

April 16, 2026

Jacinth Finvest Limited: Rating upgraded for PTCs issued under unsecured MSME loan receivables securitisation transaction

Summary of rating action

| Trust Name | Instrument* | Initial Amount Rated (Rs. crore) | Amount O/s after last surveillance (Rs. crore) | Current Amount Rated (Rs. crore) | Rating Action |
|--------------------|--------------|----------------------------------|--|----------------------------------|---|
| Emerald March 2025 | Series A1 SN | 5.09 | NA | 2.26 | [ICRA]BBB+(SO); upgraded from [ICRA]BBB(SO) |

*Instrument details are provided in Annexure II

Rationale

The pass-through certificates (PTCs) are backed by a pool of unsecured MSME loan receivables originated by Jacinth Finvest Limited (JFL/Originator). JFL is also the servicer for the rated transaction.

The rating has been upgraded on account of the build-up of the credit enhancement cover over the future PTC payouts on account of pool amortisation and low expected balance tenor of the PTCs. The rating draws comfort from the fact that the breakeven collection efficiency is lower compared to the actual collection levels observed in the pool till the March 2026 payout month.

Pool performance summary

| Parameter | Emerald March 2025 |
|---|--------------------|
| Payout month | March 2026 |
| Months post securitisation | 12 |
| Pool amortisation | 55.3% |
| Series A1 SN amortisation | 55.5% |
| Cumulative collection efficiency ¹ | 99.3% |
| Loss-cum-30+ days past due (dpd ² ; % of initial pool) | 1.3% |
| Loss-cum-90+ dpd ³ (% of initial pool) | 0.7% |
| Cumulative cash collateral (CC) utilisation | 0.0% |
| CC available (as % of balance pool) | 15.7% |
| Excess interest spread (EIS ⁴ ; % of balance pool) | |
| Series A1 SN | 4.4% |
| Principal subordination (% of balance pool) | |
| Series A1 SN | 10.4% |
| Breakeven collection efficiency ⁵ | |
| Series A1 SN | 72.2% |

¹ (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

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

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

⁴ (Pool cash flows – Cash flows to PTC investors – Originator's residual share)/Pool principal outstanding

⁵ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

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 (90% 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 the Series A1 SN principal. The transaction has certain trigger events defined, on occurrence of which the residual cash flows would be passed on to Series A1 SN investors.

Key rating drivers and their description

Credit strengths

Build-up of credit enhancement – The rating factors in the build-up in the credit enhancement with the CC increasing to 15.7% of the balance pool principal from 7.0% at the time of securitisation. Credit support is also available through EIS of 4.4% and subordination of ~10% of the balance pool principal.

Healthy pool performance – The pool's performance has been healthy with a cumulative collection efficiency of ~99% as on March 2026 payout, which has resulted in lower delinquency with the 90+ days past due (dpd) at 0.7%. The break-even collection efficiency is lower than the actual collections seen in the pool. Further, there have been no instances of cash collateral utilisation for the pool till date owing to healthy collection performance and the presence of EIS in the transaction.

Adequate servicing capability of Jacinth – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated long 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 1 state, viz. Andhra Pradesh contributing ~78% to the balance 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. The pool is 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 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 their tenure at 2.75% of the initial pool principal with certain variability around it. The average prepayment rate for the pool is modelled in the range of 4.8% to 18.0% 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 are as follows:

| Transaction Name | Emerald March 2025 |
|------------------------------------|-------------------------------|
| Originator | Jacinth Finvest Limited |
| Servicer | Jacinth Finvest Limited |
| Trustee | Axis Trustee Services Limited |
| CC bank | Union Bank of India |
| Collection and payout account bank | ICICI Bank Limited |

Liquidity position: Strong

The liquidity for Series A1 SN is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~4.75 times the estimated loss in the pool.

Rating sensitivities

Positive/Negative factors – Rating is unlikely to be revised given the shorter expected balance tenure of the PTCs.

Analytical approach

The rating action is based on the performance of the pool till the March 2026 payout month (February 2026 collection month), the present delinquency profile of the pool, the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Securitisation Transactions |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Not applicable |

About the originator

Jacinth Finvest Limited (Jacinth / Originator) is registered with the Reserve Bank of India as non-deposit taking Non-Banking Financial Company serving the micro and small businesses segment since 2007. Jacinth Investments and Consultancy Services Private Limited was established in 2006 and later the name was changed to Jacinth Finvest Limited in 2007. It is co-founded and promoted by Dr. Udaia Kumar who is also co-founder of Share Microfin Limited. The company lends loans to MSEs (Micro and Small Enterprises) services to scale up and grow their business.

Key financial indicators (Audited)

| JFL | FY2024 | FY2025 | 9M FY2026* |
|----------------------|--------|--------|------------|
| Total income | 14.3 | 20.1 | 22.5 |
| Profit after tax | 2.5 | 2.6 | 2.4 |
| Total managed assets | 127.10 | 174.3 | 212.0 |
| GNPA^ | 6.4% | 2.0% | 1.7% |
| CRAR | 57.3% | 41.8% | 36.6% |

Source: Company data; Amount in Rs. crore; *Provisional numbers; ^on book

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Trust name | Instrument | Current rating (FY2027) | | Chronology of rating history for the past 3 years | | | |
|---------------------------|--------------|----------------------------------|----------------------------------|---|-------------------------|---------------------------|-------------------------|
| | | Initial rated amount (Rs. crore) | Current rated amount (Rs. crore) | Date & rating in FY2027 | Date & rating in FY2026 | Date & rating in FY2025 | Date & rating in FY2024 |
| | | | | April 16, 2026 | July 18, 2025 | March 29, 2025 | - |
| Emerald March 2025 | Series A1 SN | 5.09 | 2.26 | [ICRA]BBB+(SO) | [ICRA]BBB(SO) | Provisional [ICRA]BBB(SO) | - |

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Instrument | FSR |
|---------|--|--|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |
| 16 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%)These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Activity Name | FSR |
|---------|--|------|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|--------------|----------------------|
| Series A1 SN | 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 II: Instrument details

| Trust Name | Instrument Type | Date of Issuance | Coupon Rate (p.a.p.m.) | Maturity Date | Amount Rated (Rs. crore) | Current Rating |
|---------------------------|-----------------|------------------|---------------------------|------------------|-----------------------------|----------------|
| Emerald March 2025 | Series A1 SN | March 27, 2025 | 15.50% | January 11, 2027 | 2.26 | [ICRA]BBB+(SO) |

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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