# SANSAR AUG 2024 VI TRUST (Revised)
## Originator: Shriram Finance Limited

April 27, 2026

| Instrument# | Amount (₹ crore)@ | Balance Tenure (months)* | Credit Enhancement$ (₹ crore) | | Rating[1] | Rating Action |
|---|---|---|---|---|---|---|
| | | | Cash Collateral | Subordination | | |
| Series A1 PTCs | 13.62 | 11 | 7.78^ | 27.28 | CARE AAA (SO) | Reaffirmed |
| Series A2 PTCs | 27.28 | | | - | CARE BBB- (SO) | Reaffirmed |

Details of instruments/facilities in Annexure-1.
The list of facilities / instruments falling under the purview of financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.
@After March 2026 payout.
#The Series A1 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 if any.
$EIS shall be utilised per the Waterfall Mechanism.
^Post Proposed CE reset.

## Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of both, the 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 the performance of underlying loans over past 17 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 pass-through certificates (PTCs), subordination of Series A2 PTCs (only for Series A1 PTCs) and excess interest spread (EIS), servicing capability, and overall performance of SFL.

**Proposed reset of credit enhancement**

SFL had requested to reset the credit enhancement (CE) for SANSAR AUG 2024 VI TRUST. CareEdge Ratings has analysed the transaction for the rating to assess CC requirement after the March 2026 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 PTC 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) |
|---|---|---|---|
| 13.64 | 3.88 | 5.86 | 7.78 |

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:**
**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 the sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Sustained build-up of CC of over 2x the initial proposed (as a percentage of the balance POS).

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

**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 the 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 & expected performance of pool, presence of CE, and adherence to the transaction structure.

## Detailed description of key rating drivers

Pool performance:

The transaction promises interest payouts to Series A1 PTCs monthly. The principal for Series A1 PTCs and Series A2 PTCs is promised to be paid on or before the final legal maturity. The pool has amortised by ~85% in 17 months post-securitisation. As on March 2026, overdue (OD) stands at 1.29% of the initial pool POS. The CC, maintained in the form of fixed deposits, is currently at 33.35% of the balance pool POS. Per the CareEdge Ratings' stipulation, the CC may be reduced to 14.32% in the event of a CE reset, subject to investor consent. The credit enhancement (CE) available post proposed CE reset is sufficient to sustain ratings for the balance tenure.

| Pool summary (as of March 2026 payout) | |
|---|---|
| Months post-securitisation | 17 |
| Pool amortisation | 85.01% |
| 30+ delinquency (percentage of the initial pool POS) | 2.57% |
| 90+ delinquency (percentage of the initial pool POS) | 1.41% |
| Overdue amount (percentage of the initial pool POS) | 1.29% |
| Cumulative Collection Efficiency [CCE] | 99.16%* |
| CC (percentage of the balance PTC POS) | 19.03%^ |
| Cumulative prepayments | 4.72% |

*Includes Advance Collections. ^Post proposed CC Reset.

**Key strengths:**

- High cumulative collection efficiency (CCE) of ~99.2% (including advance collections) and amortisation of ~85% after 17 months post securitisation.
- CC post proposed CC reset as a percentage of PTC POS is ~19%, which remains unutilised.
- The 90+ DPD and Overdue (OD) in the pool is low at 1.41% and 1.29% (as percentage of initial pool POS).
- Well-defined payment mechanism and adherence to the transaction structure.

**Key weakness:**

- Underlying borrowers in the pool have volatile cash flow.

## Liquidity:

**For Series A1 PTCs: Strong**

The inherent liquidity in the structure is strong. The interest payouts for Series A1 PTCs are promised monthly, while the principal of Series A1 PTCs is promised to be paid by final legal maturity. In case of delinquency, the payouts are expected to be supported by credit enhancement 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 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, CareEdge Ratings has taken the average shortfall from 4.00% to 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 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 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, and 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 |

SFL (rated 'CARE AAA; Stable /CARE A1+' dated December 31, 2025) is a diversified player, with a tangible net worth (TNW) of ₹50,697 crore and assets under management (AUM) of ₹2,81,310 crore as on September 30, 2025. The company caters to over 6.7 million customers across India. The growth strategy for the company 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 3,225 branch offices as on September 30, 2025. 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 MSME lending, SFL has been established as the one of the largest retail non-banking financial companies (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 on December 31, 2025, SFL has over 130 such live pools with initial size amounting to over ₹75,000 crore.

Parag Sharma 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. Sunder Subramanian serves as the Joint Managing Director and Chief Executive Officer of SFL. The senior management of the company is equipped with rich experience of operating in the commercial vehicle (CV) and two-wheeler financing business.

### Key financial indicators - SFL

| Brief Financials (₹ crore) | FY24 (A) | FY25 (A) | 9MFY26 (UA) |
|---|---|---|---|
| Total operating income | 34,998 | 41,859 | 35,650 |
| PAT | 7,190 | 9,436 | 6,985 |
| Assets under management | 224,862 | 263,190 | 291,709 |
| On-book gearing (x) | 4.30 | 4.62 | 4.05 |
| AUM/Tangible net worth | 5.20 | 5.19 | 4.69 |
| Gross non-performing assets (GNPA) (%) | 5.45 | 4.55 | 4.54 |
| Return on managed assets (ROMA) (%) | 3.29 | 3.71 | NA |
| Capital adequacy ratio (CAR) (%) | 20.30 | 20.66 | 20.27 |

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 |
|---|---|---|---|---|---|---|
| Pass Through Certificates | - | 30-10-2024 | 8.60% | 20-06-2026 | 13.62 | 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:** Will be generated from Ci3

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2026-2027 | 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 |
| 1 | Pass Through Certificates | LT | 13.62 | CARE AAA (SO) | - | 1)CARE AAA (SO) (16-Sep-25) | 1)CARE AAA (SO) (29-Jan-25)<br>2)Provisional CARE AAA (SO) (31-Oct-24) | - |
| 2 | Pass Through Certificates | LT | 27.28 | CARE BBB- (SO) | - | 1)CARE BBB- (SO) (16-Sep-25) | 1)CARE BBB- (SO) (29-Jan-25)<br>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

## Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of FSRs, along with the names of respective FSRs, is being disclosed below:

| Sr. No. | Facilities/Instruments Name | Regulator of the Instruments[2] |
|---|---|---|
| 1. | Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities) | SEBI |
| 2. | Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^ | RBI |
| 9. | External Commercial Borrowings and Other Similar Borrowings | RBI |
| 10. | Certificates of Deposit | RBI |
| 11. | Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs | RBI |
| 12. | Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs | MCA |
| 13. | Inter Corporate Deposits / Loans Extended by Corporates | MCA |
| 14. | Borrowing Programme ~ | - |
| 15. | Issuer Ratings # | - |
| 16. | Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs) | SEBI |
| 17. | Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18. | Listed Security Receipts | SEBI |
| 19. | Unlisted Security Receipts | RBI |
| 20. | Independent Credit Evaluation (ICE) | RBI |
| 21. | Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs) | RBI |
| 22. | Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)) | SEBI |
| 23. | Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)) | MCA |
| 24. | 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.

~The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

#There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

@These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**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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