

February 25, 2026

## Svatantra Microfin Private Limited: Rating confirmed as final for PTCs backed by microfinance loan receivables issued by Vakratunda Sep-25

### Summary of rating action

Trust name	Instrument*	Initial Rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Vakratunda Sep-25	PTC Series A1	209.08	209.08	[ICRA]AA+(SO); provisional rating confirmed as final

\*Instrument details are provided in Annexure-I

### Rationale

In September 2025, ICRA had assigned Provisional [ICRA]AA+(SO) rating to Pass Through Certificate (PTC) Series A1, issued by Vakratunda Sep-25. The PTCs are backed by a pool of a microfinance loan receivables originated by Svatantra Microfin Private Limited (SMPL) with an aggregate principal outstanding of Rs 240.32 crore (pool receivables of Rs 286.06 crore). SMPL 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	Vakratunda Sep-25
Payout month	February 2026
Months post securitisation	5
Pool amortisation	27.35%
PTC Series A1 amortisation	31.37%
Cumulative prepayment rate	1.36%
Cumulative collection efficiency <sup>[1]</sup>	99.39%
Loss-cum-0+ days past due (dpd) <sup>[2]</sup>	1.08%
Loss-cum-30+ dpd <sup>[3]</sup>	0.80%
Loss-cum-90+ dpd <sup>[4]</sup>	0.33%
Cumulative cash collateral utilisation	0.00%

<sup>[1]</sup>  $(\text{Cumulative current collections and overdue collections}) / (\text{Cumulative billings} + \text{Opening overdues at the time of securitisation})$

<sup>[2]</sup> Unbilled and overdue principal portion of delinquent contracts as a % of Initial pool principal

<sup>[3]</sup> Unbilled and overdue principal portion of contracts delinquent for more than 30 days as a % of Initial pool principal

<sup>[4]</sup> Unbilled and overdue principal portion of contracts delinquent for more than 90 days as a % of Initial pool principal

### Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, will be flow back to the originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal. The transaction has certain trigger events defined, on occurrence of which the residual cash flows would be passed on to PTC Series A1

investors.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 6.50% of the initial pool principal, amounting to Rs. 15.62 crore, to be provided by the Originator, (ii) principal subordination of 13.00% of the initial pool principal for PTC Series A1 and (iii) the excess interest spread (EIS) of 14.32% of the initial pool principal for PTC Series A1.

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is granular, consisting of 61,207 contracts with no contract exceeding 0.01% 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.

**Seasoned contracts in the pool** – The pool has amortised by almost 27% as on the cut-off date with no delinquencies seen in any of the contracts, post loan disbursement, thereby reflecting the borrowers' relatively better credit profile.

**Adequate servicing capability of the originator** – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections across a wide geography.

### Credit challenges

**High geographical concentration** – The pool has high geographical concentration with the top 3 states, viz. Bihar, Maharashtra and Uttar Pradesh contributing ~57% 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. Nonetheless, the contracts are well-diversified across multiple districts with the top 10 districts constituting ~18% of the initial pool amount, which alleviates the concentration risk to some extent.

**Risks associated with lending business** – The pool 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. The performance of microfinance loans would also be exposed to political and communal risks.

**Increasing delinquencies in microfinance sector** – The microfinance sector has seen a decline in collections and consequently rise in delinquencies since the previous fiscal on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in collection teams. Any sustained impact of these factors on the collections from the pool would be a monitorable.

## 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 4.25% of the initial pool with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3% to 9% 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	Vakratunda Sep-25
Originator	Svatantra Microfin Private Limited
Servicer	Svatantra Microfin Private Limited
Trustee	Axis Trustee Servies Limited
CC holding Bank	Axis Bank Limited
Collection and payout account Bank	Axis Bank Limited

### Liquidity position: Superior

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement is around 6.75 times the estimated loss in the pool.

### 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 (SMPL) could also exert pressure on the rating.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</a>
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

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.

### About the originator

Svatantra Microfin Private Limited (Svatantra Microfin), promoted by Ms. Ananyashree Birla, was incorporated in 2012 and started microfinance operations in March 2013. It is registered with the Reserve Bank of India (RBI) as an NBFC-MFI. It provides microcredit to women borrowers, for income-generating activities, under the joint liability group (JLG) lending model. As on March 31, 2025, Svatantra had operations in 19 states through a network of 996 branches spread across 349 districts, catering to more than 21 lakh borrowers with a managed loan portfolio of Rs. 7,309 crore as on March 31, 2025 (Rs. 7,725 crore as on March 31, 2024). The operations are fairly diversified geographically with the top 3 states comprising 48% of the AUM as on March 31, 2025.

### Key financial indicators (audited)

Particulars	FY2023	FY2024	FY2025
<b>Total income</b>	1,396	1,758	1,643
<b>PAT</b>	130.0	226.0	159.0
<b>Gross Loan Portfolio (Rs. crore)</b>	7,499	7,725	7,309
<b>Gross NPA</b>	5.0%	3.1%	4.1%
<b>CRAR</b>	22.3%	18.5%	29.8%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. Crore;

### Status of non-cooperation with previous CRA

Not applicable

### Any other information

None

**Rating history for past three years**

Sr. no.	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
				February 25, 2026	September 23, 2025			
1	Vakratunda Sep-25	PTC Series A1	209.08	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
PTC Series A1	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

ISIN	Trust name	Instrument	Date of issuance / sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
NA	Vakratunda Sep-25	PTC Series A1	September 18, 2025	7.90%	July 12, 2027	209.08	[ICRA]AA+(SO)

Source: Company

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

Not Applicable

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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.

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](http://www.icra.in)

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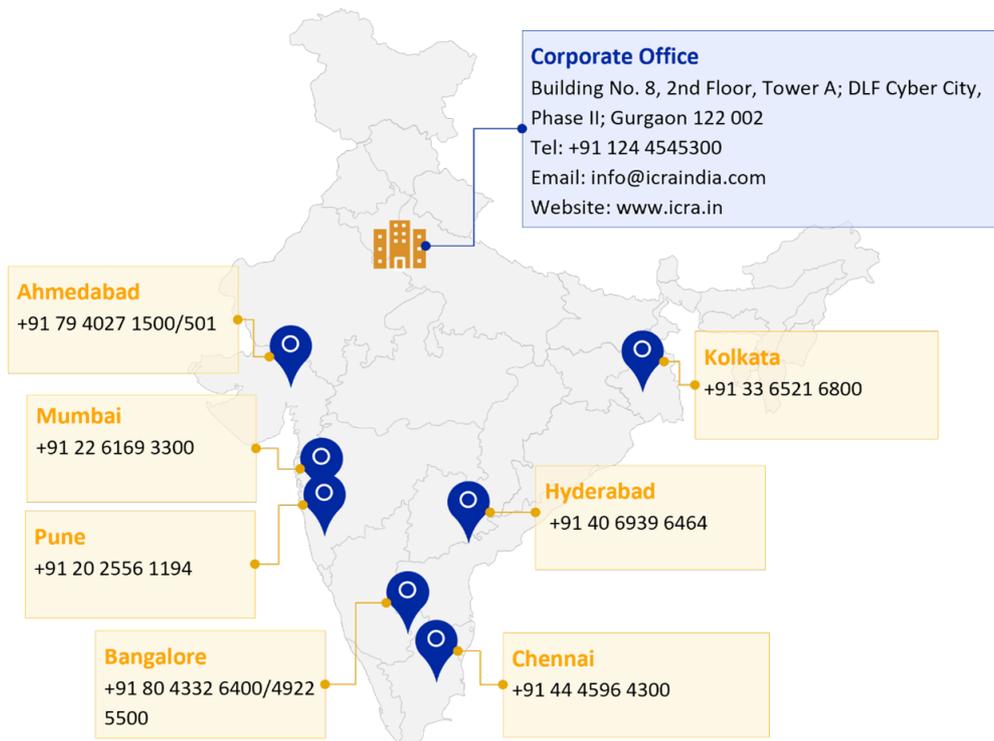


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