

Swayam Trust June 2024

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

July 20, 2026

Instrument [#]	Name of Regulator ¹	Amount (₹ crore) [@]	Balance Tenure (months) [*]	Credit Enhancement (₹ crore)		Rating ²	Rating Action
				Cash Collateral	Over Collateral		
Series A1 PTC	RBI	36.48	31	14.82	7.41	CARE AA+ (SO)	Reaffirmed

Details of instruments/facilities in Annexure-1.

[#] Series A1 PTCs are rated based on the timely payment of interest and payment of principal on or before the final legal maturity.

[@]After June 2026 payout.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating of the Series A1 PTC issued by Swayam Trust June 2024, backed by used car loan receivables originated by Piramal Finance Limited (PFL), at 'CARE AA+ (SO)' [pronounced as Double A Plus (Structured Obligation)]

Reaffirmation in the rating is primarily based on performance of underlying loans in the last 23 months post-securitisation, robust legal structure, well-defined payment mechanism, significant build-up in cash collateral (CC) and over collateral (OC) – as a percentage of balance amount of pass-through certificates (PTCs), subordination of excess interest spread (EIS), servicing capability and overall performance of PFL.

Rating sensitivities: Factors likely to lead to rating actions

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

- Delinquencies (90+ days past due [DPD]) of less than 2% and sustained high collection efficiency (cumulative collection efficiency [CCE] of over 98%).
- Sustained build-up of CC of over 2x the initial proposed (as a percentage of the balance principal outstanding [POS]).

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

- Delinquencies (90+ DPD) of over 6% and sustained lower collection efficiency (CCE of less than 90%).
- Deterioration in credit profile of the originator.
- Utilisation of the 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 transaction follows a par structure, where interest is promised monthly, while the principal is promised at the final legal maturity date. EIS will flow back to the originator.

The pool has amortised by around 70% in 23 months post-securitisation. As of June 2026 payout, overdue (OD; as a percentage of initial pool POS) is 1.47%, and CC which is in the form of fixed deposit (FD), stands at around 34% (as percentage of balance pool POS) with nil utilisation. CE available is sufficient to sustain the rating for the balance tenure.

¹SEBI: 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.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Pool summary (as of Jun-26 payout)	
Months post-securitisation	23
Pool amortisation	70.38%
30+ delinquency (percentage of the initial pool POS)	4.25%
90+ delinquency (percentage of the initial pool POS)	2.95%
Overdue amount (percentage of the initial pool POS)	1.47%
Cumulative Collection Efficiency (CCE)	97.67%
CC (percentage of the balance PTC POS)	40.63%
Cumulative prepayments	25.24%

Key strengths:

- CC as a percentage of PTC POS is around 41%, which remains unutilised, and OC, which is around 20% of PTC POS.
- The pool has performed on expected lines for 23 months (post-securitisation) and has amortised by around 70%.
- Well-defined payment mechanism and adherence to the transaction structure.

Key weakness:

- Moderate delinquency with 90+DPD of 2.95% and OD of 1.47% (as a percentage of initial pool POS).
- Moderate concentration with the top three states accounting for around 42% of the balance pool POS.

Liquidity: Strong

The inherent liquidity in the structure is Strong. The interest payouts for Series A1 PTCs are promised on a monthly basis while the principal of Series A1 PTC is promised to be paid on or before the final legal maturity. The investors in Series A1 PTC may expect principal repayment on a monthly basis as per the agreed waterfall mechanism. In case of any delinquency, the payouts are expected to be supported by CC (in the form of fixed deposits [FDs]), OC, and EIS.

Key rating assumptions and adequacy of credit enhancement:

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

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 the 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

PFL (erstwhile Piramal Capital and Housing Finance Limited [PCHFL]) - Originator Founded by Ajay Piramal, PFL is an upper layer NBFC registered with the Reserve Bank of India (RBI), engaged in retail and wholesale lending. The company offers home loans,

loans against property (LAP), micro, small and medium enterprise (MSME) loans, personal loans, used car finance and wholesale lending solutions. In the last few years, the company has repositioned its strategy towards a granular retail-focused lending model with a calibrated approach to wholesale exposures. With assets under management (AUM) of ₹96,690 crore, pan-India branch network of over 518 locations, and workforce of over 16,937 employees, the group is strategically positioned to scale its financial services business across key customer segments. The company has been involved in the used car loan segment for over three years. As of June 30, 2026, the company has seven active used car loan pools.

Key financial indicators – PFL

Brief Financials (₹ crore)	FY24 (A)*	FY25 (A)	FY26 (A)
PFL Consolidated			
Total Income	9,444	10,612	12,032
Profit after tax (PAT)	-1,684	485	1,506
Assets under management (AUM)	68,845	80,689	1,01,230
On-book gearing (x)	2.29	2.72	2.77
AUM/Tangible net worth (TNW) (x)	2.93	3.35	3.59
Gross non-performing assets (NPA) (%)	2.40	2.84	2.30
Return on managed assets (ROMA) (%)	-2.02	0.56	NA
Capital adequacy ratio (CAR) (%)	25.60	23.60	19.77

A: Audited; NA; Not available. Note: These are latest financial results available.

*Per CareEdge Ratings calculation consolidated numbers of PFL and erstwhile PEL.

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the collection and payment agent (CPA) for special purpose vehicle (SPV) in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in respective loan agreements. The servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to SPV under an M+1 payment structure. The trustee monitors sufficiency of funds for investor payouts one day prior to payout date and utilises CC in case of shortfalls. The servicer is also submitting detailed reports on billing, collections (including prepayment), OD 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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities:

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Highly Complex	INE11CV15018	02-08-2024	9.60	15-01-2029	36.48	CARE AA+ (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 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	36.48	CARE AA+ (SO)	-	1)CARE AA+ (SO) (30-May-25)	1)CARE AA+ (SO) (05-Nov-24) 2)Provisional CARE AA+ (SO) (30-Jul-24)	-

LT: Long term

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

Not applicable

Annexure-4: 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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