

Nirvana Trust July 2024

Originator: Piramal Finance Limited (Erstwhile Piramal Capital and Housing Finance Limited)

December 29, 2025

Instrument	Amount (₹ crore) [®]	Balance Tenure (months) [*]	Credit Enhancement (₹ crore)	Rating ¹	Rating Action
			Cash Collateral		
Series A SNs	384.74	277	39.30 [^]	CARE AAA (SO)	Reaffirmed

[®]After November 2025 payout.

[^]after the proposed CC reset.

^{*}Tenure/door-to-door maturity may change due to prepayments or changes in interest rates, if any.

Details of the instruments are in Annexure- I

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating of Series A SNs issued by Nirvana Trust July 2024, backed by home loan receivables originated by Piramal Finance Limited (PFL), at 'CARE AAA (SO)' [pronounced as Triple A (Structured Obligation)].

Reaffirmation in the rating is primarily based on the performance of the underlying loans in the last 16 months post-securitisation, robust legal structure, well-defined payment mechanism, significant build-up in cash collateral (CC) - as a percentage of the balance amount of Securitisation Notes (SNs), the subordination of excess interest spread (EIS), servicing capability, and overall performance of PFL.

Proposed reset of credit enhancement

PFL had requested to reset the credit enhancement (CE) for Nirvana Trust July 2024. CareEdge Ratings has analysed the transaction for the rating to assess CC requirement after November 2025 payout. Based on reserve floor suggested by Reserve Bank of India (RBI) and calculated requirement of CC for maintaining current rating of the transaction, CareEdge Ratings has concluded that there is scope for release of a part of the CC. The proposed CC reset calculation is presented below. The rating for the transaction will remain unchanged even after the proposed reset of the CC amount. However, according to regulatory guidelines, the amount of CC that can be released would be restricted to 60% of the difference between current CC amount and revised CC amount allowed by CareEdge Ratings. **Proposed CC reset shall be subject to the approval of SNs investors.**

Current CC (₹ crore) (a)	CC required to maintain the rating (₹ crore) (b)	CC proposed to be release (₹ crore) (c)= 60%*(a-b)	Available CC post proposed CC reset (₹ crore) (d)= (a-c)
45.28	35.32	5.98	39.30

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

None

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

- Delinquencies (90+ days past due [DPD]) of over 3% and the sustained lower collection efficiency (cumulative collection efficiency of less than 95%).
- 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 performance of pool, presence of CE, and adherence to the transaction structure.

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

Detailed description of key rating drivers

Pool performance:

The pool has amortised by ~26% in 16 months post-securitisation, with nil utilisation of CC. The pool has exhibited low delinquencies. As of November 2025, overdue (OD) (as a percentage of the initial POS) is 0.18%. The CE available is sufficient to sustain ratings for the balance tenure.

Pool summary (as of November 2025 payout)	
Months post-securitisation	16
Pool amortisation	25.52%
30+ delinquency (percentage of the initial pool POS)	2.84%
90+ delinquency (percentage of the initial pool POS)	1.36%
Overdue amount (percentage of the initial pool POS)	0.18%
Cumulative collection efficiency [CCE]	98.97%
CC (percentage of the balance PTC POS)	10.22%
Cumulative prepayments	20.86%

Key strengths:

- High CCE of 98.97% and amortisation of ~26% after 16 months post securitisation.
- CC as a percentage of PTC POS is ~10% (post proposed reset), which remains unutilised.
- Low delinquency with OD and 90+ DPD at 0.18% and 1.36% (both as a percentage of initial pool POS).
- Well-defined payment mechanism and adherence to the transaction structure.

Key weakness:

- Moderate concentration in the pool with the top state accounted for ~27.31% of the balance pool principal.

Liquidity: Strong

The inherent liquidity in the structure is strong. The interest payouts for Series A1 SNs are promised monthly while the principal of Series A1 SN is promised to be paid on or before the final legal maturity. The investors in Series A1 SN may expect principal repayment monthly per the agreed waterfall mechanism. In case of delinquency, the payouts are expected to be supported by CC (in the form of fixed deposits [FDs]), subordinated equity tranche, and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover shortfalls. Since the transaction is sensitive to the credit quality of the underlying pool, CareEdge Ratings has analysed the performance of the pool and overall portfolio performance of the originator. Considering the borrower profile and nature of the loan, the pool characteristics and the portfolio performance, CARE Ratings has taken the average shortfall from 4.00%-5.00% of the POS. The base case shortfalls were stressed along with other key factors, such as the timing of shortfalls, recovery assumptions, and the time to recovery. CareEdge Ratings has found that the CE post proposed reset is sufficient to cover shortfalls in a stress scenario commensurate with the assigned rating. The pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayments in the range of 1.00%-2.00%.

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, basis risk from differing interest rate benchmarks, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the 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, such as 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

Erstwhile Piramal Capital and Housing Finance Limited (PCHFL) (formerly Piramal Housing Finance Limited [PHFL]) is a home finance company (HFC) incorporated in February 2017 as wholly owned subsidiary of PFL. With effect from March 31, 2018, PFL and Piramal Capital Limited amalgamated with PHFL, and subsequently, the name of the entity was changed to PCHFL. Pursuant to the resolution plan and take over by the Piramal group, PCHFL was reverse merged into Dewan Housing Finance Limited (DHFL) on September 30, 2021, as contemplated under the scheme of arrangement provided under the resolution. DHFL was subsequently renamed as 'Piramal Capital and Housing Finance Limited' since November 2021. PFL is engaged in mortgage, used car loan, and personal loan business for over seven years and is an active player in securitisation/bilateral market, and as on September 30, 2025, PCHFL has 23 such live pools with initial size amounting to ~₹3,800 crore.

Key financial indicators – PFL

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total Income	6,712	8,414	5,577
Profit after tax	-1,911	52	541
Assets under management (AUM)	69,000	81,000	91,000
On-book gearing (x)	NA	NA	NA
AUM/Tangible net worth (TNW) (x)	5.62	5.79	3.73
Gross Stage 3 (%)	NA	NA	2.55
Return on managed assets (ROMA) (%)	NA	NA	NA
Capital adequacy ratio (CAR) (%)	21.64%	21.49%	NA

A: Audited; UA: Unaudited; NA: Not Available 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 special purpose vehicle (SPV) in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. 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 CC 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. The 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
Securitisation Notes	-	30-07-2024	8.90%	16-12-2048	384.74	CARE AAA (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	Securitisation Notes	LT	384.74	CARE AAA (SO)	1)CARE AAA (SO) (18-Jul-25)	1)CARE AAA (SO) (17-Oct-24) 2)Provisional CARE AAA (SO) (26-Jul-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.	Securitisation Notes	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 clarification.

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