

March 30, 2026

IIFL Samasta Finance Limited: Ratings reaffirmed for PTCs issued under two microfinance loan receivables securitisation transactions

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
Rumi Trust Jan 2025	PTC Series A1	94.61	NA	10.36	[ICRA]AA-(SO); reaffirmed
2025 02 MFI COSECANT	PTC Series A1	58.46	NA	6.26	[ICRA]AA-(SO); reaffirmed
	PTC Series A2	2.60	NA	2.60	[ICRA]A+(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by two pools of microfinance loan receivables originated by IIFL Samasta Finance Limited (Samasta/Originator). Samasta is also the servicer for both the transactions.

The ratings reaffirmation factor in the build-up of the credit enhancement cover over the future PTC payouts on account of the high amortisation and low expected balance tenor of the PTCs. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in both pools till the February 2026 payout month.

Pool performance summary

Parameter	Rumi Trust Jan 2025	2025 02 MFI COSECANT
Payout month	February 2026	February 2026
Months post securitisation	13	12
Pool amortisation (as % of initial pool principal)	80.16%	75.08%
PTC Series A1 amortisation	89.05%	89.29%
PTC Series A2 amortisation	-	0.00%
Last 3 months' average collection efficiency ¹	87.35%	81.48%
Cumulative collection efficiency ²	87.48%	83.23%
Cumulative prepayment rate	19.24%	16.95%
Loss-cum-30+ days past due (dpd ³ ; % of initial pool)	6.91%	9.51%
Loss-cum-90+ dpd ⁴ (% of initial pool)	6.09%	7.87%
Cumulative cash collateral (CC) utilisation	0.00%	0.00%
Breakeven collection efficiency ⁵ for PTC Series A1 for PTC Series A2	23.67% -	14.05% 29.47%
CC available (% of balance pool)	25.20%	24.08%
Excess interest spread (EIS; % of balance pool) for PTC Series A1 ⁶ for PTC Series A2	5.23% -	6.39% 6.39%

¹ Average of (Total current and overdue collections for the month as a % of Total billing for the month) for 3 months

² (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

³ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

⁴ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

⁵ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

⁶ (Pool interest – Interest to PTC Series A1/A2 investors)/Pool principal outstanding

Parameter	Rumi Trust Jan 2025	2025 02 MFI COSECANT
Principal subordination (% of balance pool principal) for PTC Series A1 for PTC Series A2	50.31% -	61.33% 22.62%

Transaction structure

For Rumi Trust Jan 2025 trust:

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.

For 2025 02 MFI COSECANT trust:

As per the transaction structure, the collections from the pool, after making the promised interest payouts to PTC Series A1, will be used to make the expected principal payouts to PTC Series A1, followed by the expected interest payout to PTC Series A2. Post the maturity of PTC Series A1, interest payouts will be promised to PTC Series A2 and all excess cash flows, after meeting the promised interest PTC Series A2 payouts, will be passed on for the expected PTC Series A2 principal payout. The entire principal repayment to PTC Series A1 and PTC Series A2 is promised on the scheduled maturity date. The Excess Interest Spread (EIS) available after meeting the expected and promised PTC payments will be used for accelerated amortization of PTC Series A1 and PTC Series A2 (on maturity of PTC Series A1) and hence there shall be no leakage of EIS during the tenure of the PTCs to the originator.

Key rating drivers and their description

Credit strengths

Build-up of credit enhancement – The rating factors in the build-up in the credit enhancement with the subordination increasing to ~50-61% of the balance pool principal from 10.00% at the time of securitisation for both the transactions. Credit support is also available through cash collateral (CC) of ~24-25% and excess interest spread (EIS) of ~5-6% of the balance pool principal. There has been no CC utilisation in the pool in any of the months post securitisation for both transactions.

Adequate servicing capability of the originator – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections across a wide geography.

Credit challenges

Higher than expected delinquencies in the pool - The pools have seen higher delinquency than ICRA expectations. While there has some slowdown in roll forward in softer delinquency buckets in recent months, there has been a buildup in delinquencies in harder buckets with loss cum 90+ dpd at 6.1% and 7.9% for Rumi Trust Jan 2025 and 2025 02 MFI COSECANT transactions respectively. The collections from the delinquent contracts have been lower, which is expected given the unsecured nature of the loans in the pools. Further, while the monthly collection efficiency in the pools has seen a dip, it is higher than the break-even collection efficiency for the PTCs, which is comforting.

Risks 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. The performance of microfinance loans would also be exposed to political and communal risks.

Higher delinquencies in microfinance sector – The microfinance sector has seen a decline in collections and elevated delinquencies since the previous fiscal on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in collection teams. Any sustained impact of these factors on the collections from the pool would be monitorable.

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 pools, ICRA has estimated the shortfall in the pool principal collection and prepayments during the tenure with certain variability around it as provided in the following table.

Transaction name	Estimated shortfall (% of initial pool principal)	Prepayment (p.a.)
Rumi Trust Jan 2025	3.25%	3-9% p.a.
2025 02 MFI COSECANT	5.00%	3-9% p.a.

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 is as follows:

Transaction name	Rumi Trust Jan 2025	2025 02 MFI COSECANT
Originator	IIFL Samasta Finance Limited	IIFL Samasta Finance Limited
Servicer	IIFL Samasta Finance Limited	IIFL Samasta Finance Limited
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited
CC holding bank	IDFC First Bank Limited	DCB Bank Ltd
Collection and payout account bank	IDFC First Bank Limited	ICICI Bank Limited

Liquidity position: Strong

The liquidity for the PTC instruments is strong after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement for PTC Series A1 is more than ~4.5 times the estimated loss in both the pools and for PTC Series A2 is 3.25 times the estimated loss in Cossecant transaction.

Rating sensitivities

Positive factors – The ratings may be upgraded on the sustained strong collection and reduction in delinquency levels in pool.

Negative factors – The ratings could be downgraded on the sustained weak collection performance of the underlying pool of contracts, leading to further increase in delinquency levels. Weakening in the credit profile of the servicer (Samasta) could also exert pressure on the ratings.

Analytical approach

The rating action is based on the performance of the pools till the February 2026 payout month, the present delinquency profile of the pools of contracts, the performance expected over the balance pools tenure, and the credit enhancement available in the transactions.

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

About the originator

Bangalore, Karnataka-based IIFL Samasta Finance Limited is a non-deposit accepting NBFC. The company commenced its microfinance operations in 2008 and was managing a portfolio of Rs. 11,101 crore with presence in 22 states, catering to more than 27 lakh customers through a network of 1,660 branches spread across 418 districts as on March 31, 2025. IIFL Finance acquired majority stake in the company in FY2017. In December 2020, 25% of stake in Samasta was transferred to IIFL Home Finance Limited, a wholly owned subsidiary of IIFL Finance Limited, post which the IIFL Finance Limited held 74.09% in the entity. On September 01, 2021, of the entity name changed from ‘Samasta Microfinance Limited’ to ‘IIFL Samasta Finance Limited’ in order to bring group synergies.

Key financial indicators

IIFL Samasta Finance Ltd	FY2024	FY2025	9MFY2026
	Audited	Audited	Unaudited
Total income	2,770	2,575	1,657
PAT	503	20	(39)
Assets under management	14,211	11,101	9,681
Gross NPA	1.9%	4.7%	4.8%
CRAR	24.0%	32.4%	30.0%

Source: Company, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. no.	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	
					March 30, 2026		March 10, 2025		January 30, 2025	
1	Rumi Trust Jan 2025	PTC Series A1	94.61	10.36	[ICRA]AA-(SO)	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)	-	-	

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			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
					March 30, 2026	March 10, 2025	March 04, 2025	-	-	
2	2025 02 MFI COSECANT	PTC Series A1	58.46	6.26	[ICRA]AA-(SO)	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)	-	-	
		PTC Series A2	2.60	2.60	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-	

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
Rumi Trust Jan 2025	PTC Series A1	Highly Complex
2025 02 MFI COSECANT	PTC Series A1	Highly Complex
	PTC Series A2	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	Current rated amount (Rs. crore)	Rating
NA	Rumi Trust Jan 2025	PTC Series A1	January 28, 2025	9.95%	September 13, 2026	10.36	[ICRA]AA-(SO)
INE1PKA15015	2025 02 MFI COSECANT	PTC Series A1	February 28, 2025	9.50%	October 12, 2026	6.26	[ICRA]AA-(SO)
NA		PTC Series A2	February 28, 2025	12.50%	October 12, 2026	2.60	[ICRA]A+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Saggur
+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

Samratsingh Hazari
+91 22 6114 3420
samratsingh.hazari@icraindia.com

Pratik Vora
+91 22 6114 3438
pratik.vora@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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ICRA Limited



Registered Office

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

Tel: +91 11 23357940-45



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