

March 23, 2026

Piramal Finance Limited : Rating reaffirmed for PTCs issued under loan against property 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
Niveda Trust November 2024	Series A1 PTCs	139.48	139.48	94.67	[ICRA]AAA(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by (LAP) receivables was This was originated by Piramal Enterprises (PEL), which has now merged with Piramal Finance (PFL {formerly known as Piramal Capital & Housing Finance Limited; rated [ICRA]AA+(Stable)}; Originator). PFL would be the servicer for the transaction.

The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of amortisation of the pool. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed in the pool till the February 2026 payout month.

Pool performance summary

Parameter	Niveda Trust November 2024
Payout month	Feb-26
Months post securitisation	15
Pool amortisation (as % of initial pool principal)	26.73%
Series A1 PTC amortisation	32.13%
Cumulative collection efficiency ¹	99.84%
Cumulative prepayment rate	20.21%
Loss-cum-90+ days past due (dpd ² ; % of initial pool)	0.03%
Cumulative cash collateral (CC) utilisation	0.00%
Breakeven collection efficiency ³ for Series A1 PTCs	67.95%
CC (% of balance pool)	13.65%
Excess interest spread (EIS; % of balance pool) for Series A1 PTCs ⁴	37.43%

¹ (Cumulative current and overdue collections till date)/(Cumulative billing till date)

² Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

³ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

⁴ (Pool cash flows – Cash flows to Series A SN)/Pool principal outstanding

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout and principal payout (97.00% of the pool principal billed) to Series A PTCs. The balance principal (3.00%) is expected to be paid on a monthly basis until the maturity of Series A PTCs. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will be utilised towards the redemption of Series A PTCs. Any prepayment in the pool would be used for the redemption of Series A PTCs.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 10.00% of the initial pool principal, provided by the Originator, (ii) subordination of 3.00% of the initial pool principal for Series A PTCs, and (iii) the EIS of 38.80% of the initial pool principal for Series A PTCs.

Key rating drivers and their description

Credit strengths

Build-up in credit enhancement – There is a build-up in the credit enhancement with cash collateral and subordination increasing to ~14% and ~10% respectively of the balance pool principal for the pool compared to 10% and 3% respectively at the time of securitisation. Internal credit support is also available through scheduled EIS.

Adequate servicing capability of PFL - The company has adequate processes for servicing the loan accounts in the securitised pool. It has established systems for collection and recovery across a wide geography.

Credit challenges

High geographical concentration: The pool has high geographical concentration with the top 3 states, viz. Maharashtra, Karnataka, and Telangana, contributing ~53% 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 the PTCs is linked to an external benchmark (SBI MCLR) while interest rate on the underlying loans is floating (linked to PFL'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 transactions.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.00%, with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 7.2% to 30.0% 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	Niveda Trust November 2024
Originator	Piramal Finance Limited
Servicer	Piramal Finance Limited
Trustee	Catalyst Trusteeship Limited
Cash collateral holding Bank	IDFC First Bank
Collection and payout account Bank	ICICI Bank

Liquidity position: Superior

The liquidity for the PTC instrument 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.

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 (PFL) could also exert pressure on the rating.

Analytical approach

The rating action is based on the performance of the pool till January 2026 (collection month), the present delinquency levels and the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

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

About the originator

PFL is an upper layer NBFC with a presence in the retail and wholesale lending segment. As on December 31, 2025, its AUM stood at Rs. 96,690 crore. The retail lending business comprises housing loans to customers in the affordable and budget segments, secured and unsecured lending to small businesses, preowned car loans, loan against securities, and unsecured finance constituting microfinance, digital purchase finance, salaried personal loans, etc. In the wholesale lending space, it extends loans to real estate developers as well as corporate clients. The consolidated retail operations are backed by a network of over 518 conventional branches and 76 microfinance branches across 26 states and Union Territories as of December 2025.

The Group forayed into the financial services sector with erstwhile Piramal Capital & Housing Finance Limited (PCHFL), a housing finance company (HFC) that provided both wholesale and retail finance across segments. PCHFL was chosen as the successful resolution applicant by DHFL's Committee of Creditors for the resolution of DHFL, an HFC catering to the low-and-middle-income borrower segment. The erstwhile PCHFL was reverse merged with DHFL, with effect from September 30, 2021, and the amalgamated entity (DHFL) was rechristened PCHFL. Thereafter, with the healthy growth in its non-housing retail lending book, PCHFL did not meet the principal business criteria (PBC) set for HFCs and it applied for a non-banking financial company-investment and credit company (NBFC-ICC) licence. It received this licence on April 4, 2025. Also, the company was rechristened Piramal Finance Limited (PFL) on March 22, 2025.

Piramal Enterprise Limited (PEL), the erstwhile holding company of the Group, received its NBFC licence as a part of a planned corporate restructuring exercise, whereby the pharma business was demerged from PEL and housed under a separate listed entity – Piramal Pharma Limited (PPL); rated [ICRA]A1+. Further, PHL Fininvest Private Limited (PFPL), a wholly-owned subsidiary of PEL and the NBFC arm of the Group, was merged into PEL w.e.f. August 12, 2022.

To simplify the organisation structure and abide by the listing requirement of an upper layer NBFC, the management proposed a reverse amalgamation of PEL with PFL in Q1 FY2025. This scheme received RBI approval on April 8, 2025 and National Company Law Tribunal (NCLT) approval on September 11, 2025, with an effective date of September 16, 2025.

The Group also has strategic partnerships with financial institutions such as the Canada Pension Plan Investment Board, APG Asset Management and Ivanhoe Cambridge (subsidiary of Caisse de dépôt et placement du Québec; CDPQ) across investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to select corporates through Piramal Credit Fund, a performing, sector-agnostic credit fund with capital commitment from CDPQ, and IndiaRF, a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate (RE) sectors. PEL also has a 50% stake in Pramerica Life Insurance (a joint venture with Prudential International Insurance Holdings) and equity investments in Shriram Group.

Key financial indicators (Rs. Crore)

Particulars	FY2024	FY2025	9MFY2026*
	PEL-Consolidated	PEL-Consolidated	PFL-Consolidated after reverse merger
Total income	10,057.6	9,402.6	NA
Reported Total income	10,178.4^	10,611.9^	8,565.50
PAT	(1,683.5)	485.5	1,004.40
Total managed assets	84,228.0	1,01,945.4	~1,13,900
Return on managed assets	-1.9%	0.5%	1.2%
Reported gearing (times)	2.0	2.4	3.1
Managed gearing (times)	2.1	2.7	2.6
Gross stage 3	2.1%	2.8%	2.7%
CRAR (Consolidated)	25.6%	23.6%	20.3%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Limited review numbers; ^Difference is largely due to reversal of provision on AIFs and other financial instruments, and recoveries from bad debt

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Current rating (FY2026)				Chronology of rating history for the past 3 years			
	Instrument	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 23, 2026	March 17, 2025	December 03, 2024	-	-
Niveda Trust November 2024	Series A1 PTCs	139.48	94.67	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
Niveda Trust November 2024	Series A1 PTCs	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

Trust name	Instrument	Date of issuance /Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
Niveda Trust November 2024	Series A PTCs	November 28, 2024	9.75%^	January 15, 2043	94.67	[ICRA]AAA(SO)

Source: Company; ^linked to SBI 1Y MCLR

Annexure II: List of entities considered for consolidated analysis

Not applicable

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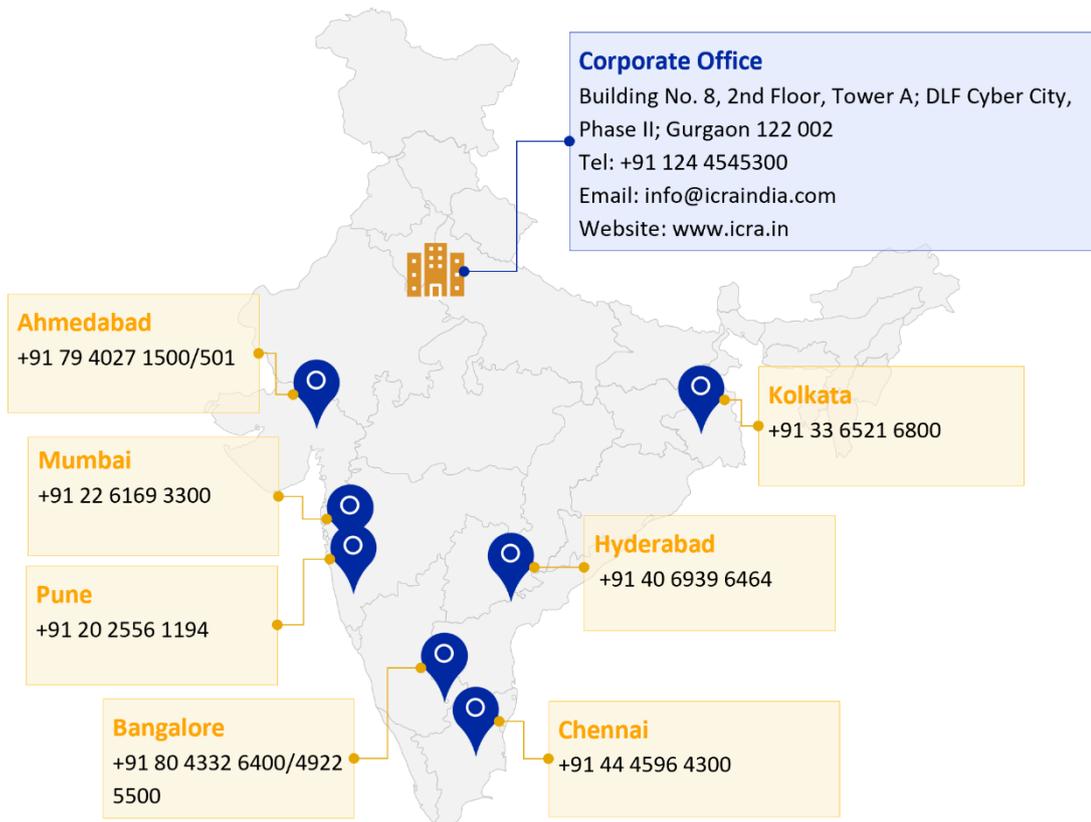
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