

September 22, 2025

Criss Financial Limited (erstwhile Criss Financial Holdings Limited): Rating placed on Watch with Negative Implications for PTCs issued under unsecured individual business loan receivables securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Bravlo 2025	PTC Series A1	38.00	NA	32.71	[ICRA]A-(SO); Placed on Rating Watch with Negative Implications

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by a pool of unsecured individual business loan receivables originated by Criss Financial Limited (erstwhile Criss Financial Holdings Limited) (CFL/Originator; rated [ICRA]BBB (Negative)). CFL is also the servicer for this transaction.

The rating has been placed on Rating Watch with Negative Implications on account of the weaker-than-expected performance of the pool with the monthly collection efficiency dropping to 89% in the August 2025 payout month from the level of 98% as of April 2025 payout month. The dip in collections has resulted in increase in delinquencies with the loss cum 30+ days past due (dpd) increasing to 11.6% and the loss cum 90+dpd close to 4.3% after the August 2025 payout. ICRA will continue to monitor the performance of the pool and the rating watch will be resolved on basis of future collection efficiency and delinquency movements.

Pool performance summary

Particulars	Bravlo 2025
Payout month	August 2025
Months post securitisation	5
Pool amortisation	10.0%
PTC amortisation – PTC Series A1	14.0%
Cumulative collection efficiency ¹	91.1%
Loss-cum-30+ days past due (dpd ² ; % of initial pool)	11.6%
Loss-cum-90+ dpd ³ (% of initial pool)	4.3%
Cumulative cash collateral (CC) utilisation	0.0%
Cumulative prepayment rate	1.4%
Breakeven collection efficiency ⁴	
PTC Series A1	70.98%
CC available (as % of balance pool principal)	6.7%
Principal subordination (% of balance pool)	
PTC Series A1	15.9%
Excess interest spread (EIS ⁵ ; % of balance pool)	
PTC Series A1	11.4%

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

² Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 30 days, as a % of Initial pool principal

³ Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 90 days, as a % of Initial pool principal

⁴ (Balance cash flows payable to Series A1 PTC investor – CC available)/Balance pool cash flows

⁵ (Pool cash flows – Cash flows to Series A1 PTC – Originator's residual share)/Pool principal outstanding

Transaction structure

As per the structure, the tenure of the transaction is divided into two periods, viz. the replenishment period and the amortisation period. The replenishment period was for a period of 12 months from the transaction commencement date, which ended after the June 2025 payout on account of breach of predefined replenishment triggers. The transaction is now in the amortisation period and the first payout to PTC Series A1 was made in July 2025.

During replenishment period PTC Series A1 investor will receive only the promised interest payouts each month. The balance pool collections will be used by the trust to purchase fresh loan receivables from CFL as per the pre-defined selection criteria which would result in build-up of the pool principal during this period and thus increase the subordination for the rated instrument.

During the amortisation period, 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 flow back to the originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal. The transaction has certain trigger events defined, on occurrence of which the residual cash flows would be passed on to PTC Series A1 investors. As on date, the trigger events in the transaction have been breached.

Key rating drivers and their description

Credit strengths

Build-up of credit enhancement available in the structure –The pool has amortised by 10.0% after the August 2025 payout. This has led to an increase in the credit enhancement cover available for the balance payouts to the PTC investors with the cash collateral (CC) increasing to 6.7% of the balance pool principal from 6.0% at the time of securitisation. Internal credit support is also available through principal subordination of 15.9% of the balance pool principal along with EIS. There has been no CC utilisation in the pool in any of the months post securitisation.

Credit challenges

Decline in collection efficiency–The pool has witnessed a deterioration in the collection efficiency in the past few months. The monthly collection efficiency declined to 89% in the August 2025 payout month from the previous level of 98% as of April 2025 payout. The pool has exhibited an increase in delinquency levels with loss-cum-90+ dpd at 4.3% after the August 2025 payout month. The collections from the delinquent contracts have been low which is expected given the unsecured nature of the loans in the pools. Nonetheless, while the monthly collection efficiency has dipped in last few months, it is still higher than the break-even collection efficiency for the PTCs which is a comfort.

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 pool is 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.

Lower track record of servicing capability – The originator has lower track record of ~ 3 years for servicing the loan accounts in the unsecured individual business loan segment. However, the company has expanded its presence to 83 districts and 6 states as of June 2025.

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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 10.00% of the initial pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3.0% to 9.0% 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	Bravlo 2025
Originator	Criss Financial Limited (erstwhile Criss Financial Holdings Limited)
Servicer	Criss Financial Limited (erstwhile Criss Financial Holdings Limited)
Trustee	SBICAP Trustee Company Limited
CC holding bank	The Federal Bank Limited
Collection and payout account bank	State Bank of India

Liquidity position: Adequate

The liquidity for the PTC instrument is adequate after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement is ~2.75 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The rating could be upgraded if the pool witnesses a significant rise in the collection efficiency, leading to a material improvement in the delinquency levels.

Negative factors – The rating could be downgraded if the collection efficiency remains weak such that the delinquency levels increase further from the current levels. 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 pool till August 2025 (payout month), the present delinquency levels and the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

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

About the originator

Criss Financial Limited, incorporated in 1992, is a non-banking financial company and a subsidiary of SSFL. At present, SSFL holds a 99.9% stake in Criss. Criss has historically been disbursing non-qualifying microfinance loans and LAP. In addition, its loan products include nano, and micro, small and medium enterprise (MSME) loans. Going forward, Criss will scale up the LAP portfolio and diversify into other asset segments such as small-ticket unsecured MSME loans and home improvement loans.

Key financial indicators

Criss Financial Limited	FY2024	FY2025	Q1 FY2026
Total income	146.1	190.7	42.0
Profit after tax	33.5	(80.4)	(31.3)
Total managed assets	827.4	909.4	864.8
Gross stage 3	2.5%	11.1%	8.8%
CRAR	33.2%	38.3%	31.7%

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

Trust name	Instrument	Current rating (FY2026)		Chronology of rating history for the past 3 years				
		Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				Sep 22, 2025	May 26, 2025			
Bravlo 2025	PTC Series A1	38.00	32.71	[ICRA]A-(SO); Rating Watch with Negative Implications		[ICRA]A-(SO) Provisional [ICRA]A-(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
PTC Series A1	Moderately 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 name	Date of issuance	Coupon rate (p.a.p.m.)	Final maturity date	Amount rated (Rs. crore)	Current rating
Bravlo 2025	PTC Series A1	March 24, 2025	12.00%	November 22, 2027	32.71	[ICRA]A-(SO); Rating Watch with Negative Implications

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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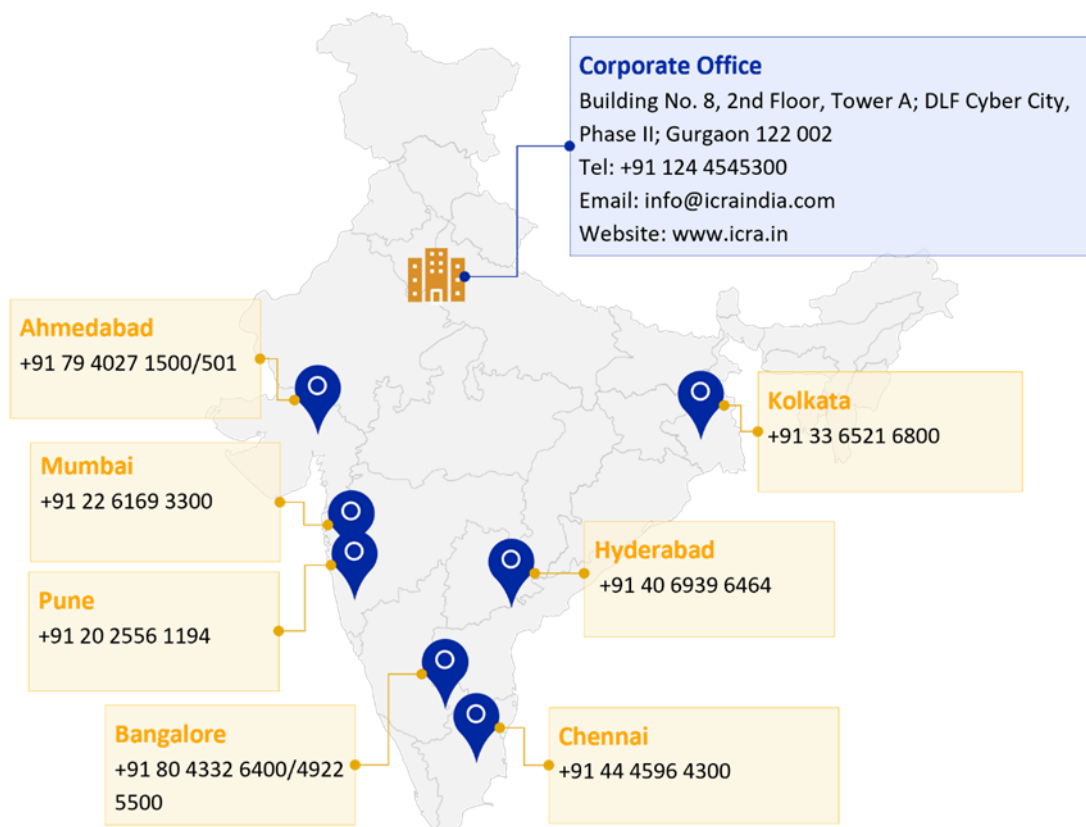


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