SANSAR AUG 2024 VI TRUST

Originator: Shriram Finance Limited

September 16, 2025

Instrument#	Amount (₹ crore)@	Balance Tenure (months)*	Credit Enhancement$ (₹ crore)		Rating[1]	Rating Action
			Cash Collateral	Subordination		
Series A1 PTCs	103.51	18	13.64	27.28	CARE AAA (SO)	Reaffirmed
Series A2 PTCs	27.28			-	CARE BBB- (SO)	Reaffirmed

Details of instruments/facilities in Annexure-1.

@After August 2025 payout.

Series A1 pass-through certificates (PTCs) are rated for timely payment of interest and payment of principal by the final legal maturity date. The Series A2 PTCs are rated for payment of principal by the final legal maturity date.

*Tenure/door-to-door maturity may change due to prepayments or changes in interest rates.

$Excess interest spread (EIS) shall be utilised per the Waterfall Mechanism.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of Series A1 PTCs and Series A2 PTCs issued by SANSAR AUG 2024 VI TRUST, backed by two-wheeler and personal loan receivables originated by Shriram Finance Limited (SFL), at 'CARE AAA (SO)' [pronounced as Triple A (Structured Obligation)] and at 'CARE BBB- (SO)' [pronounced as Triple B Minus (Structured Obligation)] respectively.

Reaffirmation in ratings is primarily based on performance of underlying loans in the last 10 months post-securitisation, robust legal structure, well-defined payment mechanism, significant build-up in cash collateral (CC) – as a percentage of balance amount of PTCs, the subordinated Series A2 PTCs (only for Series A1 PTCs) and excess interest spread (EIS), the servicing capability and overall performance of SFL.

Rating sensitivities: Factors likely to lead to rating actions

For Series A1 PTCs: None.

For Series A2 PTCs:

- Delinquencies (90+ days past due [DPD] as percentage of initial principal outstanding [POS]) of less than 2% and sustained high collection efficiency (cumulative collection efficiency of over 98%).

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD as percentage of initial POS) of over 7% and sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Deterioration in the credit profile of the originator.
- Utilisation of CC.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

The rating reaffirmation is based on inter alia, observed and expected pool performance, presence of credit enhancement (CE) and adherence to the transaction structure.

Detailed description of key rating drivers

Pool Performance:

The pool has amortised by ~52% in 10 months post-securitisation, with nil utilisation of CC. The pool has exhibited low delinquencies. As on August 2025, overdue (OD; as a percentage of the initial POS) is 1.04%. The CE available is sufficient to sustain ratings for the balance tenure.

[1]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Pool summary (as of Aug-25 payout)	
Months post-securitisation	10
Pool amortisation	52.05%
30+ delinquency (percentage of the initial pool POS)	2.00%
90+ delinquency (percentage of the initial pool POS)	0.26%
Overdue amount (percentage of the initial pool POS)	1.04%
Cumulative Collection Efficiency [CCE]	97.75%
CC (percentage of the balance PTC POS)	10.43%
Cumulative prepayments	3.28%

Key strengths:

- CC as a percentage of PTC POS is 10.43%, which remains unutilised, and principal subordination (Only for Series A1 PTCs), which is 26.35% of PTC POS.
- Cumulative Collection efficiency (CCE) stands at ~97.8%
- The pool has performed on expected lines for 10 months (post-securitisation) and has amortised by ~52%.
- Well-defined payment mechanism and adherence to the transaction structure.
- The 90+ DPD in the pool is low at 0.26% (as percentage of initial pool POS).

Key weakness:

- Moderate delinquency with OD of 1.04% (as a percentage of initial pool POS) and the 90+ DPD in the pool is at 0.26% (as percentage of initial pool POS).

Liquidity:

For Series A1 PTCs: Strong

Inherent liquidity in the structure is strong. Interest payouts for Series A1 PTCs are promised monthly, while principal of Series A1 PTCs is promised to be paid by final legal maturity. In case of delinquencies, payouts are expected to be supported by CE consisting of CC, subordinated Series A2 PTCs and EIS.

For Series A2 PTCs: Adequate

The inherent liquidity in the structure for the Series A2 PTCs is adequate and it is supported by CC and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed transaction to assess whether the CE is sufficient to cover shortfalls. Since the transaction is sensitive to credit quality of the underlying pool, CareEdge Ratings has analysed pool performance and overall portfolio performance of the originator. Considering borrower profile and nature of loan, pool characteristics and portfolio performance, CareEdge Ratings has taken average shortfall from 4.00-5.00% of the POS. Base case shortfalls were stressed along with other key factors such as timing of shortfalls, recovery assumptions, and time to recovery. CareEdge Ratings has found that the CE provided is sufficient to cover shortfalls in a stress scenario commensurate with the assigned rating. Pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayments in the range of 0.50-1.00%.

Key risks, concerns and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties including trustee and banker among others.

Applicable criteria

Policy on Default Recognition
CARE Ratings' methodology for asset/mortgage-backed securitisation

About the originator / servicer and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

SFL (CARE AA+; Stable' / 'CARE A1+') is a diversified player, with a tangible net worth (TNW) of ₹55,039 crore and assets under management (AUM) of ₹254,470 crore as on December 31, 2024. The company caters to over 6.7 million customers across India. The company's growth strategy will be focused on driving the self-employed and the micro, small and medium enterprise (MSME) economy. The company has a pan-India presence, spread across 3,196 branches as on December 31, 2024. Notably, 53% of its presence through branches will be in rural areas. With the merger of Shriram Transport Finance Company Limited (STFCL), the largest financier of commercial vehicles, and Shriram City Union Finance Limited (SCUF), the largest two-wheeler financer and leader in micro, small and medium enterprise (MSME) lending, SFL has been established as the one of the largest retail NBFCs in India. SFL is engaged in vehicle loan business for over 20 years and is an active player in securitisation/bilateral market and as of April 30, 2025, SFL has ~143 such live pools with initial size amounting to ~₹70,000 crore.

Y.S. Chakravarti has been appointed the Managing Director & CEO of SFL. He has also served as the Managing Director and CEO of SCUF prior to the merger with STFCL. SFL's operations are led by Umesh Revankar, Executive Vice Chairman, who has been with the Shriram group for over 35 years. He was previously Vice Chairman and Managing Director for erstwhile STFCL. The management team, including Parag Sharma (Whole-time Director, Joint Managing Director, and Chief Financial Officer of SFL) and several others, have been previously associated with SFL for several years. The company's senior management is equipped with a rich experience of operating in the CV and two-wheeler financing business.

Key financial indicators - SFL

Brief financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	34,964	41,834	11,536
PAT	7,190	9,761	2,156
Interest coverage (times)	2.34	2.25	2.12
Total Assets	2,37,276	2,93,533	3,04,939
Net NPA (%)	2.70	2.64	2.57
ROTA (%)	3.13	3.51	2.76

A: Audited; Note: these are latest financial results available

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the SPV in managing collections from underlying borrowers, without informing them of the assignment. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises cash collateral in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. Terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Pass Through Certificates	-	30-10-2024	8.60%	20-06-2026	103.51	CARE AAA (SO)
Pass Through Certificates	-	30-10-2024	-	20-02-2027	27.28	CARE BBB- (SO)

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Pass Through Certificates	LT	103.51	CARE AAA (SO)	-	1)CARE AAA (SO) (29-Jan-25) 2)Provisional CARE AAA (SO) (31-Oct-24)	-	-
2	Pass Through Certificates	LT	27.28	CARE BBB- (SO)	-	1)CARE BBB- (SO) (29-Jan-25) 2)Provisional CARE BBB- (SO) (31-Oct-24)	-	-

LT- Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Pass Through Certificates	Highly complex

Annexure-5: Lender details

Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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