

June 24, 2026

## Sundaram Finance Limited: Rating reaffirmed for PTCs issued under vehicle loan securitisation transactions

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous rated Amount (Rs. Crore)	Current Rated Amount (Rs. crore)	Rating Action
Shri Trust BB 2025	PTC Series A	332.12	239.13	125.70	[ICRA]AAA(SO); reaffirmed
Shri Trust BC 2025	PTC Series A	276.38	198.70	99.40	[ICRA]AAA(SO); reaffirmed

\*Instrument details are provided in Annexure II

### Rationale

The pass-through certificates (PTCs) are backed by vehicle loan receivables originated by Sundaram Finance Limited {SFL/Originator; rated [ICRA]AAA (Stable)<sup>1</sup>}. SFL is also the servicer for the rated transaction. The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of the high amortisation and healthy pool performance. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed in the pools till the April 2026 payout month.

### Pool performance summary

Parameter	Shri Trust BB 2025	Shri Trust BC 2025
Payout month	April 2026	April 2026
Months post securitisation	22	22
Pool amortisation (%)	63.0%	64.7%
PTC amortisation (%)	62.2%	64.0%
Cumulative collection efficiency (%) <sup>2</sup>	96.7%	99.1%
Cumulative prepayment rate (%)	8.1%	4.7%
Loss-cum-90+ (% of initial pool principal) <sup>3</sup>	1.0%	0.4%
Loss-cum-180+ (% of initial pool principal) <sup>4</sup>	0.9%	0.4%
Breakeven collection efficiency (%) <sup>5</sup>	79.7%	73.5%
Cumulative cash collateral (CC) utilisation (%)	Nil	Nil
EIS available (as a % of balance pool)	20.3%	23.4%
CC available (as % of balance pool)	3.7%	2.6%

<sup>1</sup> The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions

<sup>2</sup> Cumulative current and overdue collections (including advances) / Cumulative billings

<sup>3</sup> Principal outstanding and overdue on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>4</sup> Principal outstanding and overdue on contracts aged 180+ dpd / Principal outstanding on the pool at the time of securitisation

<sup>5</sup> (Balance PTC cash flows – CC available) / Balance pool cash flows

## Transaction structure

### Shri Trust BB 2025

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 but is promised on the final maturity date. The expected monthly principal payouts to the investors have been staggered in such a way that the principal portion of the billing pertaining to a particular month (month M) will be paid in the corresponding payout to the investors in a staggered ratio of 80:20 in months M+1 and M+2, respectively. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of PTC Series A principal.

### Shri Trust BC 2025

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 but is promised on the final maturity date. The expected monthly principal payouts to the investors have been staggered in such a way that the principal portion of the billing pertaining to a particular month (month M) will be paid in the corresponding payout to the investors in a staggered ratio of 80:20 in months M+1 and M+2, respectively. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of PTC Series A principal.

## Reset of Credit Enhancement

At SFL's request for resetting the CE, ICRA has analysed Shri Trust BB 2025 and Shri Trust BC 2025, basis the 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 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)
Shri Trust BB 2025	24.91	12.45	7.47	17.44
Shri Trust BC 2025	22.80	9.12	8.21	14.59

Amount in Rs. crore

## Key rating drivers and their description

### Credit strengths

**Established track record and servicing capability of SFL-** SFL, which is also servicing the loans in the transactions, has an established track record in the vehicle finance business with operational history of almost seven decades. It has adequate processes for servicing loan with demonstrated track record of regular collections and recovery across a wide geography.

**Substantial credit enhancement available in the structure** – The rating factors in the build-up in the credit enhancement with CC increasing to ~20% and ~23% of the balance pool principal for Shri Trust BB 2025 and Shri Trust BC 2025, respectively, as compared to 7.5% and 8.25% of initial pool principal at the time of securitisation. Internal credit support is also available through EIS for all the transactions.

**Healthy pool performance** – Performance of both the pools has been strong with cumulative collection efficiency above 96% which has resulted in low delinquencies with the 90+ days past due (dpd) being sub 1.5% as on April 2026 payout month. Further, there have been no instances of cash collateral utilisation till date owing to strong collection performance.

## 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 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 its tenure at 1.25% and 1.00% for Shri Trust BB 2025 and Shri Trust BC 2025 respectively with certain variability around it. The average prepayment rate for the underlying pool is assumed at 4.8% to 18% 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 rating for the instrument.

## Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction Name	Shri Trust BB 2025	Shri Trust BC 2025
<b>Originator</b>	Sundaram Finance Limited	Sundaram Finance Limited
<b>Servicer</b>	Sundaram Finance Limited	Sundaram Finance Limited
<b>Trustee</b>	Axis Trustee Services Limited	Axis Trustee Services Limited
<b>CC bank</b>	State Bank of India	State Bank of India
<b>Collection and payout account bank</b>	State Bank of India	State Bank of India

## Liquidity position

### Shri Trust BB 2025: Superior

The liquidity position for PTC Series A is superior after factoring in the credit enhancement available for meeting the promised payouts to the investor. The total credit enhancement would be more than 6 times the estimated loss in the pool.

### Shri Trust BC 2025: Superior

The liquidity position for PTC Series A is superior after factoring in the credit enhancement available for meeting the promised payouts to the investor. The total credit enhancement would be more than 9 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – Pressure on the ratings could emerge due to sustained weak collection performance of the underlying pool (monthly collection efficiency of <90%), leading to higher-than-expected delinquency levels and credit enhancement utilisation levels. Weakening in the credit profile of the servicer could also exert pressure on the ratings.

## Analytical approach

The rating action is based on the performance of the pool till the April 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 transactions.

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

## About the originator

SFL is the flagship company of the TSF Group. It is one of the large NBFCs in the country with AUM of Rs. 58,236 crore as of December 2025. Its primary focus is on the financing of CVs and cars. SFL has invested in various entities to provide a gamut of financial services like housing finance (SHFL), insurance (Royal Sundaram) and mutual funds (SAMCL).

SFL reported a standalone net profit of Rs. 1,543 crore in FY2025 on a managed asset base of Rs. 59,752 crore compared with Rs. 1,454 crore and Rs. 51,443 crore, respectively, in FY2024. It reported a net profit of Rs. 1,226 crore in 9M FY2026 on a managed asset base of Rs. 67,288 crore.

## Key financial indicators (as per Ind-AS)

SFL – Standalone	FY2024	FY2025	9MFY2026
	Audited	Audited	Provisional
Total income	5,494	6,596	5,631
Profit after tax	1,454	1,543	1,226
Total managed assets	51,443	59,752	67,288
Gross stage 3	1.3%	1.4%	1.9%
Capital-to-risk weighted assets ratio (CRAR)	20.5%	20.4%	19.1%

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

**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 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
				June 24, 2026	Jun 23, 2025	Jun 17, 2024	May 27, 2024	-
1 Shri Trust BB 2025	PTC Series A	332.12	125.70	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-

Trust Name	Instrument	Current Rating (FY2027)		Chronology of Rating History for the Past 3 Years				
		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
				June 24, 2026	Jun 23, 2025	Jun 17, 2024	May 27, 2024	-
2 Shri Trust BC 2025	PTC Series A	276.38	99.40	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[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

Trust Name	Instrument	Complexity Indicator
Shri Trust BB 2025	PTC Series A	Highly Complex
Shri Trust BC 2025	PTC Series A	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 Type	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
Shri Trust BB 2025	PTC Series A	May 29, 2024	7.50%	May 25, 2029	125.70	[ICRA]AAA(SO)
Shri Trust BC 2025	PTC Series A	May 29, 2024	7.50%	September 25, 2028	99.40	[ICRA]AAA(SO)

Source: Company

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

Not applicable

## ANALYST CONTACTS

**Manushree Sagar**  
+91 12 44545316  
[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sachin Joglekar**  
+91 22 6114 3470  
[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Himanshi Doshi**  
+91 22 6114 3410  
[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

**Ritu Rita**  
+91 22 6114 3409  
[ritu.rita@icraindia.com](mailto:ritu.rita@icraindia.com)

**Sheetal Nayak**  
+91 22 6114 3411  
[sheetal.nayak@icraindia.com](mailto:sheetal.nayak@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## 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)

## ICRA Limited



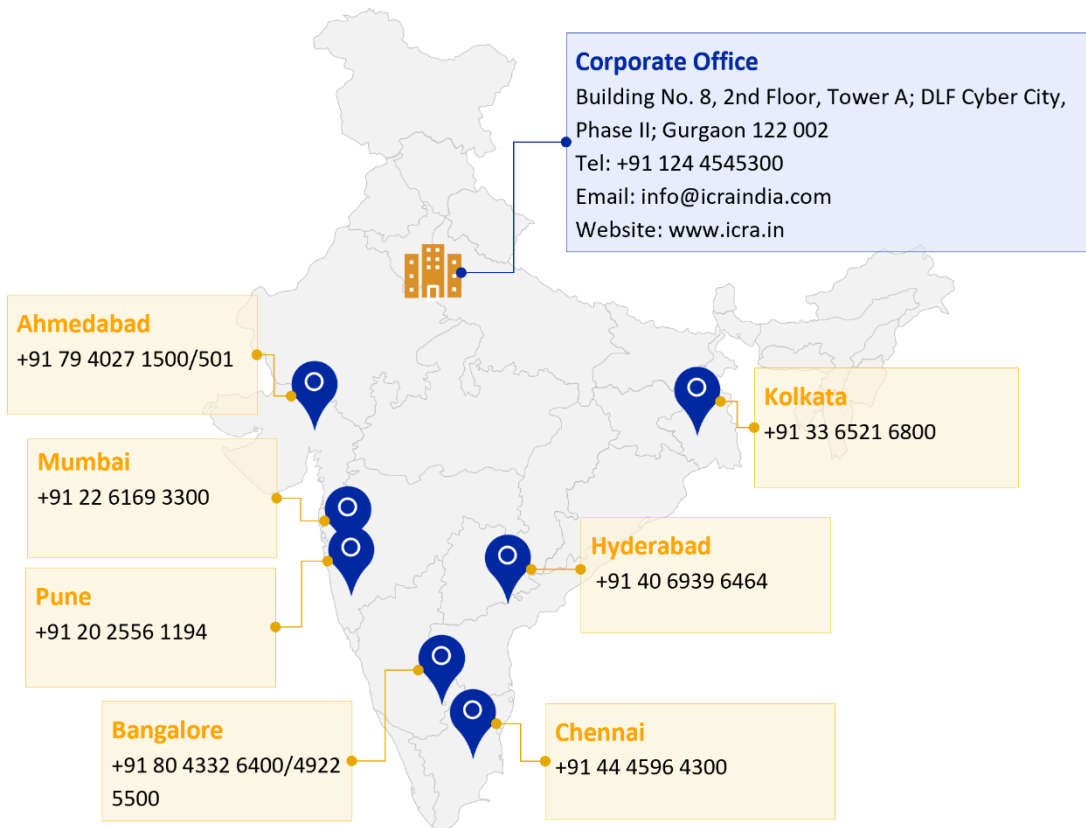
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.