

March 25, 2026

Shriram Finance Limited: Ratings actions for PTCs issued under three vehicle loan 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
Sansar Trust Sep 2023 IX	Series A1 PTCs	542.67	148.93	17.31	[ICRA]AAA(SO); Reaffirmed
	Series A2 PTCs	34.64	34.64	34.64	[ICRA]AAA(SO); Upgraded from [ICRA]BBB(SO)
Sansar Trust June 2023	Series A1 PTCs	505.22	212.51	97.93	[ICRA]AA+(SO); Reaffirmed
	Series A2 PTCs	26.59	26.59	26.59	[ICRA]A-(SO); Reaffirmed
Sansar Trust Sep 2023	Series A1 PTCs	475.90	194.45	85.85	[ICRA]AAA(SO); Reaffirmed
	Series A2 PTCs	25.05	25.05	25.05	[ICRA]A(SO); Reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by commercial vehicle (CV), passenger vehicle (PV), construction equipment (CE) and tractor loan receivables originated by Shriram Finance Limited {SFL; rated [ICRA]AA+ (placed on watch with positive implications)}.

The ratings reaffirmation factors in the build-up of the credit enhancement cover on account of high amortisation and healthy pool performance. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pools till the January 2026 payout month.

Pool performance summary

Parameter	Sansar Trust Sep 2023 IX	Sansar Trust June 2023	Sansar Trust Sep 2023
Payout month	January 2026	January 2026	January 2026
Months post securitisation	27	30	28
Pool amortisation	91.00%	76.58%	77.86%
PTC amortisation			
Series A1	96.81%	80.62%	81.96%
Series A2	0.00%	0.00%	0.00%
Cumulative collection efficiency ¹	104.87%	101.20%	100.39%
Cumulative prepayment rate	24.53%	10.02%	9.19%
Average monthly prepayment rate	1.04%	0.35%	0.34%
Loss-cum-90+ days past due (dpd ² ; % of initial pool)	0.90%	0.61%	0.72%
Loss-cum-180+ dpd ³ (% of initial pool)	0.79%	0.40%	0.59%
Cumulative cash collateral (CC) utilisation	0.00%	0.00%	0.00%
Breakeven collection efficiency ⁴ for PTC Series A1	<0%	55.05%	52.61%
CC (% of balance pool)	66.88%	21.35%	22.59%
Subordination (% of balance pool)	66.68%	21.35%	22.59%

¹ Cumulative collections till date (including advance collections)/(Cumulative billings till date + Opening overdue)

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

³ Inclusive of Unbilled and overdue principal portion of contracts delinquent for more than 180 days, as a % of Initial pool principal

⁴ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

Parameter	Sansar Trust Sep 2023 IX	Sansar Trust June 2023	Sansar Trust Sep 2023
Excess interest spread (EIS; % of balance pool) for PTC A/A1 ⁵	12.29%	7.04%	7.40%

Transaction structure

- Sansar Trust Sep 2023 IX:** As per the transaction structure, Series A2 PTCs are subordinate to Series A1 PTCs. The promised cash flow schedule for Series A1 PTCs on a monthly basis will comprise the interest (at the predetermined yield) and principal (to the extent of 94% of the principal billed) on each payout date. The repayment to Series A2 PTCs is promised on the final maturity date. During the tenure of Series A1 PTCs, the collections from the pool will be used to make the promised interest and principal payouts (to the extent of 94% of the principal billed) to Series A1 PTCs. Post the maturity of Series A1 PTCs, the payout to Series A2 PTCs (principal payouts to Series A2 PTC investors) will be on expected basis, which will be due and payable only on the final maturity date.
- Sansar Trust June 2023:** The transaction has a two-tranche structure with Series A1 PTCs comprising 95% of the pool principal, followed by Series A2 PTCs (5%) as on the cut-off date. As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout to Series A1 PTCs. 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. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal. The residual cash flows from the pool, after meeting the promised and expected payouts, will be passed on to Series A2 PTCs as yield on expected basis. After the maturity of Series A1 PTCs, a structure similar to the one used for Series A1 PTCs would be followed to make the principal, prepayment and residual cash flow payouts to Series A2 PTCs.
- Sansar Trust Sep 2023:** As per the transaction structure, Series A2 PTCs are subordinate to Series A1 PTCs. During the tenure of Series A1 PTCs, the collections from the pool will be used to make the promised interest and expected principal payouts (to the extent of principal billed) to Series A1 PTCs. Post the maturity of Series A1 PTCs, the payout to Series A2 PTCs (principal payouts to Series A2 PTC investors) will be on expected basis, which will be due and payable only on the final maturity date. The final maturity date for both tranches of PTCs is September 18, 2028. The loan pool receivables will be assigned at par to the PTC investors. The first line of support for Series A1 PTCs in the transaction is in the form of subordination of 5.00% of the initial pool principal, which will be in the form of Series A2 PTCs.

Reset of credit enhancement

At the Originator's request for resetting the credit enhancement, ICRA has analysed all the transactions, basis the cash collateral (CC) mentioned in the table provided below. Based on the pools' performance, the rating for the PTCs will remain unchanged even after the CC amount is reset. The CC reset shall be subject to the approval of the respective PTC investors. However, as per regulatory guidelines, the amount of CC that can be released would be restricted to 60% of the difference between the current CC amount and the revised CC amount allowed by ICRA.

Transaction name	Current CC outstanding [A]	CC required as per ICRA for maintaining present rating [B]	CC that can be released [C]= 60%*(A - B)	Revised CC limit [D] = (A - C)
Sansar Trust June 2023	26.59	7.98	11.17	15.42
Sansar Trust Dec 2023	25.05	7.51	10.52	14.53

Amount in Rs. crore

⁵ (Pool cash flows – Cash flows to PTC)/Pool principal outstanding

Key rating drivers and their description

Credit strengths

Credit Strengths

Adequate servicing capability of SFL - SFL, which is also servicing the loans in the transaction, has a well-established track record in the pre-owned commercial vehicle financing business of more than four decades and has adequate underwriting policies and collection procedures across a wide geography. It also has satisfactory processes for servicing the loan accounts in the securitised pool.

Build-up of credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with CC increasing to ~19% of the balance pool principal for Sansar Trust Sept 2023 IX and ~11-12% of balance pool principal for other pools. Internal credit support is also available through EIS for the transactions.

Healthy pool performance –The performance of the pools has been healthy with cumulative collection efficiency (including advances) upwards of ~100% till January 2026 payout month while the breakeven collection efficiency remains comfortably below the monthly collection efficiency.

Credit challenges

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.

Key rating assumptions

ICRA’s cash flow modelling for the surveillance of asset-backed securitisation (ABS) transactions involves the simulation of potential delinquencies, losses (shortfall in principal collection during the balance tenor of the pool) and prepayments in the pool. The assumptions for the loss and coefficient of variation (CoV) are arrived at after considering the past performance of the Originator’s portfolio and rated pools as well as the performance and characteristics of the specific pool being evaluated. Additionally, the assumptions may be adjusted to factor in the current operating environment and any industry-specific factors that ICRA believes could impact the performance of the underlying pool of contracts.

For the current pools, ICRA has estimated the shortfall in the pool principal collection and prepayments during its tenure as provided in the following table:

S. no.	Transaction name	Estimated shortfall (% of initial pool principal)	Prepayment
1	Sansar Trust Sep 2023 IX	1.00%	4.8% - 18.0% p.a.
2	Sansar Trust June 2023	1.00%	4.8% - 18.0% p.a.
3	Sansar Trust Dec 2023	1.00%	4.8% - 18.0% 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 ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction name	Sansar Trust Sep 2023 IX	Sansar Trust June 2023	Sansar Trust Sep 2023
Originator	Shriram Finance Limited	Shriram Finance Limited	Shriram Finance Limited
Servicer	Shriram Finance Limited	Shriram Finance Limited	Shriram Finance Limited
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited
CC holding Bank	ICICI Bank Limited	Hongkong and Shanghai Banking Corporation Limited	Hongkong and Shanghai Banking Corporation Limited
Collection and payout account Bank	ICICI Bank Limited	JP Morgan Chase Bank	JP Morgan Chase Bank

Liquidity position

Superior: For Series A1 PTCs and Series A2 PTCs of Sansar Trust Sep 2023 IX

The liquidity for the instruments is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is more than 10 times the estimated loss for the pool.

Superior: For Series A1 PTCs and Series A2 PTCs of Sansar Trust June 2023

The liquidity for the instruments is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is more than 10 times for Series A1 PTCs and ~9 times for Series A2 PTCs the estimated loss for the pool.

Superior: For Series A1 PTCs and Series A2 PTCs of Sansar Trust Sep 2023

The liquidity for the instruments is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is more than 10 times for Series A1 PTCs and ~9 times for Series A2 PTCs the estimated loss for the pool.

Rating sensitivities

Positive factors – Not applicable for both PTCs of Sansar Trust Sep 2023 IX and for Series A1 PTCs of Sansar Trust Sep 2023. For both PTCs of Sansar Trust June 2023 and Series A2 PTCs of Sansar Trust Sep 2023. – The rating can be upgraded on the sustained strong collection performance of the underlying pool of contracts, resulting in an increase in the credit enhancement cover available.

Negative factors – Pressure on the ratings could emerge on sustained weak collections, resulting in higher-than-expected delinquency levels. Weakening in the credit profile of the servicer (SFL) could also exert pressure on the ratings.

Analytical approach

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

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

About the originator

Shriram Finance Limited [SFL; erstwhile Shriram Transport Finance Company Limited (STFC)], incorporated in 1979, is a part of the Shriram Group of companies and an upper layer non-banking financial company. Based on the National Company Law Tribunal order dated November 14, 2022, the operations of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) were merged with STFC, which was rechristened Shriram Finance Limited on November 30, 2022.

SFL enjoys a leadership position in preowned commercial vehicle finance and has a pan-India presence with 3,700+ branches and other offices. As of September 30, 2025, SFL had an AUM of Rs. 2.81 lakh crore comprising commercial vehicle finance (45%), passenger vehicle finance (21%), construction equipment and farm equipment finance (8%), small and medium-sized enterprise (SME) lending (14%), personal loans (4%), gold loans (2%) and two-wheeler loans (6%).

Key financial indicators

Shriram Finance Limited (standalone)	FY2024	FY2025	H1 FY2026
Total income	34,998	41,859	23,458
Profit after tax	7,190	9,761	4,463
Total managed assets	2,52,802	3,11,330	3,16,685
Gross stage 3 assets	5.5%	4.6%	4.6%
Capital-to-risk weighted assets ratio	20.3%	20.7%	20.7%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Total managed assets = Total assets + Impairment allowance + Direct assignment – Goodwill; Managed gearing includes direct assignment as debt

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years					Date & rating in FY2023
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	
				March 25, 2026	March 19, 2025	October 29, 2024	October 11, 2023	September 29, 2023	
Sansar Trust 1	Series A1 PTCs	542.67	17.31	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-
	Sep 2023 IX Series A2 PTCs	34.64	34.64	[ICRA]AAA(SO)	[ICRA]BBB(SO)	[ICRA]BBB(SO)	[ICRA]BBB(SO)	Provisional [ICRA]BBB(SO)	-

Trust name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years					Date & rating in FY2023
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	
				Mar 25, 2026	May 23, 2025	Aug 23, 2024	Aug 10, 2023	June 29, 2023	
Sansar Trust 2	Series A1 PTCs	505.22	97.93	[ICRA]AA+(SO)	[ICRA]AA+(SO)	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-
	June 2023 Series A2 PTCs	26.59	26.59	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

Trust name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years					Date & rating in FY2023
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024		
				Mar 25, 2026	May 23, 2025		Dec 11, 2024	Dec 26, 2023	
Sansar Trust Sep 2023	Series A1 PTCs	475.90	85.85	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-
	Series A2 PTCs	25.05	25.05	[ICRA]A(SO)	[ICRA]A(SO)	[ICRA]A(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

Complexity level of the rated instrument

Trust	Instrument	Complexity indicator
Sansar Trust Sep 2023 IX	Series A1 PTCs	Complex
	Series A2 PTCs	Complex
Sansar Trust June 2023	Series A1 PTCs	Highly Complex
	Series A2 PTCs	Highly Complex
Sansar Trust Sep 2023	Series A1 PTCs	Highly Complex
	Series A2 PTCs	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 type	Date of issuance/ sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
NA	Sansar Trust Sep 2023 IX	Series A1 PTCs	September 29, 2023	8.75%	October 18, 2028	17.31	[ICRA]AAA(SO)
		Series A2 PTCs		Residual		34.64	[ICRA]AAA(SO)
NA	Sansar Trust June 2023	Series A1 PTCs	June 23, 2023	8.30%	July 18, 2028	97.93	[ICRA]AA+(SO)
		Series A2 PTCs		Residual		26.59	[ICRA]A-(SO)
NA	Sansar Trust Sep 2023	Series A1 PTCs	September 26, 2023	8.30%	September 18, 2028	85.85	[ICRA]AAA(SO)
		Series A2 PTCs		Residual		25.05	[ICRA]A(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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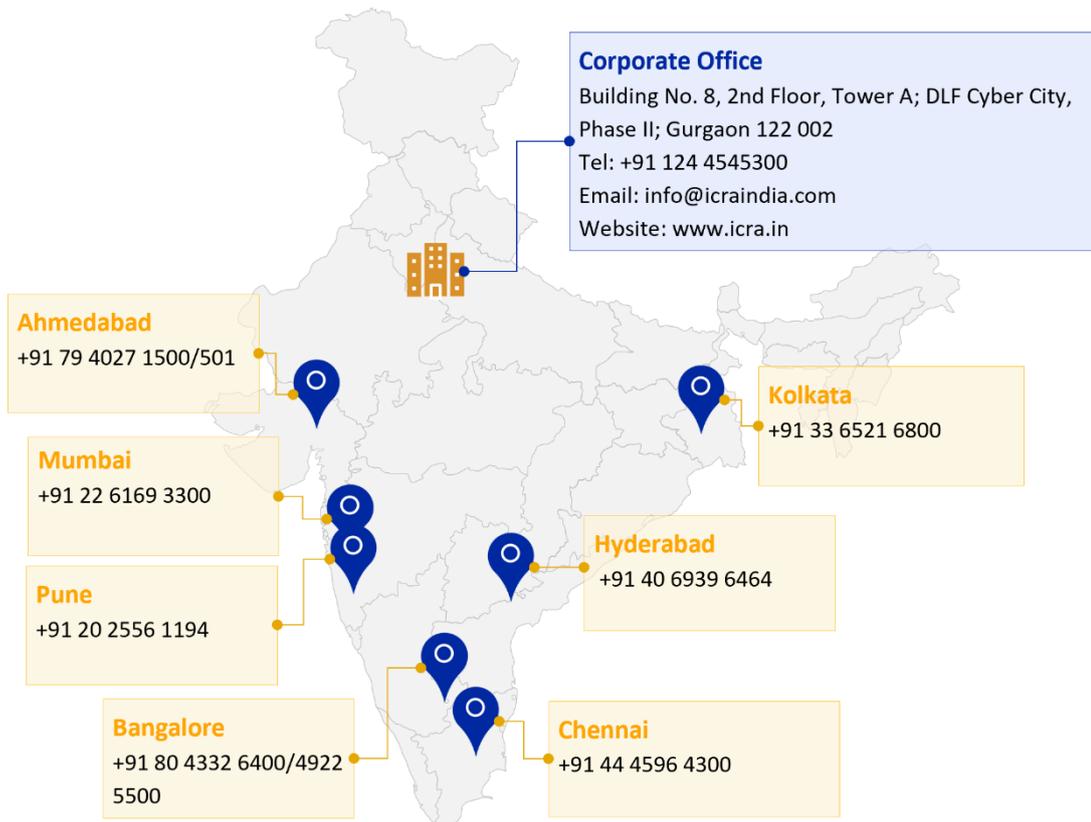
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