

December 31, 2025

Satin Finserv Limited: Provisional [ICRA]A(SO) assigned to Series A1 PTC and Provisional [ICRA]BBB+(SO) assigned to Equity Tranche backed by secured business loan receivables issued by Marigold 12 2025

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Marigold 12 2025	Series A1 PTC	33.29	Provisional [ICRA]A(SO); Assigned
	Equity Tranche	1.87	Provisional [ICRA]BBB+(SO); Assigned

**Instrument details are provided in Annexure I*

Rating in the absence of pending actions/documents	No rating 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 secured business loan receivables originated by Satin Finserv Limited {SFL/Originator; rated [ICRA]A- (Stable)} with an aggregate principal outstanding of Rs. 37.41 crore (underlying pool receivables of Rs. 50.12 crore). SFL would also act 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

The transaction has a two-tranche structure, where in 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 surplus 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 such as 90+DPD of the pool crossing 5.0% of the initial pool principal, collection efficiency in respect of the pool less than 90.00% for any 2 consecutive payouts, etc, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTCs. 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 principal billed) to the outstanding Equity Tranche 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.

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. 1.87 crore, to be 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 22.76% 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 2,976 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.

Contracts backed by self-occupied residential properties – The pool (~99% 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 Satin Finserv – 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 ~69% 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% 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.

Liquidity position:

For Series A1 PTC and Equity Tranche- Strong

The liquidity for the instruments 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 and ~3.75 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 rating.

Analytical approach

The rating action is based on the analysis of the performance of SFL's portfolio till September 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	Rating Methodology for Securitisation Transactions
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 rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Legal opinion
4. Trustee letter
5. Auditor's certificate
6. 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.

About the originator

SCNL, set up in 1990 to provide individual business loans to urban shopkeepers, started providing group lending services to the rural poor in 2008. It was registered with the Reserve Bank of India (RBI) as a deposit-taking NBFC under the name, Satin Leasing and Finance Company Limited. Following its conversion into a public limited company in 1994, the company was renamed Satin Creditcare Network Ltd. in 2000. It stopped accepting public deposits from November 2004 and the RBI changed its classification to Category B (non-deposit taking) from Category A (deposit-taking) in February 2009 and converted it into an NBFC-microfinance institution (NBFC-MFI) in November 2013. SCNL is listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

SCNL has four wholly owned subsidiaries, namely, Satin Housing Finance Limited (SHFL; NBFC-HFC), Satin Finserv Limited (SFL; NBFC), Satin Technologies Limited and Satin Growth Alternatives Limited. Through its subsidiaries the group offers housing loans, LAP, MSME loans to wholesale and retail borrowers and also acts as BC to various lenders from SFL.

Key financial indicators

Satin Finserv Limited	FY2024	FY2025	H1FY2026
Total income	121	127	79
PAT	5	8	2
Total managed assets	643	687	754
Gross NPA (%)	4.3	4.8	4.6
CRAR (%)	48.0	37.6	32.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore

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
					December 31, 2025	-	-	-
1	Marigold 12 2025	Series A1 PTC	33.29	33.29	Provisional [ICRA]A(SO)	-	-	-
		Equity Tranche	1.87	1.87	Provisional [ICRA]BBB+(SO)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTC	Highly Complex
Equity Tranche	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	Date of Issuance/ Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
Marigold 12 2025	Series A1 PTC	December 26, 2025	11.50%	June 17, 2029	33.29	Provisional [ICRA]A(SO)
	Equity Tranche		-	June 17, 2029	1.87	Provisional [ICRA]BBB+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

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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

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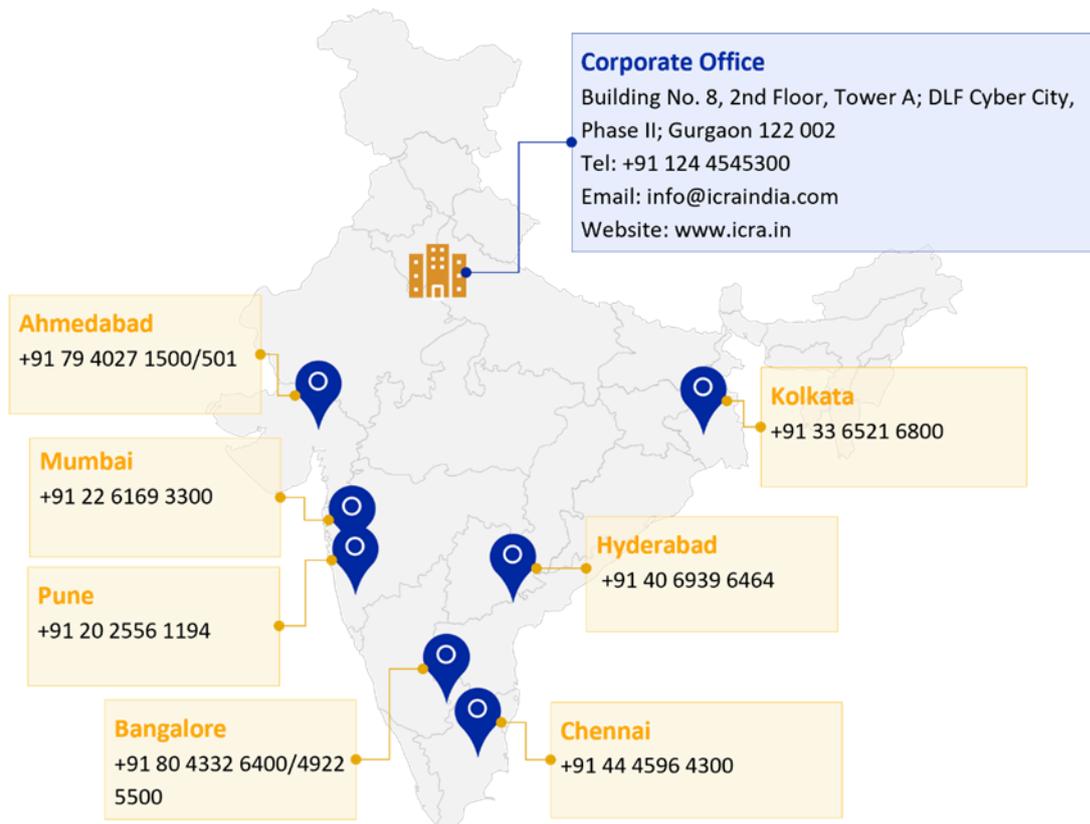


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