

October 12, 2026

Satin Finserv Limited: Rating confirmed as final for 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	Financial sector regulator #
Nezuko Trust 2026	Series A1 PTCs	37.62	[ICRA]A(SO); provisional rating confirmed as final	RBI
	Series A2 PTCs	2.57	[ICRA]BBB+(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 ratings to the pass-through certificates (PTCs) issued by Nezuko Trust 2026 under a securitisation transaction originated by Satin Finserv Limited {SFL/Originator; rated [ICRA]A- (Stable)/[ICRA]A2+}¹. The PTCs are backed by a pool of secured business loan receivables originated by SFL with an aggregate principal outstanding of Rs. 42.75 crore (underlying pool receivables of Rs. 58.55 crore). SFL 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 ratings have now been confirmed as final.

Pool performance summary

Parameter	Nezuko Trust 2026
Payout month	September 2026
Months post securitisation	4
Pool amortisation	14.33%
Series A1 PTC amortisation	16.61%
Series A2 PTC amortisation	0.00%
Cumulative prepayment rate	1.03%
Cumulative collection efficiency ²	97.97%
Loss-cum 0+ days past due (dpd) ³	3.84%
Loss cum 30+ dpd ⁴	2.74%
Loss cum 90+ dpd ⁵	1.55%
Cumulative cash collateral (CC) utilisation	0.00%

¹ Rating history of the originator is available at this [link](#)

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

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 Satin Finserv – SFL has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated a considerable track record of regular collections and recovery 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 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 6.00%, 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	Nezuko Trust 2026
Originator	Satin Finserv Limited
Servicer	Satin Finserv Limited
Trustee	Mitcon Credentia Trusteeship Services Limited
CC holding bank	ICICI Bank Limited
Collection and payout account bank	ICICI Bank Limited

Liquidity position:

For Series A1 PTCs and Series A2 PTCs- 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 CE 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 trustee confirming compliance with the terms of the transaction and ICRA's evaluation of the executed transaction documents.

Analytical Approach	Comments
Applicable Rating Methodologies	Securitisation Transactions
Parent/Group Support	Not Applicable

Consolidation/Standalone	Not Applicable
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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 micro enterprise group and SEB). As on June 30, 2026, it had operations in 14 states and reported an AUM of Rs. 1,360 crore. On a standalone basis, it reported a net profit of Rs. 4.9 crore in Q1 FY2027 compared to Rs. 10.5 crore in FY2026.

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 Limited.

Key financial indicators

Satin Finserv Limited	FY2025	FY2026	Q1FY2027 [^]
Total income	123	177	65
Profit after tax	8	11	5
Total Managed assets	674	1,224	1,581
Gross NPA	4.8%	3.8%	3.5%
CRAR	37.6%	29.6%	27.1%

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore; [^] Limited review financials for Q1FY2027

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2027)				Chronology of Rating History for the Past 3 Years		
		Instrument	Current Rated Amount (Rs. crore)	Date & Rating in FY2027		Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
				Oct 12, 2026	May 22, 2026			
1	Nezuko Trust 2026	Series A1 PTCs	37.62	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-	-
		Series A2 PTCs	2.57	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-	-	-

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 I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating	Financial sector regulator [#]
Nezuko Trust 2026	Series A1 PTCs	May 19, 2026	10.95%	October 24, 2029	37.62	[ICRA]A(SO)	RBI
	Series A2 PTCs		-		2.57	[ICRA]BBB+(SO)	RBI

Source: Company

[#]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

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.

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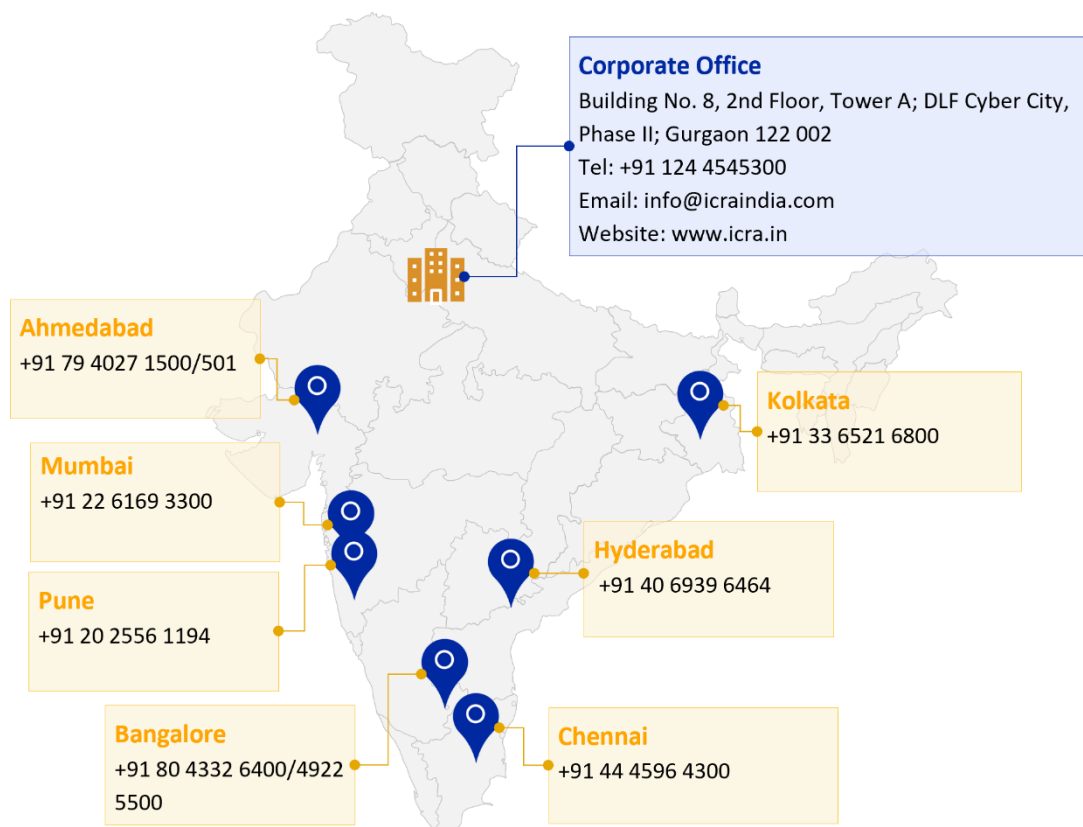


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