

December 22, 2025 (Revised)

Protium Finance Limited: Rating reaffirmed for SNs issued under secured MSME (LAP) and machinery loan receivables securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Turiya BL - 2310	Series A1 SNs	51.35	29.71	16.20	[ICRA]AA+(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The securitisation notes (SNs) are backed by pool of secured micro, small and medium enterprise (MSME) loan against property (LAP) and machinery loan receivables originated by Protium Finance Limited (Protium/Originator). Protium is also servicer for the rated transaction.

The rating has been reaffirmed for the pool on account of the healthy collections with higher pool amortisation, which has led to a significant build-up of the credit enhancement cover over the future SN payouts in the transaction. The rating also draws comfort from the fact that the breakeven collection efficiency is comfortably lower as compared to the actual collection level observed in the pool till the November 2025 payout month.

Pool performance summary

Parameter	Turiya BL – 2310
Payout month	November 2025
Months post securitisation	25
Pool amortisation	63.0%
SN amortisation	68.8%
Cumulative collection efficiency ¹	95.5%
Cumulative prepayment rate	34.1%
Loss-cum-30+ dpd ² (% of initial pool)	6.8%
Loss-cum-90+ dpd ³ (% of initial pool)	5.3%
Cumulative CC utilisation	0.0%
Breakeven collection efficiency ⁴	53.4%
CC (% of balance pool)	13.5%
Principal subordination (% of balance pool) ⁵	19.8%
Excess interest spread (EIS; % of balance pool) ⁶	33.3%

¹ (Cumulative current and overdue collections till date)/Cumulative billing till date

² Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

³ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

⁴ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

⁵ (Pool principal – SN principal) / Pool principal outstanding

⁶ (Pool Cash flows – SN Cash flows) / Pool Principal outstanding

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout and principal payout (94.00% of the pool principal billed). The balance principal (6.00% of the pool principal billed) is expected to be paid on a monthly basis until the maturity of Series A1 SN. The residual cash flows from the pool, after meeting the promised and expected payouts, will be used for the prepayment of SN principal. However incase PAR -90⁷ exceeds 4% of the initial pool principal, then the EIS will be used towards the repayment of the principal of Series A1 SNs until the same is outstanding. Any prepayment in the pool would be used for the prepayment of SN principal.

Key rating drivers and their description

Credit strengths

Healthy collections in the pool – The pool has reported healthy collection efficiency with cumulative collection efficiency of ~95% as on November 2025 payout month.

Build-up of credit enhancement – This rating exercise factors in the build-up of credit enhancement with cash collateral increasing to ~13.53% of the balance pool principal as compared to 8.28% at the time of the previous rating exercise and 5% at the time of initial rating exercise. Internal credit support is available through cash collateral, principal subordination and excess interest spread (EIS).

Adequate servicing capability of Protium Finance Limited - The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of being ~7 years in the business with regular collections and recovery trend across a wide geography.

Credit challenges

Basis rate risk - SN Yield for the pool is linked to an external benchmark while interest rate on the underlying loans is linked to originator's lending rate, which leads to a basis risk in the structure.

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.

⁷ (principal outstanding of loans having one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due for more than 90 days + total overdue amount of 90+ DPD of there loans)/(total initial principal outstanding of all these loans as on the pool cut-off date).

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 4.00% for the pool. The average prepayment rate for the underlying pool is modelled in the range of 6.0% to 20.0% per annum for both the pools. 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 transactions are as follows:

Transaction Name	Turiya BL – 2310
Originator	Protium Finance Limited
Servicer	Protium Finance Limited
Trustee	Catalyst Trusteeship Limited
CC bank	ICICI Bank
Collection and payout account bank	ICICI Bank

Liquidity position: Strong

The liquidity for SNs is strong for the pool after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement would be ~4.5 times the estimated loss for the pool.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >90%), leading to lower-than-expected delinquency levels and lower credit enhancement utilisation levels, 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 (PFL) could also exert pressure on the ratings.

Analytical approach

The rating action is based on the analysis of the performance of Protium Finance Limited’s portfolio till September 2025, the present delinquency levels and the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

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

About the originator

Protium Finance Limited (Protium) is a systemically important non-deposit taking (ND-SI) non-banking finance company (NBFC) registered with the Reserve Bank of India (RBI). The company was incorporated in 2019 as Growth Source Financial Technologies Limited and was rechristened Protium Finance Limited in June 2022. Protium is engaged in providing secured

and unsecured loans to MSME, educational institution & hospital funding, consumer loans and small financial institutional funding. The total Assets Under Management (AUM) as on September 2025 stood at Rs. 8,675 crore as against AUM of Rs. 2,908 crore as on March 2023. The company operates through a network of 123 branches spread across 16 states as on September, 2025.

Key Financial Indicators

	FY2024	FY2025	H1FY2026
Total Income	728.96	1,033.14	626.18
Profit After Tax	115.3	171	77.9
Assets Under Management	4,941.92	7,333.93	8,675.38
Gross stage 3	1.64%	2.41%	2.26%
CRAR	57.86%	45.68%	37.77%

Source: Company, Amount in Rs. crores

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Trust Name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years						
			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
					Dec 22, 2025	Dec 19, 2024	Jan 23, 2024	Nov 07, 2023	Nov 07, 2023		
1	Turiya BL - 2310	Series A1 SNs	51.35	16.20	[ICRA]AA+(SO)	[ICRA]AA+(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-	-	

Complexity level of the rated instruments

Instrument	Complexity Indicator
Series A1 SNs	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	Current Amount Rated (Rs. crore)	Current Rating
Turiya BL -2310	Series A1 SNs	November 10, 2023	8.30%	November 12, 2034	16.20	[ICRA]AA+(SO)

Source: Company; *floating linked to investor's 1 year MCLR minus fixed spread of 5 bps

Annexure II: List of entities considered for consolidated analysis

Not Applicable

Corrigendum:

Document dated December 22, 2025, has been corrected with revisions as detailed below:

Revisions are made in About the Originator section of the document

Revision made:

“The total Assets Under Management (AUM) as on September 2025 stood at Rs. 8,675 crore as against AUM of Rs. 2,908 crore as on March 2023. The company operates through a network of 123 branches spread across 16 states as on September, 2025.”

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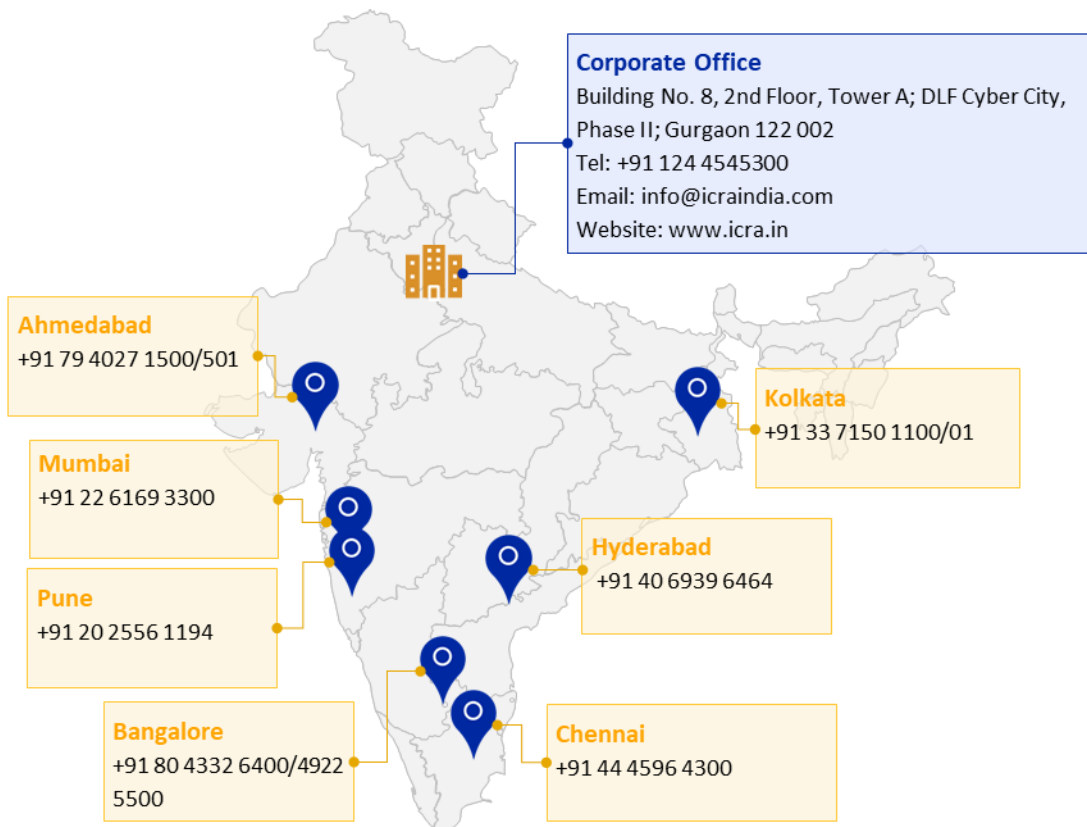


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