

September 23, 2025

Cholamandalam Investment and Finance Company Limited: Ratings reaffirmed for PTCs issued under three vehicle loan securitisation transactions

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current rated amount (Rs. crore)	Rating action
PLATINUM TRUST July 2023 - Tranche I	PTC Series A	654.14	422.25	235.88	[ICRA]AAA(SO); reaffirmed
	Second Loss Facility	11.45	11.45	11.45	[ICRA]A-(SO); reaffirmed
PLATINUM TRUST MAY 2024 - TRANCHE I	PTC Series A	498.41	498.41	240.41	[ICRA]AA+(SO); reaffirmed
PLATINUM TRUST MAY 2024 - TRANCHE II	PTC Series A	999.26	984.96	636.53	[ICRA]AAA(SO); reaffirmed
	Second Loss Facility	17.49	17.49	17.49	[ICRA]A-(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) and second loss facility (SLF) are backed by vehicle loan receivables originated by Cholamandalam Investment and Finance Company Limited (CIFCL/Originator; rated [ICRA]AA+ (Positive)/[ICRA]A1+). CIFCL is also the servicer for the transactions.

The ratings reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of the moderate amortisation and healthy performance of the pools. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pools till the August 2025 payout month.

Pool performance summary

Parameter	PLATINUM TRUST July	PLATINUM TRUST MAY	PLATINUM TRUST MAY
	2023 - Tranche I	2024 - TRANCHE I	2024 - TRANCHE II
Payout month	August 2025	August 2025	August 2025
Months post securitisation	25	15	15
Pool amortisation (as % of initial pool principal)	63.94%	51.77%	35.38%
Cumulative collection efficiency ¹	98.72%	98.14%	97.85%
Loss-cum-90+ dpd ² (% of initial pool)	0.94%	1.19%	0.87%
Loss-cum-180+ dpd ³ (% of initial pool)	0.66%	0.81%	0.52%
Cumulative credit collateral (CC) utilisation	0.00%	0.00%	0.00%
Breakeven collection efficiency ⁴ for PTC Series A	78.87%	84.84%	85.34%
Credit collateral (CC; % of balance pool)	18.72%	10.37%	10.60%
Excess interest spread (EIS; % of balance pool) for PTC Series A ⁵	5.50%	7.44%	7.00%

¹ (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

² Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

³ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 180 days, as a % of Initial pool principal

⁴ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

⁵ (Pool cash flows – Cash flows to PTC A)/Pool principal outstanding

Transaction structure

For all the three trusts:

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout and principal payout (100% of the pool principal billed). Any surplus EIS, after meeting the promised payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A principal.

Reset of credit enhancement

At the Originator's request for resetting the credit enhancement, ICRA has analysed PLATINUM TRUST July 2023 - Tranche I and PLATINUM TRUST MAY 2024 - TRANCHE I, basis the cash collateral (CC) mentioned in the table provided below. Based on the pools' performance, the rating for the PTCs and SLF 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)
PLATINUM TRUST July 2023 - Tranche I	44.15 (FLF: 32.71 and SLF: 11.45)	22.08 (FLF: 16.35 and SLF: 5.72)	13.24 (FLF: 9.81 and SLF: 3.43)	30.90 (FLF: 22.89 and SLF: 8.01)
PLATINUM TRUST MAY 2024 - TRANCHE I	24.92	17.44	4.49	20.44

All figures in Rs. Crore

Key rating drivers and their description

For all the three transactions

Credit strengths

Adequate servicing capability of CIFCL – CIFCL, which is also servicing the loans in the transactions, has an established track record of more than four decades in the lending business with adequate underwriting policies and collection procedures across a wide geography. It also has satisfactory processes for servicing the loan accounts in the securitised pools.

Build-up of credit enhancement available in the structure – The ratings factor in the build-up of credit enhancement for the transactions, with a higher cash collateral (CC) available as a percentage of the balance pool principal as compared to the initial cash collateral at time of securitisation. Internal credit support is also available through scheduled EIS for the pool.

Healthy pool performance – The delinquency for the pools has remained low with the loss cum 90+ days past due (dpd; as percentage of initial pool principal) at less than 1.20% since securitisation (after the August 2025 payout) for all the transactions. Further, the performance of the pools has been healthy with the cumulative collection efficiency above 98%, comfortably higher than break-even collection efficiency level.

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 pools, ICRA has estimated the shortfall in principal collection and prepayments during the tenure as provided in the following table.

Transaction name	Estimated shortfall (% of initial pool principal)	Prepayment (p.a.)
PLATINUM TRUST July 2023 - Tranche I	1.50%	4.8% - 18.0%
PLATINUM TRUST MAY 2024 - TRANCHE I	2.00%	4.8% - 18.0%
PLATINUM TRUST MAY 2024 - TRANCHE II	2.00%	4.8% - 18.0%

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 ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction name	PLATINUM TRUST July 2023 - Tranche I	PLATINUM TRUST MAY 2024 - TRANCHE I	PLATINUM TRUST MAY 2024 - TRANCHE II
Originator	Cholamandalam Investment and Finance Company Limited		
Servicer	Cholamandalam Investment and Finance Company Limited		
Trustee	IDBI Trusteeship Services Limited		
CC holding bank	HDFC Bank Limited	ICICI Bank Limited	HDFC Bank Limited
Collection and payout account bank	HDFC Bank Limited	ICICI Bank Limited	HDFC Bank Limited

Liquidity position

For PTC Series A of PLATINUM TRUST July 2023 - Tranche I, PLATINUM TRUST MAY 2024 - TRANCHE I, and PLATINUM TRUST MAY 2024 - TRANCHE II: Strong

The liquidity is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is ~5.75 times, ~3.50 times, and ~4.50 times, respectively, the estimated losses for the pools.

For SLF of PLATINUM TRUST July 2023 - Tranche I and PLATINUM TRUST MAY 2024 - TRANCHE II: Strong

The liquidity for the SLF is strong after factoring in the FLF available for top up of SLF, if needed, as per the defined waterfall mechanism.

Rating sensitivities

Positive factors – Not applicable for PTC Series A of PLATINUM TRUST July 2023 - Tranche I and PLATINUM TRUST MAY 2024 - TRANCHE II

The rating for PTC Series A of PLATINUM TRUST MAY 2024 - TRANCHE I and SLF of PLATINUM TRUST July 2023 - Tranche I and PLATINUM TRUST MAY 2024 - TRANCHE II can be upgraded on the sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency of more than 95%), leading to lower-than-expected delinquency levels, and on an increase in the credit enhancement cover available.

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 pools till the August 2025 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	Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the originator

CIFCL, a non-banking financial company, is a part of the Chennai-based Murugappa Group of companies. Incorporated in 1978, it operates through 1,703 branches across 33 states and Union Territories (UTs) with net assets under management (AUM) of Rs. 2,17,397 crore as of June 2025. Its core business segments include vehicle finance (55%) and home equity (HE) loans (23%). CIFCL has forayed into three new business divisions in the consumer and small and medium enterprises (SME) ecosystem, namely Consumer & Small Enterprise Loan (CSEL), Secured Business & Personal Loans (SBPL) and SME, which contributed 12% to the AUM while housing finance accounted for the rest (10%).

As of June 2025, CIFCL had two wholly-owned subsidiaries, Cholamandalam Home Finance Limited and Cholamandalam Securities Limited, a joint venture with Payswiff Technologies Private Limited, and an associate entity – Vishvakarma Payments Private Limited.

Key financial indicators (audited)

CIFCL (standalone)	FY2024	FY2025	Q1 FY2026*
Total income	19,216	26,055	7,331
Profit after tax	3,423	4,259	1,136
Total managed assets	1,60,194	2,07,875	2,17,397
Gross stage 3	2.5%	2.8%	3.2%
CRAR	18.6%	19.8%	20.0%

Source: Company, ICRA Research; Amount in Rs. crore; *results are provisional in nature

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. no.	Trust name	Instrument	Current rating (FY2026)		Chronology of rating history for the past 3 years					
			Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025		Date & rating in FY2024		Date & rating in FY2023
					Sep 23, 2025	Sep 27, 2024	Oct 12, 2023	Aug 01, 2023	-	
1	PLATINUM TRUST July 2023 - Tranche I	PTC Series A	654.14	235.88	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	
		Second loss facility	11.45	11.45	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	

S. no.	Trust name	Instrument	Current rating (FY2026)		Chronology of rating history for the past 3 years				
			Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023
					Sep 23, 2025	Sep 05, 2024	May 28, 2024	-	-
2	PLATINUM TRUST MAY 2024 - TRANCHE I	PTC Series A	498.41	240.41	[ICRA]AA+(SO)	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-

S. no.	Trust name	Instrument	Current rating (FY2026)		Chronology of rating history for the past 3 years				
			Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023
					Sep 23, 2025	Sep 05, 2024	Jun 10, 2024	-	-
3	PLATINUM TRUST MAY 2024 - TRANCHE II	PTC Series A	999.26	636.53	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-
		Second loss facility	17.49	17.49	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
PLATINUM TRUST July 2023 - Tranche I	PTC Series A	Simple
	Second Loss Facility	Simple
PLATINUM TRUST MAY 2024 - TRANCHE I	PTC Series A	Simple
PLATINUM TRUST MAY 2024 - TRANCHE II	PTC Series A	Simple
	Second Loss Facility	Simple

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 I: Instrument details

Trust name	Instrument	Date of issuance /Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Rating
PLATINUM TRUST July 2023 - Tranche I	PTC Series A	July 26, 2023	7.89%	January 23, 2029	235.88	[ICRA]AAA(SO)
	Second Loss Facility		-		11.45	[ICRA]A-(SO)
PLATINUM TRUST MAY 2024 - TRANCHE I	PTC Series A	May24, 2024	8.65%	May22, 2030	240.41	[ICRA]AA+(SO)
PLATINUM TRUST MAY 2024 - TRANCHE II	PTC Series A	May 31, 2024	8.30%	Nov 22, 2029	636.53	[ICRA]AAA(SO)
	Second Loss Facility		-		17.49	[ICRA]A-(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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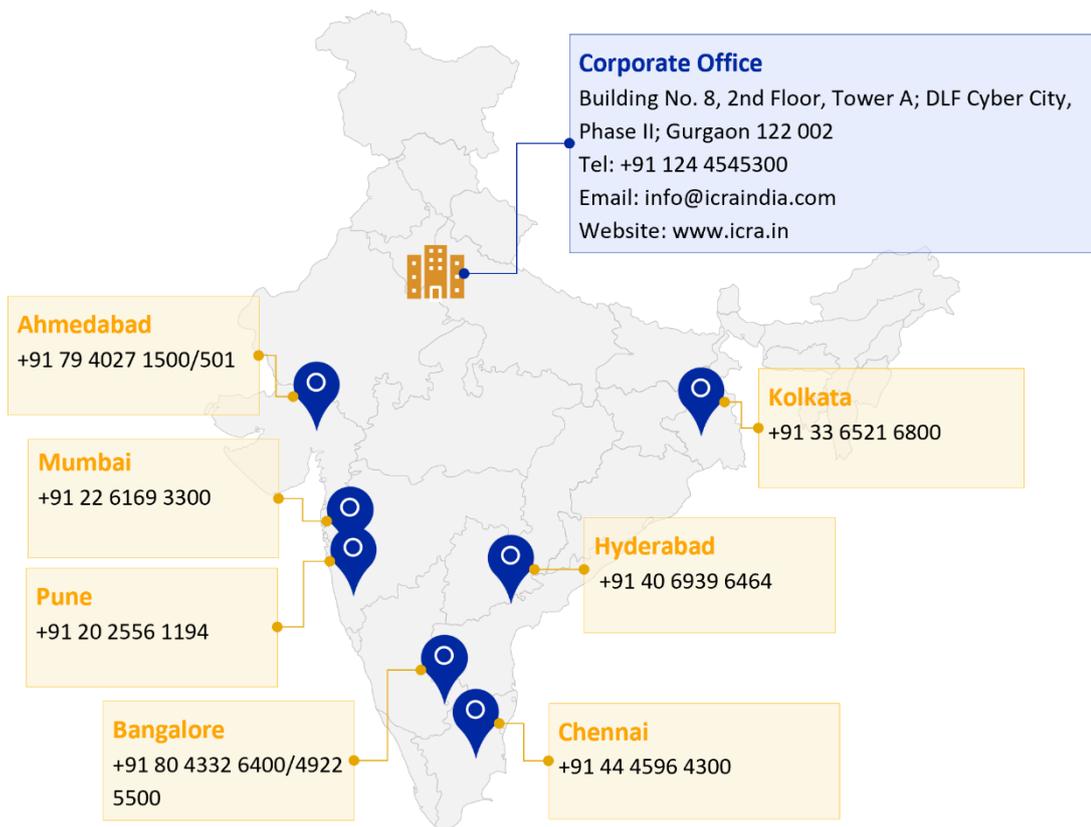
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