July 31, 2026

Sarvagram Fincare Private Limited: Ratings confirmed as final for PTCs backed by a pool of unsecured loan receivables issued by Jirachi 2026

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action	Financial Sector Regulator#
Jirachi 2026	Series A1 PTC	29.51	[ICRA]A-(SO); provisional rating confirmed as final	RBI

**Instrument details are provided in Annexure I*

#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.

Rationale

ICRA had assigned Provisional [ICRA]A(SO) rating to Pass Through Certificate (PTC) Series A1 PTC issued by Jirachi 2026. The PTCs are backed by a pool of unsecured loan receivables originated by Sarvagram Fincare Private Limited {Sarvagram/Originator; rated [ICRA]BBB+ (Stable)}1. with an aggregate principal outstanding of Rs. 32.79 crore (pool receivables of Rs. 43.78 crore). Sarvagram is also 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	Jirachi 2026
Payout month	July 2026
Months post securitisation	4
Pool amortisation	19.17%
Series A1 PTC amortisation	21.30%
Cumulative prepayment rate	5.71%
Cumulative collection efficiency[2]	98.99%
Loss-cum 0+ days past due (dpd)[3]	2.08%
Loss cum 30+ dpd[4]	0.89%
Loss cum 90+ dpd[5]	0.00%
Cumulative cash collateral utilisation	0.00%

[1] *The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions.*
[2] *Cumulative collections/ (Cumulative billings + Opening overdues at the time of securitisation)*
[3] *Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation*
[4] *Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation*
[5] *Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation*

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 payouts, will flow back to the Originator on a monthly basis, unless any of the below mentioned trigger events occur. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal. The EIS trigger events are as follows: -

- Asset Cover Ratio defined as Current Pool/ Net PTC [PTC P/s less Cash Collateral O/s] becoming less than 110%
- PAR 90 of the pool exceeds more than 5% of the original Pool as on payout date [to be checked monthly]
- Cumulative liquidity mismatch in any of the standard buckets (as prescribed the RBI) of the Servicer [to be checked quarterly]
- Capital Adequacy Ratio (CAR) of the Servicer (as reported to RBI) falls below 15% [to be checked quarterly]
- Net Non-Performing Loans of the Servicer exceeds 6%, where Net Non-Performing Loans = [(PAR 90 + Restructured Troubled Loans – Total Provisions)/Asset under Management]

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. 1.64 crore, to be provided by the Originator, (ii) subordination of 10.00% of the initial pool principal for Series A1 PTC in the form of over collateralisation and (iii) the excess interest spread (EIS) of 22.91% of the initial pool principal for Series A1 PTC.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 1,704 contracts, with top 10 obligors forming less than 0.85% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, overcollateral and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

Seasoned contracts in the pool – The pool has amortised by almost ~25.0% as on the cut-off date with no delinquencies observed in any of the contracts, post loan disbursement, thereby reflecting the borrowers' relatively better credit profile.

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, none of the contracts in the pool have ever been delinquent, which is credit positive.

Healthy bureau score of borrowers – ~12% of the borrowers in the pool have a bureau score of 700 and above, which reflects their relatively better credit profile.

Credit challenges

Limited track record of servicing ability- Sarvagram started its operations in FY2019 and hence, the company is in a nascent stage of operations and is yet to establish a long vintage of servicing loans.

High geographical concentration - The pool has high geographical concentration with the top 2 states, viz Maharashtra and Karnataka contributing ~58% 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 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.

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 7.25% of the pool principal with certain variability around it. The average prepayment rate for the underlying 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	Jirachi 2026
Originator	Svakarma Finance Private Limited
Servicer	Svakarma Finance Private Limited
Trustee	Mitcon Credentia Trusteeship Services Limited
CC holding Bank	AU Small Finance Bank Limited
Collection and payout account Bank	ICICI Bank Limited

Liquidity position

Strong for Series A1 PTC

The liquidity for the PTC instruments in the transaction is strong after factoring in the CE available to meet the promised payouts to the investors. The total CE would be ~3.50 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 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	Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the Originator

Sarvagram Fincare is a non-deposit taking NBFC that focuses on providing suitable credit products to households with multiple sources of income in Rural India. the corporate office is located in Mumbai. Sarvagram Solutions Private Limited (SSPL), the parent company, provides technology solutions and provides digital platform and market linkages for rural India. Till FY2021, Sarvagram was an associate of SSPL (SSPL held only around 38.8% stake in Sarvagram). In FY2022, SSPL increased the stake to 62%, and Sarvagram became the subsidiary of SSPL.

The company caters to "households" and not individual customers, with a focus on middle-income rural profiles. Sarvagram is focused on developing a deep-rooted distribution network and their target market is around 80 million middle income households out of the 200 million rural households in India. Currently, only around 7-8% households which Sarvagram caters, don't have a credit history. The company also has adequate systems and processes to assess the income of borrowers.

The insurance business, farm mechanization etc. are at the holding company level and any new non-lending business opened would also be held at the holding company level. The company aspires to reach million plus households across 500 different catchments, over next 4 years or so.

Key financial indicators

SSPL (consolidated)	FY2024	FY2025	FY2026
Accounting as per	IndAS	IndAS	IndAS
	Audited	Audited	Provisional*
Total income	181	309	375
Profit after tax	-20	-61	-27
Total managed assets	1,344	2,219	2,244
Return on managed assets	-1.5%	-2.7%	-1.2%
Managed gearing (times)	2.6	1.4	1.5

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*

Sarvagram (Standalone)	FY2024	FY2025	FY2026
Accounting as per	IGAAP	IGAAP	IndAS
	Audited	Audited	Audited
Total income	158	274	351
Profit after tax	7.6	4.9	2.3
Total managed assets	1,059	1,960	2,122
Return on managed assets	0.7%	0.3%	0.1%
Managed gearing (times)	3.0	1.4	1.7
Gross NPA/GS3	2.0%	5.0%	4.9%
CRAR	21.9%	56.0%	39.56%

Source: Company, ICRA Research, All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. no.	Trust name	Current rating (FY2027)					Chronology of rating history for the past 3 years		
		Instrument	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	Date & rating in FY2023
					Jul 31, 2026	Mar 26,2026			-
1	**Jirachi 2026**	Series A1 PTC	29.51	29.51	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)			-

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 I: Instrument details

ISIN	Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating	Financial Sector Regulator#
NA	Jirachi 2026	Series A1 PTC	Mar 20, 2026	11.40%	Febuary 23, 2028	29.51	[ICRA]A-(SO)	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

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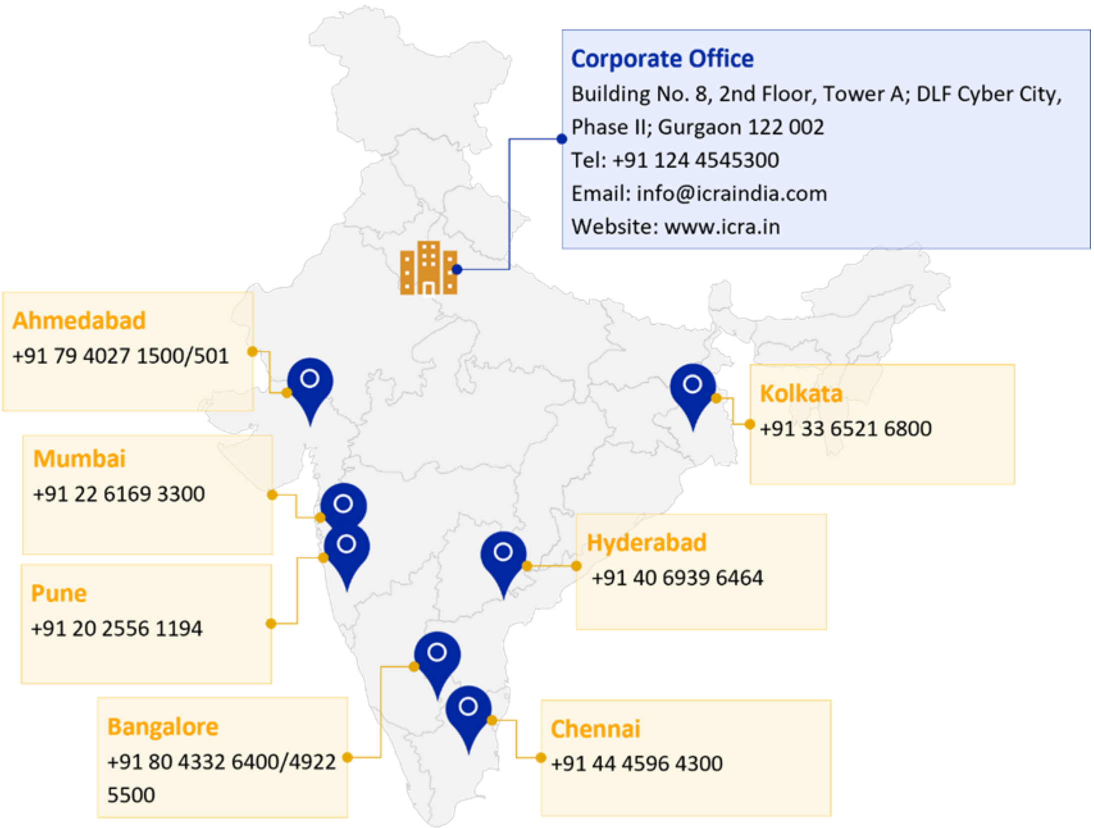

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