

January 30, 2026

Grihum Housing Finance Limited: Ratings reaffirmed for PTCs and SLF issued under one home loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Amount (Rs. crore)	Amount after Previous Rating Exercise (Rs. crore)	Amount O/s after Dec-25 Payout (Rs. crore)	Rating Action
MHFL SECURITISATION TRUST II	PTC Series A1	55.89	12.28	10.21	[ICRA]AAA(SO); Reaffirmed
	PTC Series A2	2.79	0.61	0.51	[ICRA]AAA(SO); Reaffirmed
	Second Loss Facility	3.08	1.79 ¹	1.79	[ICRA]A-(SO); Reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by a pool of home loan receivables originated by Grihum Housing Finance Limited (GHFL/Originator; rated [ICRA]A1+). GHFL is acting as the servicer for the transaction.

The ratings have been reaffirmed for PTCs and Second Loss Facility (SLF) on account of the healthy collection efficiency and high pool amortisation, which has led to significant 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 comfortable compared to the actual collection level observed in the pool till the December 2025 payout month.

Pool performance summary

Parameter	MHFL SECURITISATION TRUST II
Payout month	Dec-25
Months post securitisation	81
Pool amortisation	80.94%
PTC amortisation	81.73%
Cumulative collection efficiency ²	99.04%
Loss-cum-90+ dpd (days past due) (% of initial pool principal) ³	1.43%
Loss-cum-180+ dpd (% of initial pool principal) ⁴	1.32%
Breakeven collection efficiency ⁵ for PTCs	61.90%
Cumulative credit collateral (CC) utilisation (% of initial CC)	0.00%
CC available (as % of balance pool principal)	32.03%
Excess interest spread (EIS) over balance tenure (as % of balance pool principal)	63.71%
Cumulative prepayment rate ⁶	63.89%

¹ CC reset has been carried out in April 2022

² Cumulative collections till date (including advance collections) / Cumulative billings till date + Opening overdues

³ POS on contracts aged 90+ dpd + Overdues / Initial POS on the pool

⁴ POS on contracts aged 180+ dpd + Overdues / Initial POS on the pool

⁵ It is the minimum collection efficiency required over the balance tenure to ensure all investor payouts are met: (Balance cash flows payable to investor – Credit collateral available) / Balance pool cash flows

⁶ POS at the time of prepayment of contracts prepaid till date / Initial pool principal

Transaction structure

As per the transaction structure, the trust has issued two series of PTCs. The promised cash flows consist of the monthly interest to PTC Series A1 and 100% of the monthly principal (to be split between PTC Series A1 and PTC Series A2, basis their share). PTC Series A2 does not have any promised yield. All prepayments would be passed on to the PTC investors (to be split between PTC Series A1 and PTC Series A2, basis their share). The excess interest spread (EIS) would be passed on to the PTC Series A2 investor as the residual yield. The credit collateral (CC) for the transaction would be split into an unrated first loss facility (FLF) and a rated second loss facility (SLF).

Key rating drivers and their description

Credit strengths

Substantial credit enhancement available in the structure – The rating factors in the buildup in the credit enhancement with credit collateral (CC) increasing to 32.03% of the balance pool principal. Internal credit support is also available in the form of excess interest spread (EIS).

Healthy pool performance – Performance of the pool has been strong with cumulative collection efficiency of ~99% till Dec 2025 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) of 1.43%. Further, there has been no instance of cash collateral utilisation for the pool till date owing to strong collection performance and presence of EIS.

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

Credit challenges

Exposed to basis risk – The transaction is exposed to basis risk as the underlying pool has floating rate loans linked to GHFL's lending rate, whereas yield on PTCs is floating and linked to an external benchmark.

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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 1.0% of the initial pool principal with certain variability. The average prepayment rate for the underlying pool is modelled in the range of 5% 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 ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	MHFL SECURITISATION TRUST II
Originator	GHFL
Servicer	GHFL
Trustee	IDBI Trusteeship Services Limited
FLF holding bank	ICICI Bank
SLF holding bank	DCB Bank
Collection and payout account bank	ICICI Bank

Liquidity position: Superior

The liquidity for PTCs is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. For SLF, the liquidity is superior after factoring in the FLF available for top up of SLF, if needed, as per the defined waterfall mechanism. The total credit enhancement would be greater than 10 times the estimated loss for the pool.

Rating sensitivities

Positive factors for PTCs - Not applicable

Positive factors for SLF - Sustained strong collection performance of the underlying pool contracts leading to lower than expected delinquency levels, and on an increase in the cover available for future investor payouts from the credit enhancement (CE).

Negative factors for both PTCs & SLF - Sustained weak collection performance of the underlying pool leading to higher-than-expected delinquency levels and credit enhancement utilization 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 December 2025 (payout month), the present delinquency profile of the pool, 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

Grihum Housing Finance Limited (Grihum) is a housing finance company registered with the Reserve Bank of India (RBI). The company provides home loans (~78% of AUM as on June 30, 2025) and loan against property (~22% of AUM as on June 30, 2025) in the affordable housing finance segment. It had a presence in 18 states/UTs in India through a network of over 200 branches as on June 30, 2025. The company reported assets under management (AUM) of Rs. 9,300 crore as on June 30, 2025 while catering to more than 94,440 customers.

TPG, through Perseus SG Pte Ltd. (Perseus), acquired 99.02% stake in GHFL on July 26, 2023. TPG is a global investment firm and Perseus is advised and managed by TPG Capital (S) Pte. Ltd. which holds a capital markets services license issued by, and is regulated by, the Monetary Authority of Singapore (MAS). TPG Asia Fund VIII ultimately holds 100% of the equity interest in Perseus.

Key financial indicators (audited)

	FY2024	FY2025	Q1 FY2026*
Total income	1,051	1,299	347
PAT	140	211	42
Total managed assets	9,535	10,921	10,613
Gross NPA	1.0%	1.6%	1.6%
CRAR	47.3%	48.8%	49.8%

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore
PAT – Profit after tax; CRAR – Capital to risk-weighted assets ratio

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	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
				Jan 30, 2026	Jan 27, 2025	Jan 30, 2024	Jan 25, 2023
MHFL SECURITISATION TRUST II	PTC Series A1	55.89	10.21	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AA(SO)
	PTC Series A2	2.79	0.51	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AA(SO)
	Second Loss Facility	3.08	1.79	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]BBB(SO)	[ICRA]BBB-(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
MHFL SECURITISATION TRUST II	PTC Series A1	Complex
	PTC Series A2	Complex
	Second Loss Facility	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	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	MHFL SECURITISATION TRUST II	PTC Series A1	March 28, 2019	Floating; Linked to 1-year MCLR of investor	April 22, 2055	10.21	[ICRA]AAA(SO)
		PTC Series A2		Residual		0.51	[ICRA]AAA(SO)
		Second Loss Facility		-		1.79	[ICRA]A-(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Sagar

+91 124 4545 316

manushrees@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Gaurav Mashalkar

+91 22 6114 3431

gaurav.mashalkar@icraindia.com

Pratik Vora

+91 22 6114 3438

pratik.vora@icraindia.com

Mrugesh Trivedi

+91 22 6114 3436

mrugesh.trivedi@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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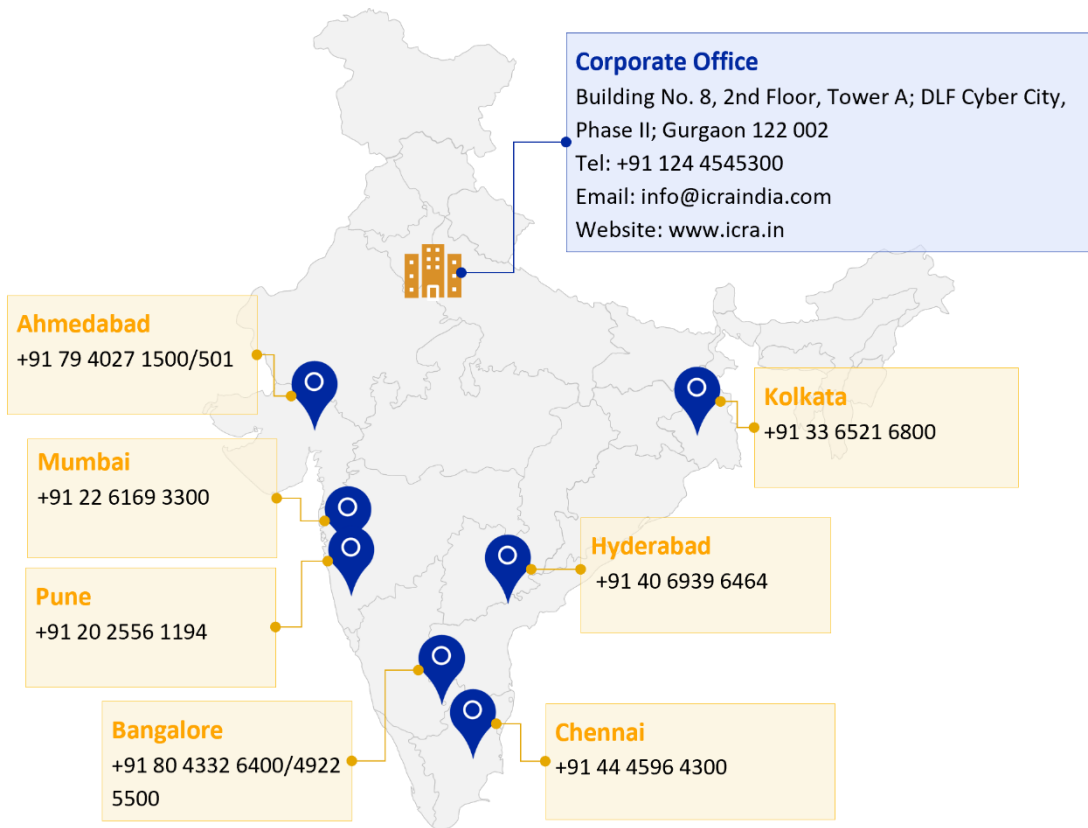
Registered Office

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

Tel: +91 11 23357940-45



Branches



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