

Summary of rating action

Trust Name	Instrument*	Initial Rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Piastri 07 2025	Series A1 PTC	50.00	50.00	[ICRA]A1+(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

In July 2025, ICRA had assigned Provisional [ICRA]A1+(SO) rating to the pass-through certificates (PTCs) issued by Piastri 07 2025. The PTCs are backed by pool of invoice financing receivables originated by Progfin Private Limited {Progfin/Originator, rated [ICRA]BBB+ (Stable)} with an aggregate principal outstanding of Rs. 58.14 crore (pool receivables of Rs. 60.36 crore). Progfin would be 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	Piastri 07 2025
Payout month	November 2025
Months post securitisation	4
Pool amortisation	0.00%
PTC Series A1 amortisation	0.00%
Cumulative prepayment rate	>100%
Cumulative collection efficiency ¹	98.18%
Loss-cum-0+ days past due (dpd) ²	1.49%
Loss-cum-30+ dpd ³	0.89%
Loss-cum-90+ dpd ⁴	0.15%
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.

Replenishment period

The replenishment period will be for 180 days from the transaction commencement date. During this period, Series A1 PTC investors will receive only the promised interest payouts on a monthly basis and the balance pool collections will be used by

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

² Unbilled and overdue principal portion of delinquent contracts as a % of Initial pool principal

³ Unbilled and overdue principal portion of contracts delinquent for more than 30 days as a % of Initial pool principal

⁴ Unbilled and overdue principal portion of contracts delinquent for more than 90 days as a % of Initial pool principal

the trust to purchase fresh loan receivables as per the selection criteria such that the pool principal remains equal to the initial pool principal. The residual pool collections will flow back to the Originator on a monthly basis.

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 at any time during the replenishment period, then the tenure of the PTCs shall be reduced and be co-terminus with the remaining tenure of the pool of receivables assigned to the trust.

Amortisation period

Post the replenishment period, the residual pool collections will be utilised to repay Series A1 PTC. The monthly cash flow schedule will comprise of the promised interest payout for Series A1 PTC. The principal for Series A1 PTC 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 Series A1 PTC principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the aggregate amount, i.e. Rs. 2.91 crore, to be provided by the Originator, (ii) principal subordination of 14.00% of the initial pool principal for Series A1 PTC in form of an equity tranche and (iii) the entire excess interest spread (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 receivables should be unencumbered;
- All invoices are 'Accepted Invoices' of the obligors, and none of the obligors are subject to pending disputes or legal proceedings with respect to invoices;
- As on the cut-off date, there are no overdues in relation to any loan and all loans are classified as standard assets in the books of Originator as per the norms specified by RBI;
- As on the cut-off date, the minimum vintage of the Originator with the respective underlying borrower is Two repayment cycle;
- The balance tenor of the receivables is not more than 180 days. Further, none of the receivables assigned as part of replenishment to have due date beyond April 21, 2026.
- The borrowers/obligors should have CIBIL score of 700 or more;
- No borrower has peak dpd greater than 30 days during the vintage with Profin.
- Pool to contain at least 50 borrowers during the replenishment period.
- Top borrower concentration to be capped at 4%, the concentration of top 10 borrowers to be capped at 30% and the concentration of top 30 borrowers to be capped at 50%.
- Top state concentration in the pool to be capped at 40% of the initial pool principal.
- None of the borrowers should be from Agri Inputs or Mobile sector
- Loan amount greater than Rs. 2 crores to be excluded

Key trigger events for early amortisation

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

- Downgrade in the rating of the PTCs by the rating agency by a single notch;
- Downgrade in the rating of the servicer by the rating agency from the current level;
- Occurrence of a servicer's event of default as specified in the servicing agreement;
- More than 5% of the receivables are in overdue status for more than 15 days from the due date, calculated as on cut-off date for the replenishment pool;
- Failure to provide sufficient new underlying exposures qualifying for the eligibility criteria.
- The capital adequacy ratio of the Originator falls below 20%
- Pool cover falling below 0.80x (i.e. during the replenishment period the follow-on pool purchased should not be less than 80% of the principal collections + prepayment collections received for that collection period).

- If the CC is drawn even once during the tenure of the transaction
- Cumulative collection efficiency of the pool is less than 95% for any 2 consecutive payouts

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 4.0% 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.

Adequate servicing capability of the 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 a 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 both the initial and the follow-on pools 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. 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 that recovery from delinquent contracts tends 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	Piastr 07 2025
Originator	Progfin Private Limited
Servicer	Progfin Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	DCB Bank
Collection and payout account Bank	ICICI Bank Limited

Liquidity position: Strong

The liquidity for Series A1 PTC is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~3.5 times the estimated loss in the pool.

Rating sensitivities

Positive factors – Not applicable

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, fast-moving consumer goods (FMCGs) and emerging brands.

On a standalone basis, Progfin reported a profit after tax (PAT) of Rs. 12 crore on total income of Rs. 258 crore in FY2025 compared to Rs. 3 crore and Rs. 109 crore, respectively, in FY2024. The PAT for the quarter ended June 30, 2025 stood at Rs. 5 crore on total income of Rs. 80 crore. The assets under management (AUM) stood at Rs. 1,640 crore as on June 30, 2025, comprising dealer financing (70%) and working capital term loans (30%).

Progfin Private Limited (standalone)	FY2024	FY2025	Q1 FY2026
	Audited	Audited	Provisional
Total income	109	258	80

Progfin Private Limited (standalone)	FY2024	FY2025	Q1 FY2026
	Audited	Audited	Provisional
Profit after tax	3	12	5
Total managed assets	1,215	2,133	1,920
CRAR*	45.2%	40.3%	41.5%
GNPA/Gross stage 3*	1.5%	1.1%	1.9%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; * CRAR and asset quality indicators pertain to Progfin
Total managed assets = Total assets + Impairment loss allowance on gross loans + Off-balance sheet advances

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
			December 22, 2025	August 07, 2025		
Piastri 07 2025	Series A1 PTC	50.00	[ICRA]A1+(SO)	Provisional [ICRA]A1+(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTC	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
Piastri 07 2025	Series A1 PTC	July 31, 2025	11.00%	July 21, 2026	50.00	[ICRA]A1+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Branches



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