

June 22, 2026

Shiksha Financial Services India Private Limited: Rating reaffirmed for PTCs issued under Loan against property 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
LoanX Sabal May 2025	Series A1 PTCs	10.84	10.80 [^]	5.04	[ICRA]A-(SO); reaffirmed

*Instrument details are provided in Annexure II

[^] Underlying pool has reduced on account of removal of certain loan account as on settlement date

Rationale

The pass-through certificates (PTCs) are backed by loan against property (LAP) receivables originated by Shiksha Financial Services India Private Limited (Shiksha/Originator). Shiksha is also the servicer for the transaction. The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of the moderate to high amortisation and healthy performance of the pool. The rating also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pool till the May 2026 payout month.

Pool performance summary

Parameter	LoanX Sabal May 2025
Payout month	May 2026
Months post securitisation	12
Pool amortisation (as % of initial pool principal)	30.8%
PTC amortisation (as % if initial PTC principal)	53.3%
Cumulative collection efficiency ¹	99.1%
Monthly collection efficiency ²	95.8%
Loss-cum-0+ days past due ³ (dpd; % of initial pool)	4.8%
Loss-cum-30+ dpd ⁴ (% of initial pool)	1.2%
Loss-cum-90+ dpd ⁵ (% of initial pool)	0.3%
Cumulative credit collateral (CC) utilisation	0.0%
Breakeven collection efficiency ⁶	35.4%
Credit collateral (CC; % of balance pool)	7.2%
Subordination (% of balance pool)	43.3%
Excess interest spread (EIS; % of balance pool) ⁷	47.7%

¹ (sum of current and overdue collections till date)/(sum of billing till date)

² (Current and overdue collections for month)/(billing for the month)

³ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 0 days, as a % of Initial pool principal

⁴ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

⁵ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

⁶ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

⁷ (Pool cash flows – Cash flows to Series A1 PTCs – originator's residual share)/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 Series A1 PTC principal. Any prepayment in the pool would be used for the prepayment of Series A1 PTCs principal.

Key rating drivers and their description

Credit strengths

Substantial credit enhancement available in the structure – The rating factors in the buildup in the credit enhancement with cash collateral (CC) increasing to ~7% of the balance pool principal as compared to 5% at time of securitisation. Internal credit support is also available in the form of subordination and excess interest spread (EIS).

Healthy pool performance – Performance of the pool has been healthy with cumulative collection efficiency of ~99% as on May 2026 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) of 0.3%. Further, there has been no instance of cash collateral utilisation for the pool till date owing to strong collection performance and presence of EIS.

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

Credit challenges

High geographical concentration – The pool has very high geographical concentration with all the contracts of the pool originating from single state, viz. Tamil Nadu. 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

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 5.00% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 7.0% to 27.0% 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 transactions are as follows:

Transaction name	LoanX Sabal May 2025
Originator	Shiksha Financial Services India Private Limited
Servicer	Shiksha Financial Services India Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	ICICI Bank Limited
Collection and payout account bank	ICICI Bank Limited

Liquidity position: Superior

The liquidity for Series A1 PTCs is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be more than 10 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 could also exert pressure on the rating.

Analytical approach

The rating action is based on the performance of the pools till the May 2026 payout month (April 2026 collections), the present delinquency profile of the pool of contracts, the performance expected over the balance pool tenure, and the credit enhancement available in the transactions.

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the originator

Shiksha Financial Services India Private Limited is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). Initially focused on education loans, the company has diversified into loan against property (LAP) and business correspondence (BC) for microfinance products. As of March 31, 2025, Shiksha operated 32 branches across five Indian states—Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, and Telangana. In November 2023, Shiksha incorporated a wholly owned subsidiary, Shiksha Business Services Private Limited, to expand its BC operations, which became operational from April 1, 2024.

Shiksha Financial Services India Private Limited has a diversified shareholding structure. As of March 31, 2026, the majority stake—72%—is held by private equity investors, including Lightrock (formerly Aspada Investment Company), the Michael and Susan Dell Foundation (MSDF), and Zephyr Peacock India Growth Fund Ltd, while Promoters hold 11% of the equity.

Key financial indicators (audited)

Shiksha	FY2024	FY2025	FY2026
Total income	22.3	24.2	26.3
Profit after tax	0.7	0.9	1.0
Total managed assets	136.1	138.6	136.9
GNPA	35.2%	28.6%	8.7%
CRAR%	87.5%	67.2%	65.0%

Source: Company data; Amount in Rs. crore

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	Current rated amount	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	
		(Rs. crore)	(Rs. crore)	June 22, 2026	October 17, 2025	June 05, 2025	-	-
LoanX Sabal May 2025	Series A1 PTCs	10.84	5.04	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(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

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)	Rating
LoanX Sabal May 2025	Series A1 PTCs	June 04, 2025	12.75%	October 28, 2031	5.04	[ICRA]A-(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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