July 20, 2026

IIFL Samasta Finance Limited: Rating reaffirmed for PTCs issued under a microfinance loan receivables securitisation transaction

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	Financial sector regulator**
Frieza 06 2025	PTC Series A1	49.15	NA	9.77	[ICRA]AA-(SO); reaffirmed	SEBI

**Instrument details are provided in Annexure I*

***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.*

Rationale

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

The rating action for PTC Series A1 factors in the build-up of the credit enhancement cover over the future PTC payouts on account of high pool amortisation and the low expected balance tenor of the PTCs. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection levels observed in the pool as of the May 2026 payout month.

Pool performance summary

Parameter	Frieza 06 2025
Payout month	May 2026
Months post securitisation	12
Pool amortisation (as % of initial pool principal)	74.64%
PTC Series A1 amortisation	80.12%
Cumulative collection efficiency[1]	95.54%
Cumulative prepayment rate	24.05%
Loss-cum-30+ days past due (dpd[2]; % of initial pool)	5.55%
Loss-cum-90+ dpd[3] (% of initial pool)	5.06%
Cumulative cash collateral (CC) utilisation	0.00%
Breakeven collection efficiency[4] for PTC Series A1	48.38%
CC available (% of balance pool)	19.71%
Excess interest spread (EIS; % of balance pool) for PTC Series A1[5]	6.64%
Principal subordination (% of balance pool principal) for PTC Series A1	29.45%

Transaction structure

[1] *(Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)*
[2] *Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal*
[3] *Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal*
[4] *(Balance cash flow payable to investor – CC available)/Balance pool cash flow*
[5] *(Pool interest – Interest to PTC Series A1 investors)/Pool principal outstanding*

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 flow available after making the promised and expected payments shall be passed on to the PTC investors on every payout date. Any prepayment in the pool would be used for the prepayment of the PTC Series A1 principal.

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 ~29% of the balance pool principal from 10.00% at the time of securitisation. Credit support is also available through cash collateral (CC) of ~20% and excess interest spread (EIS) of ~6.7% of the balance pool principal. There has been no CC utilisation in the pool in any of the months post securitisation.

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 a wide geography.

Credit challenges

Higher than expected delinquencies in the pool – The pool has seen higher delinquency than ICRA expectations. While there is 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 5.1%. The collections from the delinquent contracts have been lower, which is expected given the unsecured nature of the loans in the pool. Further, while the monthly collection efficiency in the pool 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 pool 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 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 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 their tenure at 3.75% of the initial pool principal with certain variability around it. The average prepayment rate for the 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	Frieza 06 2025
Originator	IIFL Samasta Finance Limited
Servicer	IIFL Samasta Finance Limited
Trustee	IDBI Trusteeship Services Limited
CC holding bank	SBM Bank (India) Limited
Collection and payout account bank	SBM Bank (India) 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 is ~3.50 times the estimated loss in the pool.

Rating sensitivities

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

Negative factors – The rating 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 rating.

Analytical approach

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

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

About the originator

Bengaluru, Karnataka-based IIFL Samasta Finance Limited is a non-deposit accepting non-banking financial company (NBFC), which commenced its microfinance operations in 2008. As on March 31, 2026, it had a portfolio of Rs. 10,501 crore in 22 states, catering to more than 21 lakh customers through a network of over 1,600 branches spread across 400 districts. IIFL Finance Limited had acquired majority stake in the company in FY2017. In December 2020, 25% of the stake was transferred to IIFL Home Finance Limited, a wholly-owned subsidiary of IIFL Finance Limited, following which IIFL Finance Limited held 74.09% in the company. On September 1, 2021, the company's name was changed to IIFL Samasta Finance Limited from Samasta Microfinance Limited in order to achieve group synergies.

Key financial indicators

IIFL Samasta Finance Limited	FY2024	FY2025	FY2026
	Audited	Audited	Audited
Total income	2,770	2,575	2,265

IIFL Samasta Finance Limited	FY2024	FY2025	FY2026
	Audited	Audited	Audited
PAT	503	20	21
Assets under management	14,211	11,101	10,501
Gross NPA	1.9%	4.7%	3.8%
CRAR	24.0%	32.4%	26.5%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: IIFL Samasta Finance Limited was rated by three other credit rating agencies (CRAs) in the past and its rating was not migrated to speculative/default category by any CRA.

Note: It may be noted that ICRA does not endorse or validate the rating assigned and/or the rating actions taken by other CRAs.

Rating history for past three years

Sr. no.	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
					July 20, 2026	July 08, 2025	July 01, 2025	-	-
1	**Frieza 06 2025**	PTC Series A1	74.17	5.61	**[ICRA]AA-(SO)**	**[ICRA]AA-(SO)**	**Provisional [ICRA]AA-(SO)**	-	-

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
Frieza 06 2025	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: Instrument details

ISIN	Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating	Financial Sector Regulator#
INE26SJ15017	**Frieza 06 2025**	PTC Series A1	June 27, 2025	9.90%	March 17, 2027	9.77	[ICRA]AA-(SO)	SEBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Not applicable

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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.

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