

May 07, 2026

Chaitanya India Fin Credit Private Limited: Rating confirmed as final for PTCs backed by microfinance loan receivables issued by NEXT GEN 2026

Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
NEXT GEN 2026	PTC Series A1	206.05	[ICRA]AA+(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure II

Rationale

In February 2026, ICRA had assigned Provisional [ICRA]AA+(SO) rating to Pass Through Certificate (PTC) Series A1, issued by NEXT GEN 2026. The PTCs are backed by a pool of a microfinance loan receivables originated by Chaitanya India Fin Credit Private Limited (CIFCPL/Originator) with an aggregate principal outstanding of Rs. 236.84 crore (pool receivables of Rs. 281.91 crore). The pool has contracts originated by Chaitanya India Fin Credit Private Limited (CIFCPL) which is now amalgamated into Svatantra Microfin Limited (SML) effective March 21, 2026. SML would be acting as 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 rating has now been confirmed as final.

Pool performance summary

Parameter	NEXT GEN 2026
Payout month	March 2026
Months post securitisation	1
Pool amortisation	5.07%
PTC Series A1 amortisation	5.83%
Cumulative prepayment rate	0.50%
Cumulative collection efficiency ¹	99.93%
Loss-cum-0+ days past due (dpd) ²	0.08%
Loss-cum-30+ dpd ³	0.00%
Loss-cum-90+ dpd ⁴	0.00%
Cumulative cash collateral utilisation	0.00%

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 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 predefined trigger events on the occurrence of which the residual cash flows would be passed on to PTC Series A1 investors.

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

² Unbilled and overdue principal portion of delinquent contracts as a % of Initial pool principal

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

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

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 6.50% of the initial pool principal, amounting to Rs. 15.39 crore, to be provided by the Originator, (ii) principal subordination of 13.00% of the initial pool principal for PTC Series A1, and (iii) the excess interest spread (EIS) of 14.60% 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 52,628 contracts with no obligor exceeding 0.01% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some 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.

Seasoned contracts in the pool – The pool had amortised by around 25% as on the cut-off date with no delinquencies seen in any of the contracts, post loan disbursement. This reflects the relatively better credit profile of the borrowers.

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

Credit challenges

High geographical concentration – The pool has high geographical concentration with the top 3 states, viz Bihar, Karnataka and Jharkhand contributing ~85% to the initial pool principal amount. Its 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. The performance of microfinance loans would also be exposed to political and communal risks.

Higher delinquencies in microfinance sector – The microfinance sector has seen lower collections and elevated delinquencies on account of borrower overleveraging and attrition in collection teams. However, portfolio collections have been improving and are higher from the post guardrail book which is a source of comfort.

Key rating assumption

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 4.00% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3% to 9% 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	NEXT GEN 2026
Originator	Chaitanya India Fin Credit Private Limited
Servicer	Svatantra Microfin Limited
Trustee	Axis Trustee Services Limited
CC holding bank	Axis Bank Limited
Collection and payout bank	Axis Bank Limited

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 is ~7 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 (SML) could also exert pressure on the rating.

Analytical approach

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.

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

About the servicer

Svatantra Microfin Limited (SML), promoted by Ms. Ananyashree Birla, was incorporated in 2012 and started microfinance operations in March 2013. It is registered with the Reserve Bank of India (RBI) as a non-banking financial company-microfinance institution (NBFC-MFI). It provides microcredit to women, for income-generating activities, under the joint liability group (JLG) lending model. As on December 31, 2025, SML had operations in 19 states through a network of 1,046 branches spread across 370 districts, catering to more than 21 lakh borrowers with a managed loan portfolio of Rs. 9,133 crore as on December 31, 2025 (Rs. 7,309 crore as on March 31, 2025). Chaitanya India Fin Credit Private Limited (CIFCPL) has now amalgamated into Svatantra Microfin Limited (SML) effective March 21, 2026.

Key financial indicators

SML	FY2024	FY2025	9MFY2026
Total income	1,758	1,643	1,357
Profit after tax	226	159	145
Gross loan portfolio	7,725	7,309	9,133

SML	FY2024	FY2025	9MFY2026
Gross NPA	3.1%	4.1%	3.3%
CRAR	18.5%	29.8%	22.7%

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 (FY2027)				Chronology of rating history For the past 3 years			
	Instrument	Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	
				May 07, 2026				
NEXT GEN 2026	PTC Series A1	206.05	206.05	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO) February 24, 2026	-	-	

Complexity level of the rated instrument

Instrument	Complexity indicator
PTC Series A1	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: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Annexure II: Instrument details

Trust name	Instrument name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
NEXT GEN 2026	PTC Series A1	February 20, 2026	7.23%	August 18, 2028	206.05	[ICRA]AA+(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Saggar
+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

Swapnali Chavan
+91 22 6114 3412
swapnali.chavan@icraindia.com

Shivam Dussawar
+91 22 6114 3456
shivam.dussawar@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar
+91 22 6169 3304
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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

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

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.