

March 30, 2026

Protium Finance Limited: Rating reaffirmed for PTCs issued under secured MSME (LAP) 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 LAP 241001	Series A PTCs	42.91	42.91	18.22	[ICRA]AA+(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

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

The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of amortisation of the pool. 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 February 2026 payout month.

Pool performance summary

Parameter	Turiya LAP 241001
Payout month	February 2026
Months post securitisation	16
Pool amortisation	39.4%
PTC amortisation	57.5%
Cumulative collection efficiency ¹	97.1%
Cumulative prepayment rate	25.2%
Loss-cum-30+ dpd ² (% of initial pool)	3.8%
Loss-cum-90+ dpd ³ (% of initial pool)	2.8%
Cumulative CC utilisation	0.0%
Breakeven collection efficiency ⁴	38.7%
CC (% of balance pool)	14.29%
Principal subordination (% of balance pool) ⁵	33.39%
Excess interest spread (EIS; % of balance pool) ⁶	47.00%

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 – PTC principal) / Pool principal outstanding

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

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 used for the prepayment of PTC principal. Any prepayment in the pool would be used for the prepayment of PTC principal.

Key rating drivers and their description

Credit strengths

Substantial credit enhancement available in the structure– Significant buildup of credit enhancement with cash collateral increasing to ~13% of the balance pool principal as compared to ~8% at the time of initial rating. Internal credit support is also available through principal subordination and excess interest spread (EIS).

Healthy pool performance – The pool has reported healthy collection efficiency with cumulative collection efficiency of above ~97.1% as on February 2026 payout month. The has reported loss cum 90+ dpd 2.8% as on February 2026 payout month. The break-even collection efficiency has also declined to ~38.7% for the transaction.

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 ~7 years of regular collections and recovery across a wide geography.

Credit challenges

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.

Interest rate risk in the transaction-The yield on Series A PTCs is fixed and the pool yield is floating linked to the originator's benchmark rate. Hence, the transaction is exposed to interest rate risk and any adverse movement in the benchmark yield is likely to reduce the EIS available in the transaction.

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 4.50% 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 the pool. 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	Turiya LAP – 241001
Originator	Protium Finance Limited
Servicer	Protium Finance Limited
Trustee	Catalyst Trusteeship Limited
CC holding Bank	DBS Bank India Limited
Collection and payout account Bank	DBS Bank India Limited

Liquidity position: Superior

The liquidity for PTCs is superior after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement would be more than 10 times the estimated loss for the pool.

Rating sensitivities

Positive factors – The rating could be upgraded on the sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and on an increase in the cover available for future investor payouts from the CE along with an improvement in the credit profile of originator.

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 (Protium) 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 pool till January 2026 (collection month), 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

Protium Finance Limited	FY2024	FY2025	H1FY2026
Total Income	728.96	1,033.14	626.18
Profit After Tax	115.3	171	77.94
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
					March 30, 2026	March 12, 2025	November 07, 2024	-	-
1	Turiya LAP 241001	Series A PTCs	42.91	18.22	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional; [ICRA]AA+(SO)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Series A PTCs	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 LAP 241001	Series A PTCs	October 29, 2024	8.60%	October 10, 2034	18.22	[ICRA]AA+(SO)

Source: Company; *Fixed

Annexure II: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Manushree Sagar

+91-124-4545316

manushrees@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Anubhav Agarwal

+91 22 6114 3410

anubhav.agrawal@icraindia.com

Ritu Rita

+91 22 6114 3409

ritu.rita@icraindia.com

Harsh Lohia

+91 22 6114 42404

harsh.lohia@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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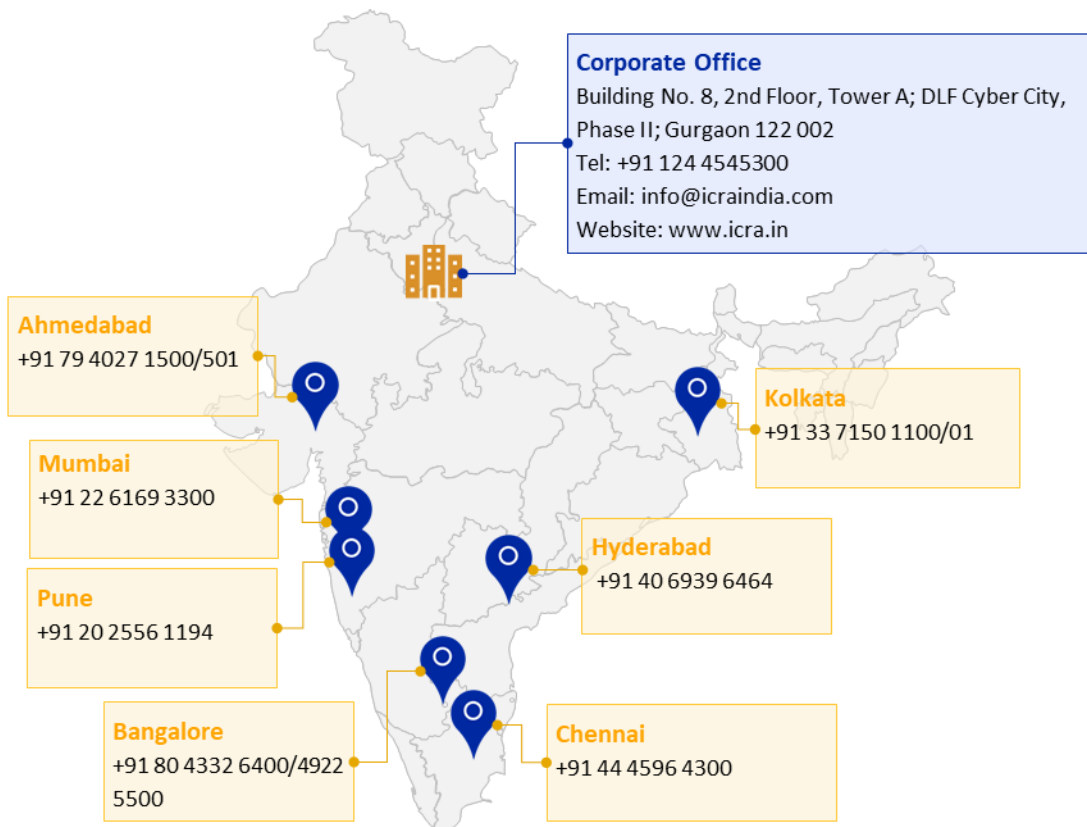


Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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