

May 25, 2026

## Progfin Private Limited: Rating confirmed as final for PTCs backed by invoice financing receivables to be issued by Cerulean 01 2026

### Summary of rating action

Trust Name	Instrument*	Initial Rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Cerulean 01 2026	Series A1 PTC	37.89	37.89	[ICRA]A1+(SO); provisional rating confirmed as final

\*Instrument details are provided in Annexure II

### Rationale

In February 2026, ICRA had assigned Provisional [ICRA]A1+(SO) rating to the pass-through certificates (PTCs) issued by Cerulean 01 2026. The PTCs are backed by pool of invoice financing receivables originated by Progfin Private Limited {Progfin/Originator, rated [ICRA]BBB+(Stable)/[ICRA]A2} with an aggregate principal outstanding of Rs. 44.06 crore (pool receivables of Rs. 45.48 crore). Progfin 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	Cerulean 01 2026
Payout month	April 2026
Months post securitisation	3
Pool amortisation	Nil
PTC Series A1 amortisation	Nil
Cumulative prepayment rate	>100%
Cumulative collection efficiency <sup>1</sup>	96.06%
Loss-cum-0+ days past due (dpd) <sup>2</sup>	1.79%
Loss-cum-30+ dpd <sup>3</sup>	0.32%
Loss-cum-90+ dpd <sup>4</sup>	0.00%
Cumulative cash collateral utilisation	0.00%

### Transaction structure

As per the transaction structure, the tenure of the pool shall be divided into two periods – replenishment period and amortisation period.

The replenishment period will be for 180 days from the transaction commencement date. During this period, all collections from Pool post payment of Series A1 PTC Interest shall be used by the Trust to purchase additional receivables from Originator as per the replenishment period waterfall for the month of the Pool. These additional receivables shall meet the same Eligibility Criteria as applicable for the receivables that were part of the underlying Pool at initiation of the transaction.

The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the start of the amortisation period. If a trigger event occurs at any time during the

<sup>1</sup> (Cumulative current collections and overdue collections)/(Cumulative billings + 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

replenishment period, then the tenure of the PTCs shall be reduced and be co-terminus with the remaining tenure of the pool of receivables assigned to the trust.

### Amortisation period

Post the replenishment period, the residual pool collections will be utilised to repay Series A1 PTC. The monthly cash flow schedule will comprise of the promised interest payout for Series A1 PTC. The principal for Series A1 PTC is expected to be paid on a monthly basis (100% 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 Series A1 PTC principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the aggregate amount, i.e. Rs. 2.20 crore, to be provided by the Originator, (ii) principal subordination of 14.00% of the initial pool principal for Series A1 PTC in form of an equity tranche and (iii) the entire excess interest spread (EIS) in the structure.

### Key eligibility criteria for the receivables

Receivables comprising the Initial Receivables and each Follow-on Receivables shall be identified on the basis of criteria specified below:

- The Identified Receivables should be unencumbered;
- All Invoice raised in connection with Loans are 'Accepted Invoices' of the Obligor, and none of the Obligor are subject to pending disputes or legal proceedings with respect to Invoices;
- As on the Cut-off Date, there are no overdues in relation to any Loan and all Loans are classified as standard assets in the books of the Seller as per the norms specified by RBI;
- As on the Cut-off Date or Effective Date, the minimum vintage of the Seller with the respective Borrower is 2 (Two) repayment cycle as per RBI regulation;
- The balance tenor of the Identified Receivables is not more than 180 (One Hundred and Eighty) days. Further, none of the Identified Receivables assigned as part of replenishment to have due date beyond October 24, 2026.
- The borrowers/obligors should have CIBIL score of 700 or more;
- No borrower has peak dpd greater than 31 days during the vintage with Progfin.
- Pool to contain at least 50 borrowers during the replenishment period.
- Top borrower concentration to be capped at 4%, the concentration of top 10 borrowers to be capped at 33% and the concentration of top 30 borrowers to be capped at 55%.
- Top State concentration in the pool to be capped at 16% of the initial pool principal.
- None of the obligors should be from FMCG or Mobile Sector (except smartphone manufacturers from Samsung, Oppo and Vivo)
- Cumulative POS of the borrower should not be greater than 2 crores

### Key trigger events for early amortisation

The occurrence of any of the following key early amortisation triggers which will lead to end of amortisation period:

- downgrade in the rating of the PTCs by the Rating Agency by a single notch;
- downgrade in the rating of the Servicer by the Rating Agency from the current level;
- occurrence of a Servicer's Event of Default as specified in the Servicing Agreement;
- more than 5% of the receivables are in overdue status for more than 15 days from the due date, calculated as on cut-off date for the replenishment pool;
- failure to provide sufficient new underlying exposures qualifying for the Eligibility Criteria.
- The capital adequacy ratio of the Seller falls below [20]%(Twenty Percent);
- Pool cover falling below 0.80x (i.e. during the Replenishment Period the follow-on pool purchased on each Purchase Date should not be less than 80% of the Principal collections + Prepayment collections received for that collection period).
- If the CC Facility is drawn even once during the tenure of the transaction
- Cumulative Collection Efficiency in respect of the pool is less than 95% for any 2 consecutive payouts

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** – The current pool is granular and basis the eligibility criteria the follow-on pools are also expected to be granular with no obligor exceeding 4.0% 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.

**Adequate servicing capability of the originator** – The originator has adequate processes for servicing of the loan accounts in the securitised pool. It has an adequate track record of nearly three years of regular collections across multiple geographies.

### Credit challenges

**Moderate pool selection criteria** – A potential concern pertaining to a replenishing structure is the uncertainty regarding the exact composition of the additional receivables. While the current transaction has a specified eligibility criteria the follow-on pools may have a lower interest rate contracts, contracts from weaker geographies and moderate share of lower bureau score contracts. A higher presence of lower interest rates contracts would impact the excess interest spread adversely, which acts as a credit enhancement in the structure.

**Risks associated with lending business** – The performance of both the initial and the follow-on pools 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. Both the initial and the follow-on pools are 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 based on 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. However, since the pool in the current transaction would be revised during the replenishment period, the characteristics of the pool would change unlike other PTC transactions where the pool is static. ICRA has used the defined eligibility criteria to arrive at a potential loss for the follow-on pools. The resulting collections from the current pool and follow on pools, 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 transaction, ICRA has estimated the shortfall in the pool principal collection during its tenure at 6.00% of the initial pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 5% to 12% 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:

<b>Transaction Name</b>	<b>Cerulean 01 2026</b>
<b>Originator</b>	Progfin Private Limited

Transaction Name	Cerulean 01 2026
Servicer	Progfin Private Limited
Trustee	Beacon Trusteeship Limited
CC holding bank	DCB Bank
Collection and payout account Bank	ICICI Bank Limited

### Liquidity position: Strong

The liquidity for Series A1 PTC is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~3.25 times the estimated loss in the pool.

### Rating sensitivities

**Positive factors** –Not applicable.

**Negative factors** – The rating could be downgraded on the occurrence of a trigger event, non-adherence to the key transaction terms and deterioration in the performance of the follow-on pools such that the delinquencies during the amortisation period are higher than expected. Weakening in the credit profile of the servicer (Progfin) could also exert pressure on the rating.

### Analytical approach

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.

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Securitisation Transactions</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the Originator

Progcap was founded by Ms. Pallavi Shrivastava and Mr. Himanshu Chandra under Desiderata Impact Ventures Pvt. Ltd (DIV) in FY2017 as a digital lending platform for engagement between retailers/distributors and financiers. In September 2022, DIV acquired Hytone Holdings Pvt Ltd, renaming it Progfin Private Limited, and commenced lending operations in October 2022, sourcing borrowers through the Progcap platform. Progfin is a wholly-owned subsidiary of DIV. It provides anchor-led supply chain financing and working capital term loans across multiple industries, including two-wheelers, agri inputs, white goods, FMCGs and emerging brands.

On a standalone basis, Progfin reported a profit after tax (PAT) of Rs. 12 crore on total income of Rs. 258 crore in FY2025 compared to Rs. 3 crore and Rs. 109 crore, respectively, in FY2024. The PAT for the quarter ended September 30, 2025 stood at ~Rs.4 crore on total income of Rs. 168 crore. The AUM stood at Rs. 2,119 crore as on September 30, 2025, comprising dealer financing (70%) and working capital term loans (30%).

Progfin Private Limited (standalone)	FY2024	FY2025	H1 FY2026
	Audited	Audited	Prov.
Total income	109	258	168
Profit after tax	3	12	4
Total managed assets	1,215	2,133	2,525
CRAR*	45.2%	40.3%	34.9%
GNPA/Gross stage 3*	1.5%	1.1%	1.6%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; \* CRAR and asset quality indicators pertain to Proffin; Total managed assets = Total assets + Impairment loss allowance on gross loans + Off-balance sheet advances

### 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		
		Amount Rated (Rs. crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
			May 25, 2026	February 05, 2026	-	-
<b>Cerulean 01 2026</b>	Series A1 PTC	37.89	[ICRA]A1+(SO)	Provisional [ICRA]A1+(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 PTC	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 / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount rated (Rs. crore)	Current Rating
<b>Cerulean 01 2026</b>	Series A1 PTC	January 30, 2026	10.75%	January 24, 2027	37.89	[ICRA]A1+(SO)

Source: Company

**Annexure III: 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](http://www.icra.in)

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