



# ABS Pools Rated by ICRA

# December 2025

## Report on Performance until September 2025

### Structured Finance Ratings

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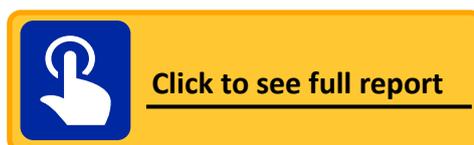
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## Executive Summary

This report provides a pool-wise summary of the performance of all ICRA-rated ABS transactions that were live between May 2025 and October 2025. In total, the performance of 347 transactions across 68 originators, covering a wide variety of asset classes such as commercial vehicle (CV), auto (Car), construction equipment (CE), tractor, two-wheeler, micro, small & medium enterprise (MSME), machinery loans, loan against gold and micro loans, is discussed in the report. For each transaction, the key performance parameters, including cumulative collection efficiency, static and dynamic delinquency profile, prepayment rate, and credit enhancement utilisation, are assessed. The report also contains details of ICRA's rating actions (new ratings assigned, ratings upgraded, ratings downgraded, and ratings reaffirmed) between May 01, 2025 and October 31, 2025.

ICRA has also analysed asset class-wise performance for its rated pools, covering asset classes such as CV loans, micro loans and MSME loans. The analysis focuses on key parameters such as cumulative collection, monthly collection and quarterly collection trends. Delinquency trends and credit enhancement utilisation trends have also been captured.

### Key takeaways from the analysis:

#### Commercial vehicles

The CV pools have demonstrated a steady and strong trend in the cumulative collection efficiency (CCE), with it trending above 95% for the majority of the pools' tenure. However, it is also observed that there have been minor dips in collection efficiency, which can be attributed to the seasonal nature of the underlying borrowers' income-generating activity. Furthermore, during the period of the pandemic-led lockdown, it was noted that CV loans were amongst the quickest to return to regular repayment despite certain periods of delinquency. Moreover, the ICRA-rated transactions backed by vehicle loan pools have continued to demonstrate strong performance. These transactions benefit from built-in credit enhancements within the structure, which help protect investor payouts against temporary liquidity disruptions and, to some extent, any principal shortfall at maturity. This protection further strengthens as the underlying pool and PTCs amortise over time.

#### Micro loan pools

The microfinance industry, after an improving performance during FY2023 and FY2024, suffered from over-leveraging issues and regulatory interventions, which led to a slowdown in disbursements in FY2025; this trend continued in H2 FY2026. In CY2025, MFI pools witnessed declining collection efficiencies and rising delinquencies due to industry-wide stress resulting from over-leveraging, unfavourable weather conditions in certain rural pockets, higher field-level attrition, and ordinances passed in Tamil Nadu and Karnataka to prevent borrower harassment and coercive recovery tactics. Going forward, the MFI entities' ability to control the increasing delinquency levels will remain a key monitorable.

#### MSME pools

The MSME pools rated by ICRA are either secured or unsecured. Unsecured pools have a door-to-door tenure of less than three years, while secured pools usually have a longer tenure of up to seven years. While some stress has been observed in portfolio collections, primarily among unsecured MSME players, most ICRA-rated pools have performed better than the overall portfolio. Given the shorter tenure of unsecured SME pools, there tends to be a faster build-up of credit enhancement. Further, most of the transactions have an ultimate principal payment structure, with only monthly interest being promised to investors, and thus investor payouts are expected to be safeguarded from any intermittent dips in collections.

The report also provides a comprehensive user's guide enlisting key terms and metrics used by ICRA for rating and monitoring the performance of ABS transactions. The section titled, **Key Performance Indicators of ABS Transactions**, features a discussion on the various important indicators monitored by ICRA.

**Overall, ICRA has rated more than 1,644 ABS<sup>1</sup> transactions till date, with the rated amount aggregating to Rs. 2,33,000 crore<sup>2</sup>.**

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<sup>1</sup> For the purposes of this report, 'ABS' includes bilateral assignment of pool of non-mortgage retail loans, on a rated basis.

<sup>2</sup> Rs. 1 crore = Rs. 10 million = Rs. 100 lakh

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### Pool-wise performance of all live ICRA-rated ABS transactions

- More than 300 transactions across more than 52 originators, live between April 2025 and September 2025 collection months
- Asset classes, including commercial vehicles (CV), auto (Car), construction equipment (CE), tractor, two-wheelers, SMEs, MSMEs, machinery loans, loan against gold and micro loans
- For each transaction, all key performance parameters, including cumulative collection efficiency, static and dynamic delinquency profile, prepayment rate and credit enhancement utilisation, covered (sample format annexed)

### in addition -

- A list of rating actions (new ratings assigned/ rating upgrades/ rating downgrades and rating reaffirmations) taken by ICRA between April 2025 and September 2025 collection months are also summarised.
- A comprehensive user guide enlisting key terms/metrics used by ICRA for the rating and monitoring performance of ABS transactions, with a brief description of how these metrics are computed and should be interpreted by the users of this report.

### Summary analysis - Commercial Vehicle Loan Pools

- Analysis of the key performance indicators pertaining to all ICRA-rated CV loan pools that were securitised in the calendar year CY2014 – Q3 CY2025; pools grouped into various annual cohorts (based on the year in which these pools were securitised). Analysis covers -
  - Median cumulative collections, monthly collections, delinquency and prepayment, discussion on trends seen in recent months and seasonal pattern in collections
  - Median credit enhancement utilisation and cash collateral utilisation, peak cash collateral utilisation analysis, analysis of credit enhancement cover (ratio of total credit enhancement to the principal outstanding against 90+ dpd contracts) and analysis of break-even collection efficiency

### Summary analysis - Micro Loan Pools

- Analysis of key performance indicators pertaining to micro loan pools securitised since January 2014 and whose commencement date<sup>3</sup> was prior to September 2025; pools grouped into various annual cohorts (based on the year in which these pools were securitised). Analysis covers -
  - Average cumulative and monthly collection and delinquency trends in micro-loan transactions
  - Analysis of cash collateral build-up vis- a-vis senior PTC amortisation in these pools
  - Rating transition for different instruments (based on seniority)
  - Prepayment trends in these pools

### Summary analysis – Small Business Loan Pools

- Analysis of the key performance indicators pertaining to small business loan pools that were securitised during the period CY2012 – Q3 CY2025. For this analysis, ICRA has clubbed these pools together. This analysis covers the delinquency trends across pools.

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<sup>3</sup> Commencement Date- The date from which the pool receivables have been transferred

## Sample Report Format

**Originator Name : XYZ Limited.**

**Issue Name : [(Originator) (Asset Class) D.A. (MMM-YY)] / (Name of SPV)**

**Trustee / Purchaser Representative: ABC Trust Ltd.**

**Commencement Month: MMM YY**

**Asset Composition**

Asset Class

Asset Share

### Initial Pool Details

Transaction Structure	Purchaser Payouts Principal (Rs. Cr.)
Staggering	Pool Principal (Rs. Cr.)
<b>Credit Enh. (% of Purchaser Pay-outs )</b>	Pool Cashflow (Rs. Cr.)
Cash Collateral	No of Contracts
Excess Interest Spread	Tenure (months)
Subordination	Average Loan To Value

### Pool Performance till: Month Year

Months Post- Securitisation	Prepayment Analysis
Cumulative Collection Efficiency	Avg. Monthly Prepayment Rate
Cumulative Collection / Cumulative	Cumulative Prepayment
Purchaser Payouts	Loss cum Delinquency
<b>Cumulative Credit Enhancement Utilisation</b>	90+ dpd (% of Initial Pool Size)
Cumulative Cash Collateral Utilisation	180+dpd (% of Initial Pool Size)

### Details of Remaining Pool

Purchaser Payouts Principal O/s (Rs. Cr.)	Pool Principal O/s (Rs. Cr.)
<b>Cr. Enh. (% of Purchaser Payouts O/s )</b>	Balance Tenure (months)
Cash Collateral	90+dpd (% of Balance Pool Size)
Excess Interest Spread	180+dpd (%of Balance Pool Size)
Subordination	Break-even Collection Efficiency

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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.

For more information, visit [www.icra.in](http://www.icra.in) and [www.icraresearch.in](http://www.icraresearch.in)

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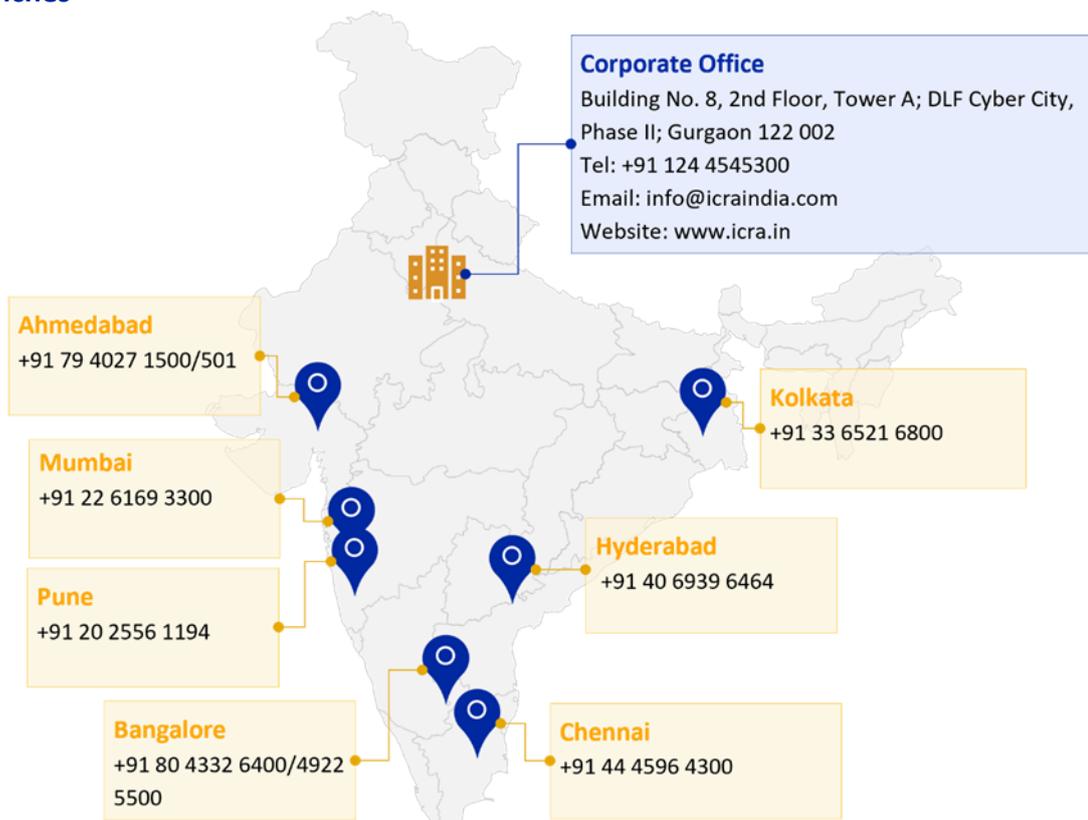


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