

June 24, 2026

## Svasti Microfinance Private Limited: Ratings reaffirmed for PTCs issued under microfinance 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
<b>Dhruv 03 2025</b>	Series A1 PTC	10.44	NA	0.77	[ICRA]BBB+(SO); reaffirmed
<b>Euler March 2025</b>	Series A1 PTC	15.45	NA	2.18	[ICRA]A-(SO); reaffirmed

\*Instrument details are provided in Annexure II

### Rationale

The pass-through certificates (PTCs) are backed by a pool of microfinance loan receivables originated by Svasti Microfinance Private Limited (SMPL/Originator). SMPL is also the servicer for the rated transactions.

The ratings have been reaffirmed on account of the build-up of the credit enhancement cover over the future PTC payouts. The ratings draw comfort from the fact that the breakeven collection efficiency is comfortably lower compared to the actual collection levels observed in the pools till the May 2026 payout month.

### Pool performance summary

Parameters	Dhruv 03 2025	Euler March 2025
<b>Payout month</b>	May 2026	May 2026
<b>Months post securitisation</b>	14	13
<b>Pool amortisation</b>	74.8%	74.7%
<b>Series A1 PTC amortisation</b>	92.7%	85.9%
<b>Cumulative collection efficiency<sup>1</sup></b>	98.6%	99.8%
<b>Monthly collection efficiency</b>	115.6%	102.3%
<b>Loss-cum-90+ dpd<sup>2</sup> (% of initial pool)</b>	5.0%	0.2%
<b>Cumulative cash collateral (CC) utilisation</b>	0.0%	0.0%
<b>CC available (as % of balance pool)</b>	23.8%	27.6%
<b>Excess interest spread (EIS<sup>3</sup>; % of balance pool): Series A1 PTC</b>	6.1%	6.5%
<b>Principal subordination (% of balance pool): Series A1 PTC</b>	74.4%	51.2%
<b>Breakeven collection efficiency (% of balance pool): Series A1 PTC</b>	2.1%	20.7%

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

<sup>2</sup> Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 90 days, as a % of pool at the time of securitization plus the addition of the new pool

<sup>3</sup> (Pool cash flows – Cash flows to PTC investors – 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. 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 redemption of the Series A1 PTC principal. However, on the occurrence of predefined trigger events, the 100% residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC. For the Dhruv 03 2025 trust the trigger events in the transaction have been breached and follows the turbo structure.

## 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 subordination increasing to 74.4% and 51.2% for Dhruv 03 2025 and Euler March 2025 trusts respectively of the balance pool principal from 12.0% and 12.5% at the time of securitisation for Dhruv 03 2025 and Euler March 2025 trusts. Credit support is also available through cash collateral (CC) of 23% to 28% of the balance pool principal and the excess interest spread (EIS).

**Healthy pool performance** – The pool's performance has been healthy with a cumulative collection efficiency of ~99% for both the pools as on May 2026 payout. However, some volatility has been observed in the loss cum 90+ dpd levels for the Dhruv 03 2025 trust, which stood at ~5% as of the May 2026 payout. The break-even collection efficiency for both the pools is significantly lower than the actual collections seen in the pool. Further, there have been no instances of cash collateral utilisation for the pools till date owing to healthy collection performance and the presence of EIS in the transactions.

**Adequate servicing capability of the originator** – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections and recovery across multiple geographies.

### Credit challenges

**High state concentration:** The pool has high geographical concentration with the top 3 states, viz Maharashtra, Tamil Nadu and Gujarat contributing ~90% to the balance pool principal amount for the Dhruv 03 2025 and while for Euler March 2025 top 3 states, viz Maharashtra, Tamil Nadu and Madhya Pradesh contributing ~93% 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 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 performance of microfinance loans would also be exposed to political and communal risks.

**Higher vulnerabilities associated with microfinance sector** – In the past, the microfinance sector has seen lower collections and elevated delinquencies on account of borrower overleveraging and attrition in collection teams. The improvement in portfolio delinquency from current levels would be a key monitorable.

## 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 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 pools, ICRA has estimated the shortfall in principal collection and prepayments during the tenure as provided in the following table.

Transaction name	Estimated shortfall (% of initial pool principal)	Prepayment (p.a.)
Dhruv 03 2025	5.25%	3.0%-9.0%
Euler March 2025	1.25%	3.0%-9.0%

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 ratings for the instruments.

## Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction name	Dhruv 03 2025	Euler March 2025
Originator	Svasti Microfinance Private Limited	
Servicer	Svasti Microfinance Private Limited	
Trustee	Catalyst Trusteeship Limited	
CC holding Bank	Dhanalaxmi Bank	SBM Bank (India) Limited
Collection and payout account Bank	ICICI Bank Limited	

## Liquidity position

### Dhruv 03 2025: Strong for for Senior A1 PTC

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 more than ~5.00 times the estimated loss in the pool.

### Euler March 2025: Superior for for Senior A1 PTC

The liquidity for Series A1 PTC 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 10.00 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 pools till the May 2026 payout month (April 2026 collection month), the present delinquency profile of the pools, the credit enhancement available in the pools, and the performance expected over the balance tenure of the pools.

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

## About the originator

The company, which was incorporated in October 2008 as Svasti Foundation, was renamed Svasti Microfinance Private Limited in October 2010. The company is registered with the Reserve Bank of India as a non-deposit taking, non-banking financial company – microfinance institution (ND-NBFC-MFI). Svasti provides microcredit to women for income-generating activities under the joint liability group (JLG) lending model and it also extends loan against property (LAP). Along with microcredit, it offers individual loans for business activities and insurance products to the existing members of the JLG. The share of JLG loans is 92% and remaining 8% is for LAP as of March 31, 2026.

As on March 31, 2026, the company reported assets under management (AUM) of Rs. 527 crore with a presence in 8 states and 98 districts, catering to 2.3 lakh borrowers through a network of 150 branches.

### Key financial indicators

Particulars	FY2024	FY2025	FY2026*
Total income	285.6	256.1	168.9
Profit after tax	37.5	(21.5)	0.4
Total managed assets	1,518.6	1,101.6	703.80
Gross stage 3	1.6%	8.6%	0.1%
CRAR	22.3%	23.5%	46.9%

Source: Company, ICRA Research; Amount in Rs. crore; \*Provisional

### 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 amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
				June 24, 2026	June 12, 2025	March 31, 2025	-
Dhruv 03 2025	Series A1 PTC	10.44	0.77	[ICRA]BBB+(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-

Trust name	Instrument	Current rating (FY2027)		Chronology of rating history for the past 3 years			
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
				June 24, 2026	June 18, 2025	March 28, 2025	-
Euler March 2025	Series A1 PTC	15.45	2.18	[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

Trust name	Instrument	Complexity indicator
Dhruv 03 2025	Series A1 PTC	Highly Complex
Euler March 2025	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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
<b>Dhruv 03 2025</b>	Series A1 PTC	March 29, 2025	13.25%	December 16, 2026	0.77	[ICRA]BBB+(SO)
<b>Euler March 2025</b>	Series A1 PTC	March 26, 2025	13.20%	December 16, 2026	2.18	[ICRA]A-(SO)

Source: Company

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

Not applicable

## ANALYST CONTACTS

**Manushree Saggar**

+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)

**Anubhav Agrawal**

+91 22 6114 3439

[anubhav.agrawal@icraindia.com](mailto:anubhav.agrawal@icraindia.com)

**Vishal Oza**

+91 22 6114 3472

[vishal.oza2@icraindia.com](mailto:vishal.oza2@icraindia.com)

**Shruti Jain**

+91 22 6114 3414

[shruti.jain2@icraindia.com](mailto:shruti.jain2@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. 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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## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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