

May 22, 2026

## Satin Finserv Limited: Provisional [ICRA]A(SO) assigned to Series A1 PTCs and Provisional [ICRA]BBB+(SO) assigned to Series A2 PTCs backed by secured business loan receivables issued by Nezuko Trust 2026

### Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
Nezuko Trust 2026	Series A1 PTCs	37.62	Provisional [ICRA]A(SO); assigned
	Series A2 PTCs	2.57	Provisional [ICRA]BBB+(SO); assigned

\*Instrument details are provided in Annexure II

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)/[ICRA]A2+} with an aggregate principal outstanding of Rs. 42.75 crore (underlying pool receivables of Rs. 58.55 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, wherein Series A2 PTCs are subordinate to Series A1 PTCs. 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. 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 Series A2 PTCs 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 PTC principal. However, on the occurrence of predefined trigger events, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTCs.

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. 2.14 crore, to be provided by the Originator, (ii) subordination of 12.00% of the initial pool principal for Series A1 PTCs and 6.00% of the initial pool principal for Series A2 PTCs, and (iii) the EIS of 25.97% of the initial pool principal for Series A1 and A2 PTCs.

### Key rating drivers and their description

#### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is granular, consisting of 3,396 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 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. Further, the entire pool principal consists of borrowers who have never been delinquent since disbursement, which is a credit positive.

**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 SFL** – SFL has adequate processes for servicing the loan accounts in the securitised pool. It has a considerable track record of regular collections and recoveries 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. Uttar Pradesh Bihar and Punjab, contributing ~56% 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 macroeconomic 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 ratings for the instruments.

### Liquidity position: 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 credit enhancement would be ~5.00 times and ~4.00 times the estimated loss in the pool for Series A1 PTCs and Series A2 PTCs 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 ratings.

### Analytical approach

The rating action is based on the analysis of the performance of SFL’s portfolio till March 2026, 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	<a href="#">Rating Methodology for Securitisation Transactions</a>
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 ratings are provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Power of attorney
4. Legal opinion
5. Trustee letter
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](http://www.icra.in).

### About the originator

SFL is a non-banking financial company (NBFC) and a wholly-owned subsidiary of Satin Creditcare Network Limited (SCNL). It offers micro, small and medium enterprise (MSME) loans (retail and wholesale). It had operations in 11 states as on December 31, 2025 and reported assets under management (AUM) of Rs. 759 crore. On a standalone basis, it reported a net profit of Rs. 3.1 crore in 9M FY2026 compared to Rs. 7.5 crore in FY2025.

SCNL is an NBFC-microfinance institution (NBFC-MFI), primarily offering joint liability group (JLG) loans to women. Apart from SFL, SCNL has three wholly-owned subsidiaries – Satin Housing Finance Limited, Satin Technologies Limited and Satin Growth Alternatives Limit.

### Key financial indicators

Satin Finserv Limited	FY2024	FY2025	9M FY2026 <sup>^</sup>
Total income	121	127	125
PAT	5	8	3
Total managed assets	643	687	935
Gross NPA (%)	4.3	4.8	4.7
CRAR (%)	48.0	37.6	36.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore; <sup>^</sup> Limited review financials for 9M FY2026

### 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 (FY2027)		Chronology of rating history for the past 3 years			
			Initial rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	
1	Nezuko Trust 2026	Series A1 PTCs	37.62	May 22, 2026 Provisional [ICRA]A(SO)	-	-	-	-
		Series A2 PTCs	2.57	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 PTCs	Highly Complex
Series A2 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 II: Instrument details**

Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
<b>Nezuko Trust 2026</b>	Series A1 PTCs	May 19, 2026	10.95%	October 24, 2029	37.62	Provisional [ICRA]A(SO)
	Series A2 PTCs		-	October 24, 2029	2.57	Provisional [ICRA]BBB+(SO)

Source: Company

**Annexure III: List of entities considered for consolidated analysis**

Not applicable

## ANALYST CONTACTS

**Manushree Saggur**

+91 124 4545 316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Sumit Pramanik**

+91 22 6114 3462

[sumit.pramanik@icraindia.com](mailto:sumit.pramanik@icraindia.com)

**Sheetal Nayak**

+91 22 6114 3411

[sheetal.nayak@icraindia.com](mailto:sheetal.nayak@icraindia.com)

**Swapnali Chavan**

+91 22 6114 3412

[swapnali.chavan@icraindia.com](mailto:swapnali.chavan@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6169 3304

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

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

[info@icraindia.com](mailto:info@icraindia.com)

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

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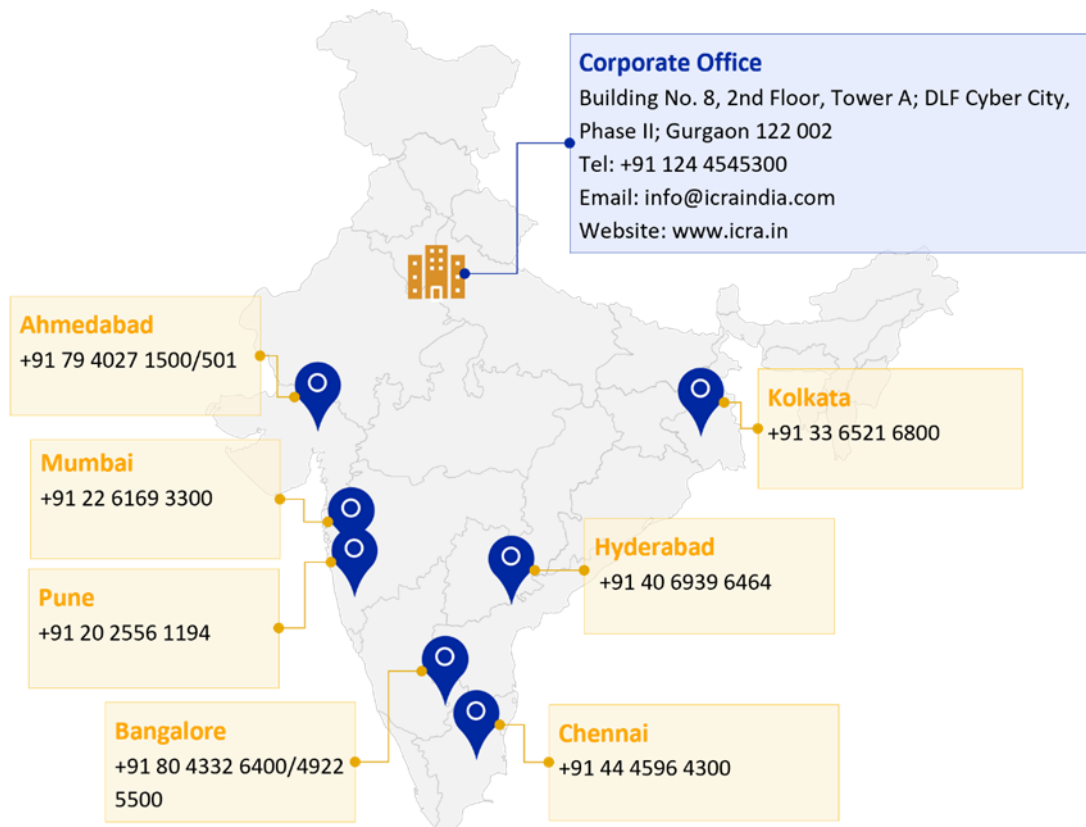


### Registered Office

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



### Branches



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