

November 19, 2025

Criss Financial Limited (erstwhile Criss Financial Holdings Limited): Provisional rating assigned to PTC backed by loan against property (LAP) receivables issued by ARVIND 10 2025

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
ARVIND 10 2025	PTC Series A1	40.52	Provisional [ICRA]A(SO); Assigned

*Instrument details are provided in Annexure I

Rating in the absence of pending actions/documents	No rating would have been assigned as it would not be meaningful
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Rationale

The pass-through certificates (PTCs) are backed by a pool of LAP receivables originated by Criss Financial Limited (erstwhile Criss Financial Holdings Limited) {CRISS/Originator; rated [ICRA]BBB(Negative)} with an aggregate principal outstanding of Rs. 46.58 crore (pool receivables of Rs. 71.59 crore).

The provisional rating is based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The rating is subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

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 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.

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. 2.33 crore, to be provided by the Originator, (ii) over-collateralisation of 13.00% of the initial pool principal for PTC Series A1, and (iii) the excess interest spread (EIS) of 33.45% of the initial pool principal for PTC Series A1.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 1,525 contracts, with no contract exceeding 0.3% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of CC, subordination and EIS would absorb some amount 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 cut-off date. Further none of the borrowers have defaulted during the tenure of the loan, which is credit positive for the transaction.

Seasoned contracts in the pool – The pool has an average amortisation of ~14% and average seasoning of ~14 monthly instalments on the cut-off date. This reflects the repayment track record and buildup in borrower equity which is a credit positive.

Credit challenges

High geographical concentration - The pool has high geographical concentration with the top three states, viz. Rajasthan, Madhya Pradesh and Andhra Pradesh together accounting for ~78% of the initial pool principal amount as on the cut off date. 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 macroeconomic 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.

Lower track record of servicing capability – The originator has lower track record of for servicing the loan accounts in the LAP loan segment. However, the company has expanded its presence to ~100 branches and 6 states as of September 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 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 5.25% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 6% to 18% 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.

Liquidity position: Superior

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~6.50 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 (Criss) could also exert pressure on the rating.

Analytical approach

The rating action is based on the analysis of the performance of CRISS'S portfolio till October 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

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

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Servicing Agreement
4. Accounts Agreement
5. Power of Attorney
6. Legal opinion
7. KYC DD CA Certificate
8. Any other documents executed for the transaction

Validity of the provisional rating

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the originator

Criss Financial Limited is a non-banking financial company (NBFC) incorporated in 1992. It was acquired by SSFL in FY2019 from Ms. Padmaja Reddy (SSFL's founder). SSFL currently holds 99.9% stake in CFL. Criss has historically been disbursing non-qualifying microfinance loans, and loan against property (LAP). Apart from this, its loan products include personal loans, etc. Going forward, Criss will scale up the LAP portfolio and diversify into other asset segments such as small-ticket unsecured MSME loans, home improvement loans, etc.

Key financial indicators

Criss Financial Limited (erstwhile Criss Financial Holdings Limited)	FY2024	FY2025	Q1 FY2026
	Audited	Audited	Provisional
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 NPA	2.5%	11.1%	8.8%
Capital adequacy ratio	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	Current Rating (FY2026)			Chronology of Rating History for the Past 3 Years		
	Instrument	Amount Rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
			Nov 19, 2025	-	-	-
ARVIND 10 2025	PTC Series A1	40.52	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

ISIN	Trust Name	Instrument Type	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
NA	ARVIND 10 2025	PTC Series A1	November 14, 2025	11.25%	September 15, 2031	40.52	Provisional [ICRA]A(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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ICRA Limited

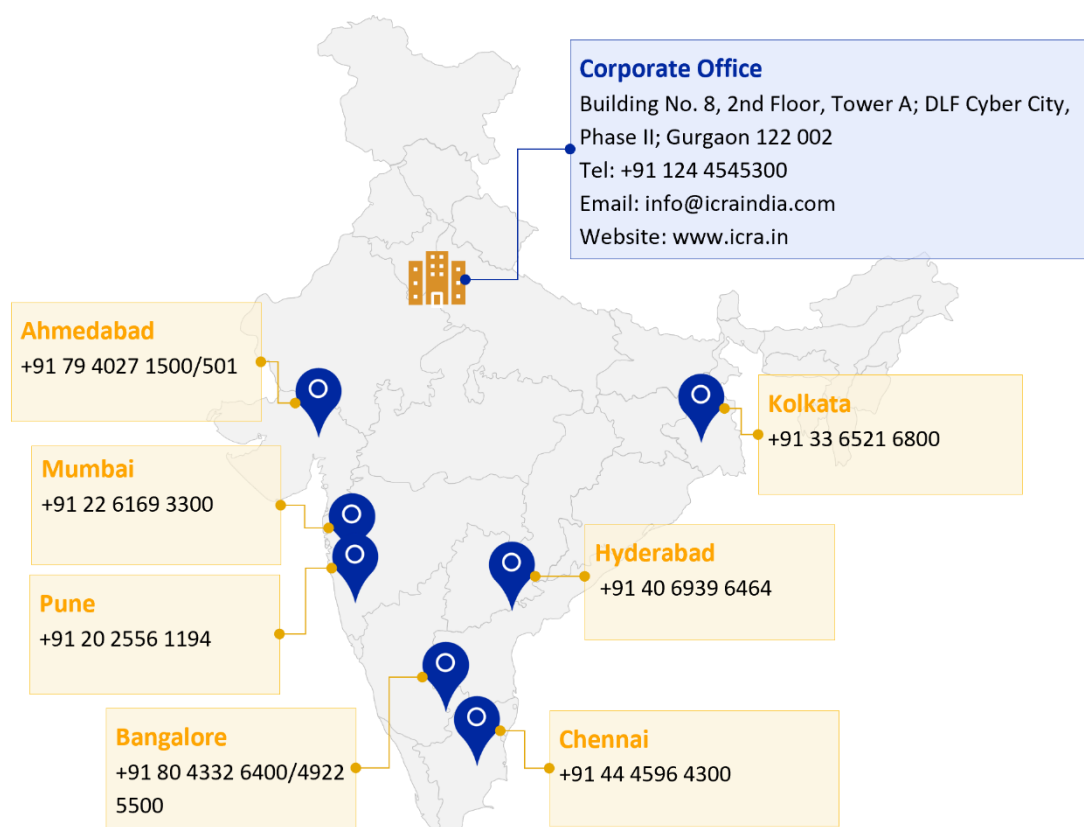


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