

April 24, 2026

## Shriram Finance Limited: Rating confirmed as final for PTCs backed by commercial passenger vehicle, construction equipment and two wheeler loan receivables issued by Sansar Nov 2025 Trust

### Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
Sansar Nov 2025 Trust	Series A1 PTCs	943.29	[ICRA]AAA(SO); provisional rating confirmed as final

\*Instrument details are provided in Annexure II

### Rationale

ICRA had assigned a provisional rating to the pass-through certificates (PTCs) issued by Sansar Nov 2025 Trust under a securitisation transaction originated by Shriram Finance Limited {SFL/Originator; rated {[ICRA]AAA (Stable)}}. The PTCs are backed by a pool of vehicle, construction equipment and two-wheeler loan receivables originated by SFL with an aggregate principal outstanding of Rs. 1,048.10 crore (pool receivables of Rs. 1,316.92 crore). SFL is 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	Sansar Nov 2025 Trust
Payout month	March 2026
Months post securitisation	3
Pool amortisation	0.00%
Series A1 PTCs amortisation	0.00%
Cumulative collection efficiency <sup>1</sup>	104.09%
Cumulative prepayment rate	1.26%
Loss-cum 0+ days past due (dpd) <sup>2</sup>	0.01%
Loss cum 30+ dpd <sup>3</sup>	0.00%
Loss cum 90+ dpd <sup>4</sup>	0.00%
Cumulative cash collateral utilisation	0.00%

*Pool is still in replenishment stage so pool and PTC Series A1 amortisation is nil*

### Transaction structure

As per the transaction structure, the tenure of the pool shall be divided into– replenishment period and amortisation period.

#### Replenishment period

The replenishment period will be for 12 months from the date of assignment or until early amortisation triggers are breached. During this period, Series A1 PTCs investor will receive only the promised interest payouts each month. The balance pool collections will be used by the trust to purchase fresh loan receivables from SFL as per the pre-defined selection criteria. The monthly replenishment amounts will be to the extent that the outstanding PTC principal does not exceed 84.51% of the

<sup>1</sup> Cumulative collections (incl. advances)/ (Cumulative billings + Opening overdue at the time of securitisation)

<sup>2</sup> Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>3</sup> Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>4</sup> Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation

outstanding cash collateral and outstanding pool principal up to 90 days past due. The excess interest collections in surplus of the promised payouts to Series A1 PTC will be passed on to Series A2 PTCs as residual yield on a monthly basis. The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the start of the amortisation period.

#### Amortisation period

Post the replenishment period, the residual pool collections, after meeting the promised interest payouts to the PTC investors, shall be used to make the expected principal payouts to the PTC investors. However, the principal is promised to the investors only on the legal final maturity date of the transaction.

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. 68.13 crore, to be provided by the Originator, (ii) principal subordination of 10.00% of the initial pool principal for Series A1 PTCs and (iii) the excess interest spread (EIS) in the structure. The initial spread i.e. difference between the pool and PTC interest rate is 9.90%.

The transaction also has liquidity facility i.e. 1% of the initial pool principal amounting to Rs. 10.48 crore which shall be in the form of fixed deposit placed with bank. The liquidity facility shall be utilised to cover shortfall in collections from receivables up to 90 days only. Further, the liquidity facility shall not be available in the event CC utilisation reached 90% of the stipulated CC. Reinstatement of liquidity facility would be senior to PTC payouts.

#### Eligibility Criteria

Each of the Loans, the Identified Receivables which have been identified for securitisation comply with the following criteria:

1. All the Loans meet the extant regulations set out in the RBI Master Directions (Securitisation of Standard Assets), 2021;
2. Minimum 3 months have passed as of cut-off date since the first payment date for contracts with a tenure of 24 months or lower and 6 months for the other contracts.
3. All contracts are current as of the cut-off date
4. All loans availed by a Borrower with multiple loans from SFL must be current as of the Cut-off Date;
5. None of the Loans have been delinquent in the last 12 months;
6. Loans should not have been restructured;
7. All the Loans shall have been extended for buying of new two-wheelers or used/new commercial vehicles or new/used passenger vehicles or new/used construction equipment and are secured by the financed assets
8. None of two wheeler Loans have a Net Loan to Value Ratio more than 90% (Ninety Percent) at the time origination;
9. None of the vehicle Loans have a Net Loan to Value Ratio more than 95% (Ninety Five Percent) at the time origination;
10. None of the two wheeler Loans should have a residual tenure of more than 30 months;
11. None of the Loans should have maturity date beyond October 31, 2030;
12. None of the two wheeler Loans have a rate of interest exceeding 26%;
13. None of the commercial vehicle/passenger vehicle Loans/ equipment Loans have a rate of interest less than 13% during the Replenishment Period;
14. None of the passenger vehicle loans, commercial vehicle Loans and equipment Loans have a rate of interest exceeding 18% (Eighteen Percent);
15. None of the two wheeler Loans have a rate of interest less than 19% (Nineteen Percent) during the Replenishment Period;
16. Maximum ticket size of the two wheeler Loans is Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only);
17. Maximum ticket size of the commercial vehicle/passenger vehicle Loans/ equipment Loans is Rs. 15,00,000/- (Rupees Fifteen Lakhs Only);
18. All loans should have equal monthly payments that include both principal and interest;
19. None of the Loans have been originated in Jammu & Kashmir and Manipur;

20. The two wheeler Loans have been granted to finance the purchase of two-wheelers of Bajaj, Hero, Honda, Piaggio, Suzuki, Yamaha or TVS;
21. None of the Underlying Assets are electric vehicles;
22. All the loans have been granted in Indian Rupees;
23. None of the Loans are purchased from other entities;
24. The seller has complied with all the extant guidelines issued by RBI pertaining to KYC with respect to each of the obligors;
25. The Seller has not/ should have not initiated, nor should it currently propose to initiate legal/ or repossession action against any Obligors;
26. All of the Loans have NACH mandate with the Seller;
27. All the loans shall be free from any encumbrances and charges;
28. There are no outstanding obligations, on the part of Seller, to be performed under the Loan Agreements;
29. No security deposits have been taken as security in relation to any of the Loans;
30. The pool does not contain contracts/Loans purchased from other entities.
31. None of the Loans have bullet repayment of both principal and interest;
32. All Loans are originated in accordance with the normal underwriting criteria of the Seller;
33. To the best knowledge of the Seller, there is no evidence indicating likely deterioration in the performance status of the Identified Receivables;
34. No individual Borrower would account for more than 0.25% (Zero Decimal Point Two Five Percent) of the initial pool principal;
35. No single branch account would account for more than 1.5% (One Decimal Point Five Percent) of the initial pool principal;
36. No single state would account for more than 25% (Twenty Five Percent) of the initial pool principal;
37. At least 27% (Twenty Seven Percent) of the Loans should be two wheeler Loans;
38. The seller is sole and legal beneficial owner of the loans.

#### Trigger/Early amortisation events (applicable during replenishment period)

- a) Seller is not able to provide sufficient assets that meet the eligibility criteria & pool characteristics for two consecutive months (unless consented by the investors holding the majority interest for an extension) during the replenishment period.
- b) Servicer defaults on any of its outstanding debt
- c) Servicer is admitted in to insolvency proceedings
- d) Domestic rating of Servicer by any rating agency is downgraded by two notches or higher
- e) The Seller has posted losses for two consecutive quarters
- f) Advance rate exceeds Advance rate cap on replenishment
- g) Cash reserve is used for interest payment
- h) 30+ dpd exceeds 5.0% of the eligible pool in any month during replenishment
- i) Gross stage 3 of the originator exceeds 7.5%

Upon the occurrence of a trigger event, replenishment period ends and e amortization period shall come into effect.

#### Key rating drivers and their description

##### Credit strengths

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

**Granular pool supported by the presence of credit enhancement** – The current pool is granular and basis the eligibility criteria the follow-on pools are also expected to be granular, 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 amount of the losses in the pool and provide support in meeting the PTC payouts.

**No overdue contracts in the pool:** The initial pool has no overdue contracts as on pool cut-off date. Further any follow-on pool would also not include any overdue contracts on date of assignment to trust which is a credit positive.

### Credit challenges

**Moderate pool selection criteria:** A potential concern pertaining to a replenishing structure is the uncertainty regarding the exact composition of the additional receivables. While the current transaction has a specified eligibility criteria the follow on pools may have a lower seasoning, high-interest rate contracts and high share of two wheeler loans.

**Risks associated with lending business:** The performance of both the initial and the follow-on pools 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. Both the initial and the follow-on pools are exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

### 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. However, since the pool in the current transaction would be revised during the replenishment period, the characteristics of the pool would change unlike other PTC transactions where the pool is static. ICRA has used the defined eligibility criteria to arrive at a potential loss for the follow-on pools. The resulting collections from the current pool and follow on pools, 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 transaction, ICRA has estimated the shortfall in the principal of the pool crystallised at the end of replenishment period at 4.50% of the initial pool principal at end of its tenure with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18% 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	Sansar Nov 2025 Trust
Originator	Shriram Finance Limited
Servicer	Shriram Finance Limited
Trustee	IDBI Trusteeship Services Limited
CC holding Bank	Kotak Mahindra Bank Limited
Collection and payout account Bank	Citi Bank

## Liquidity position

### For Series A1 PTCs: Strong

The liquidity position for Series A1 PTCs is strong after factoring in the credit enhancement available for meeting the promised payouts to the investor. The total credit enhancement would be 5.50 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – Since the principal amortisation would begin on the crystallisation of the final pool, the rating is unlikely to be upgraded till the final pool is crystallised.

**Negative factors** – The rating could be downgraded on the occurrence of a trigger event, non-adherence to the key transaction terms and deterioration in the performance of the follow-on pools such that the delinquencies during the amortisation period are higher than expected. Weakening in the credit profile of the servicer 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	<a href="#">Securitisation Transactions</a>
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 (NBFC). Based on the National Company Law Tribunal (NCLT) order dated November 14, 2022, the operations of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited 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 more than 3,700 branches and other offices. As on December 31, 2025, SFL had a standalone AUM of Rs. 2.92 lakh crore comprising commercial vehicle finance (46%), passenger vehicle finance (22%), loans to micro, small and medium-sized enterprises (MSMEs; 14%), construction equipment and farm equipment finance (7%), two-wheeler loans (6%), personal loans (3%) and gold loans (2%).

## Key financial indicators

Shriram Finance Limited (standalone)	FY2024	FY2025	9M FY2026
Total income	34,998	41,859	35,660
Profit after tax	7,190	9,761	7,003
Total managed assets	2,52,802	3,11,330	NA
Gross stage 3 assets	5.5%	4.6%	4.5%
Capital-to-risk weighted assets ratio	20.3%	20.7%	20.3%

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.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

**Rating history for past three years**

Trust name	Instrument	Current rating (FY2027)				Chronology of rating history for the past 3 years		
		Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				April 24, 2026	Dec 15, 2025	-	-	-
Sansar Nov 2025 Trust	Series A1 PTCs	943.29	943.29	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-	-

**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.

### Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 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 II: Instrument details**

Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.) *	Maturity date	Amount rated (Rs. crore)	Rating
<b>Sansar Nov 2025 Trust</b>	Series A1 PTCs	December 19, 2025	7.25%	November 25, 2030	943.29	[ICRA]AAA(SO)

Source: Company; \*Fixed rate

**Annexure III: List of entities considered for consolidated analysis**

Not applicable

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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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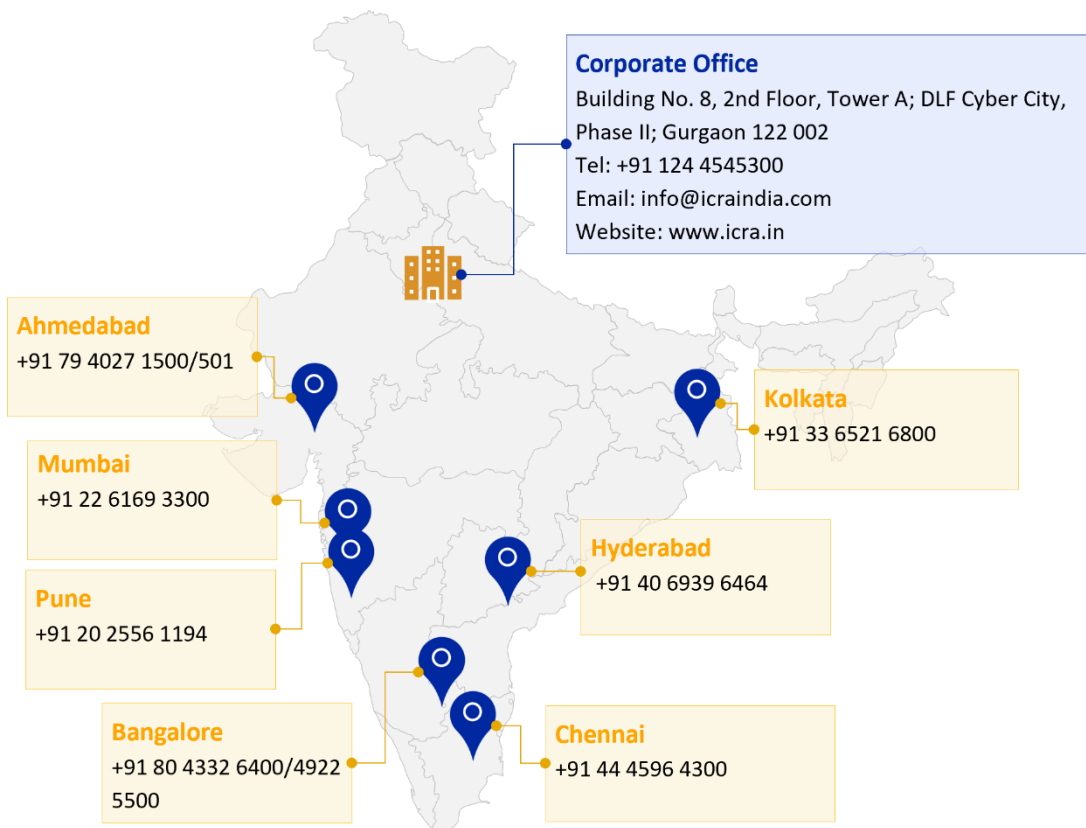
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