

February 25, 2026

Repc Home Finance Limited: Ratings confirmed as final for SNs backed by a pool of loan against property (LAP) receivables issued by Pratham 12 2025

Summary of rating action

Trust Name	Instrument*	Initial rated amount (Rs. crore)	Current Rated Amount (Rs. Crore)	Rating Action
PRATHAM 12 2025	Series A1 SNs	93.25	92.80	[ICRA]AAA(SO); provisional rating confirmed as final
	Equity Tranche SNs	5.01	4.99	[ICRA]AA-(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure-I

Rationale

In December 2025, ICRA had assigned Provisional [ICRA]AAA(SO) to Securitisation Notes (SNs) Series A1 and Provisional [ICRA]AA-(SO) to Equity Tranche SNs issued by PRATHAM 12 2025. The SNs are backed by a pool of loan against property (LAP) receivables by Repco Home Finance Limited (RHFL/Originator) with an aggregate principal outstanding of Rs. 100.27 crore (pool receivables of Rs. 181.88 crore). Subsequently, there has been a revision in the pool principal to Rs. 99.79 crore (pool receivables of Rs. 180.96 crore). RHFL would be 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	PRATHAM 12 2025
First payout date	January 16, 2026
Months post securitisation	1
Pool amortisation	3.17%
Series A1 SN amortisation ¹	3.75%
Cumulative prepayment rate	2.48%
Cumulative collection efficiency	97.91%
Loss cum 0+ dpd ²	1.58%
Loss cum 30+ dpd ³	0.00%
Loss cum 90+ dpd ⁴	0.00%
Cumulative cash collateral utilisation	0.00%

¹Cumulative collections / (Cumulative billings + Opening overdues at the time of securitisation)

² Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation

³ Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation

⁴ 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. The residual cash flows from the pool (to the extent of 50%), after meeting the promised and expected payouts, will be used for the prepayment of Series A1 PTC principal. 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 Series A1 PTC principal.

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. 4.99 crore, to be provided by the Originator, (ii) principal subordination of 7.00% of the initial pool principal for Series A1 SNs and 2.00% of the initial pool principal for Equity Tranche SNs, and (iii) the EIS of 54.73% of the initial pool principal for both Series A1 SNs and Equity Tranche SNs.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement: The pool is granular, consisting of 1,103 contracts, with top 10 contracts forming ~6% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of subordination, cash collateral (CC) and excess interest spread (EIS) would absorb some amount of the losses in the pool and provide support in meeting the SN 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, none of the contracts in the pool have ever been delinquent post loan disbursement, thereby reflecting the borrowers' relatively better credit profile, which is a credit positive.

Healthy bureau score of borrowers: In the pool, ~95% of the borrowers (in terms of the principal amount outstanding on the cut-off date) have a CIBIL score of 700 and above, which reflects their relatively better credit profile.

Adequate servicing capability of the originator – The company has an established track record in the lending business with adequate underwriting policies and collection procedures across a wide geography. The company has adequate processes for servicing the loan accounts in the securitised pools.

Credit challenges

High geographical concentration: The pool has high geographical concentration with the top 3 states, viz. Tamil Nadu, Karnataka and Andhra Pradesh, contributing ~91% 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.

Exposed to basis risk: Yield for SNs is linked to an external benchmark (investor's MCLR) while interest rate on the underlying loans is floating (linked to RHFL's benchmark rate), leading to basis risk in the structure.

Risk associated with lending business – The pools' 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 3% 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% 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:

Particulars	PRATHAM 12 2025
Originator	Repco Home Finance Limited
Servicer	Repco Home Finance Limited
Trustee	Catalyst Trusteeship Limited
CC holding Bank	ICICI Bank
Collection and payout account Bank	ICICI Bank

Liquidity position: Superior

Superior for both: Series A1 PTC and Equity Tranche

The liquidity for both the series is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be greater than 10 times the estimated loss in the pool

Rating sensitivities

Positive factors – Not Applicable for Series A1 SNs. For Equity Tranche - 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 (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 (RHFL) could also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/group Support	Not Applicable
Consolidation/standalone	Not Applicable

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.

About the originator

RHFL was incorporated in May 2000 as a subsidiary of Repco Bank, with its corporate office in Chennai. As of June 2025, Repco Bank held a 37.1% stake in RHFL while other institutional (domestic and overseas) and retail investors held the balance. The company extends housing loans and mortgage loans to salaried and self-employed individuals. As of June 2025, it had a network of 203 branches, 31 satellite centres and 2 asset recovery branches across 12 states and 1 UT.

In FY2025, RHFL reported a net profit of Rs. 439 crore on a total asset base of Rs. 14,602 crore compared with a net profit of Rs. 395 crore on a total managed asset base of Rs. 13,701 crore in FY2024. The company reported a net profit of Rs. 108 crore on a total asset base of Rs. 14,760 crore in Q1 FY2026.

Key financial indicators (audited)

RHFL (standalone)	FY2024	FY2025	Q1 FY2026
Total income	1,541	1,725	441.0
Profit after tax	395.0	439.0	108.0
Total managed assets	13,701	14,602	14,760
Gross Stage 3	4.1%	3.3%	3.3%
CRAR	34.0%	37.1%	38.7%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Sr. No.	Trust Name	Instrument	Initial Amount Rated (Rs. crore)	Current Rated Amount (Rs. Crore)	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years		
					Date & Rating in FY2026		Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
					February 25, 2026	December 12, 2025	-	-	-
1	PRATHAM 12 2025	Series A1 SNs	93.25	92.80	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-	-
		Equity Tranche SNs	5.01	4.99	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Equity Tranche SNs	Highly Complex
Series A1 SNs	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
NA	PRATHAM 12 2025	Series A1 SNs	December 05, 2025	7.75%*	October 18, 2045	92.80	[ICRA]AAA(SO)
NA		Equity Tranche SNs		-		4.99	[ICRA]AA-(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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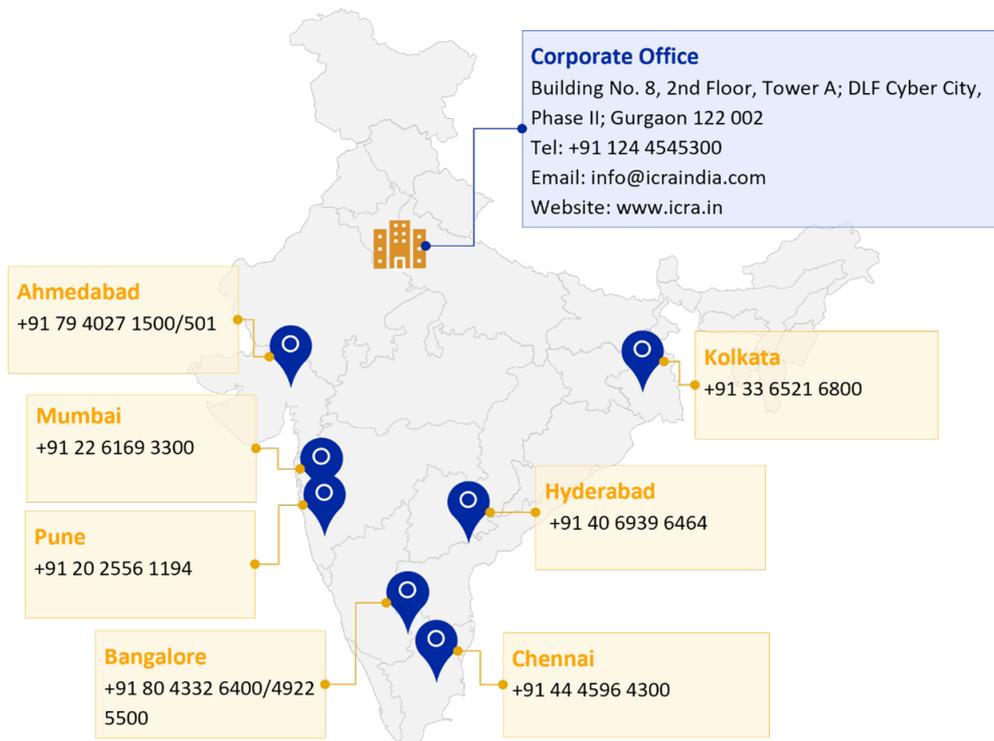


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