

November 13, 2025

Chaitanya India Fin Credit Private Limited: Rating confirmed as final for PTCs backed by microfinance loan receivables issued by McLaren 2025

Summary of rating action

| Trust name | Instrument* | Current rated amount (Rs. crore) | Rating action |
|--------------|---------------|-------------------------------------|--|
| McLaren 2025 | PTC Series A1 | 136.03 | [ICRA]AA+(SO); provisional rating confirmed as final |

*Instrument details are provided in Annexure I

Rationale

In September 2025, ICRA had assigned Provisional [ICRA]AA+(SO) rating to Pass Through Certificate (PTC) Series A1, issued by McLaren 2025. The PTCs are backed by a pool of a microfinance loan receivables originated by Chaitanya India Fin Credit Private Limited (CIFCPL/Originator) with an aggregate principal outstanding of Rs. 178.35 crore (pool receivables of Rs 215.08 crore). MML is also the servicer for the transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

Pool performance summary

| Parameter | McLaren 2025 |
|---|--------------|
| Payout month | October 2025 |
| Months post securitisation | 1 |
| Pool amortisation | 4.6% |
| PTC Series A1 amortisation | 5.3% |
| Cumulative prepayment rate | 0.3% |
| Cumulative collection efficiency ¹ | 99.8% |
| Loss-cum-0+ days past due (dpd) ² | 0.3% |
| Loss-cum-30+ dpd ³ | 0.0% |
| Loss-cum-90+ dpd ⁴ | 0.0% |
| Cumulative cash collateral utilisation | 0.0% |

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected 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 A1 principal. The transaction has certain predefined trigger events on the occurrence of which the residual cash flows would be passed on to PTC Series A1 investors.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 7.00% of the initial pool principal,

¹ (Cumulative current collections and overdue collections)/(Cumulative billings + Opening overdues at the time of securitisation)

² Unbilled and overdue principal portion of delinquent contracts as a % of Initial pool principal

³ Unbilled and overdue principal portion of contracts delinquent for more than 30 days as a % of Initial pool principal

⁴ Unbilled and overdue principal portion of contracts delinquent for more than 90 days as a % of Initial pool principal

amounting to Rs. 10.95 crore, to be provided by the Originator, (ii) principal subordination of 13.00% of the initial pool principal for PTC Series A1 and (iii) the excess interest spread (EIS) of 15.25% of the initial pool principal for PTC Series A1.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The initial pool is granular, consisting of 34,541 contracts with no contract exceeding 0.01% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

No overdue contracts in the pool – The pool has been filtered in such a manner that there are no overdue contracts.

Seasoned contracts in the pool – The initial pool has amortised by around 18% as on the cut-off date with no delinquencies seen in any of the contracts, post loan disbursement, thereby reflecting the borrowers' relatively better credit profile.

Adequate servicing capability of the originator – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections across multiple geographies.

Credit challenges

High geographical concentration – The initial pool has high geographical concentration with the top 3 states, viz. Bihar, Uttar Pradesh and Karnataka contributing ~83% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

Risks associated with lending business – The pool 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. The performance of microfinance loans would also be exposed to political and communal risks.

Increasing delinquencies in microfinance sector – The microfinance sector has seen a decline in collections and consequently rise in delinquencies since the previous fiscal on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in collection teams. Any sustained impact of these factors on the collections from the pool would be monitorable

Key rating assumption

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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 4.25%, with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3.0% to 9.0% per annum. 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 final rating for the instrument.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

| Transaction name | McLaren 2025 |
|----------------------------|--|
| Originator | Chaitanya India Fin Credit Private Limited |
| Servicer | Chaitanya India Fin Credit Private Limited |
| Trustee | Catalyst Trusteeship Limited |
| CC holding bank | ICICI Bank Limited |
| Collection and payout bank | ICICI Bank Limited |

Liquidity position: Superior

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement is around ~7 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors - The sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer (CIFCPL) could also exert pressure on the rating.

Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Rating Methodology for Securitisation Transactions |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Not applicable |

About the originator

Chaitanya India Fin Credit Private Limited (CIFCPL) was incorporated on March 31, 2009 and provides microcredit to women borrowers, for income-generating activities, under the joint liability group (JLG) lending model. It was registered under the NBFC - Micro Finance Institution (Reserve Bank) Directions, 2011, via an RBI letter dated September 5, 2013. On November 23, 2023, Chaitanya became a subsidiary of Svantra Microfin following the acquisition of its entire equity shares from Navi Technologies Limited and Navi Finserv Limited.

Key financial indicators

| CIFCPL | FY2023 | FY2024 | FY2025 |
|-----------------------------|--------|--------|--------|
| Total income | 758 | 1,240 | 1,561 |
| Profit after tax | 148 | 296 | 256 |
| Total managed assets | 5,506 | 7,393 | 8,413 |
| Gross NPA | 0.3% | 0.3% | 1.6% |
| CRAR | 22.3% | 22.3% | 23.6% |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Trust name | Instrument | Amount rated (Rs. crore) | Current rating (FY2026) | | Chronology of rating history For the past 3 years | | |
|--------------|---------------|-----------------------------|------------------------------------|-------------------------------------|--|-------------------------|---|
| | | | Date & rating in FY2026 | Date & rating in FY2025 | Date & rating in FY2024 | Date & rating in FY2023 | |
| McLaren 2025 | PTC Series A1 | 136.03 | November 13, 2025 [ICRA]AA+(SO) | September 24, 2025 [ICRA]AA+(SO) | Provisional [ICRA]AA+(SO) | - | - |

Complexity level of the rated instrument

| Instrument | Complexity indicator |
|---------------|----------------------|
| PTC Series A1 | Moderately complex |

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 name | Date of issuance/ Sanction | Coupon rate (p.a.p.m.) | Maturity date | Current amount rated (Rs. crore) | Current rating |
|---------------------|-----------------|-------------------------------|---------------------------|---------------|--|----------------|
| McLaren 2025 | PTC Series A1 | September 19, 2025 | 7.75% | July 12, 2027 | 136.03 | [ICRA]AA+(SO) |

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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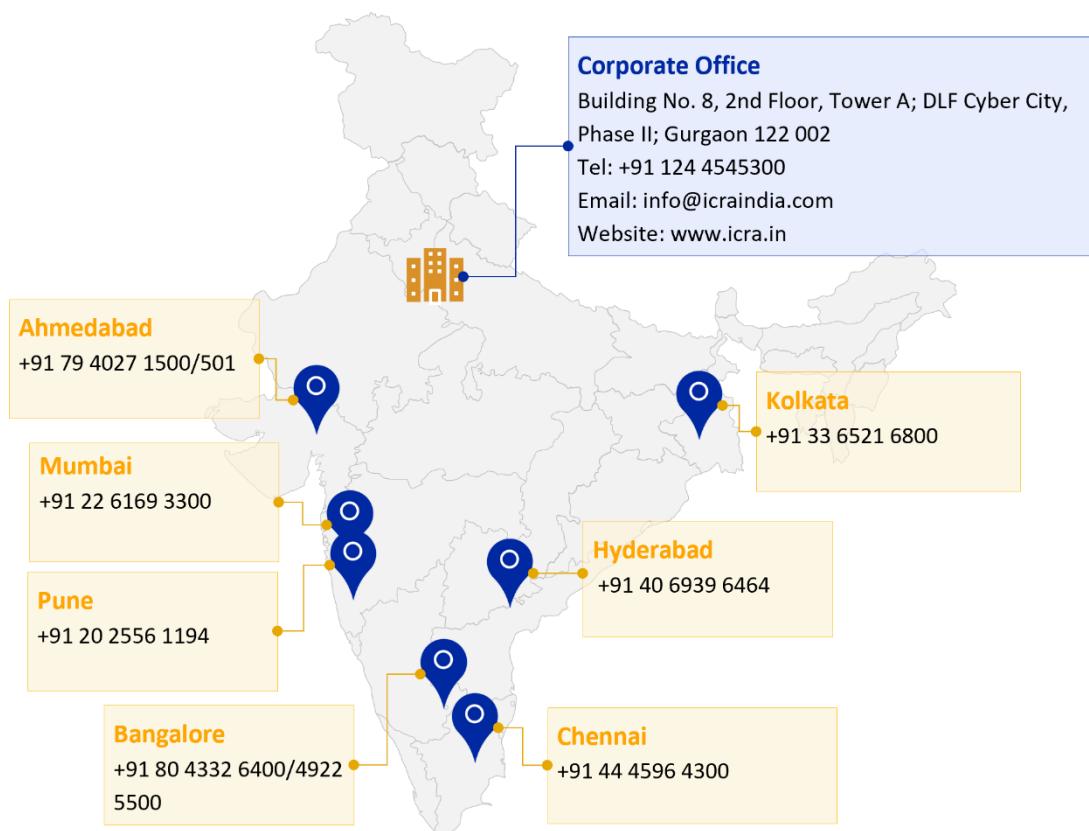
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