

December 22, 2025

Cholamandalam Investment and Finance Company Limited: Rating confirmed as final for PTCs backed by a pool of vehicle loan receivables

Summary of rating action

Trust Name	Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
PLATINUM TRUST AUG 2025 - TRANCHE I	Series A1 PTC	1,489.90	1,489.90	[ICRA]AAA(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

In September 2025, ICRA had assigned provisional rating to the pass-through certificates (PTCs) issued by PLATINUM TRUST AUG 2025 - TRANCHE I. The PTCs are backed by a pool of vehicle loan receivables originated by Cholamandalam Investment and Finance Company Limited {CIFCL/Originator; rated [ICRA]AA+(Positive)} with an aggregate principal outstanding of Rs. 1,624.75 crore (pool receivables of Rs. 2,092.52 crore). CIFCL is also the servicer for the rated 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 have now been confirmed as final.

Pool performance summary

Parameter	PLATINUM TRUST AUG 2025 – TRANCHE I
Payout month	November 2025
Months post securitisation	3
Pool amortisation	7.24%
PTC Series A amortisation	7.90%
Cumulative prepayment rate	1.17%
Cumulative collection efficiency ¹	97.05%
Loss-cum-0+ days past due (dpd) ²	8.50%
Loss cum 30+ dpd ³	0.31%
Loss cum 90+ dpd ⁴	0.00%
Cumulative cash collateral (CC) utilisation	0.00%

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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. The cash collateral (CC), if utilised, will not be replenished from the EIS in subsequent months. Any prepayment in the pool would be used for the prepayment of the Series A1 PTC principal.

¹Cumulative collections till date including advance collections but excluding prepayments / Cumulative billings till date + Opening overdues

²POS on contracts aged 0+ dpd + Overdues / Initial POS on the pool

³POS on contracts aged 30+ dpd + Overdues / Initial POS on the pool

⁴POS on contracts aged 90+ dpd + Overdues / Initial POS on the pool

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the initial pool principal, amounting to Rs. 81.24 crore, provided by the Originator, (ii) subordination in the form of equity tranche of 8.30% of the initial pool principal for Series A1 PTC, and (iii) the EIS of 15.80% of the initial pool principal for Series A1 PTC.

Key rating drivers and their description

Credit strengths

Established track record of CIFCL – CIFCL, which would also be servicing the loans in the transaction, 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. The company has sufficient processes for servicing the loan accounts in the securitised pool.

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 23,467 contracts, with top 10 obligors forming only 0.39% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of CC and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

Seasoned contracts in the pool – The pool had a weighted average seasoning of ~10.2 months with no delinquent contracts as on the cut-off date. This reflects the relatively better credit profile of the borrowers, which is credit positive.

Credit challenges

High LTV contracts – The proportion of contracts with a loan-to-value (LTV) ratio of more than 80% is high at ~68% (in terms of the principal amount outstanding on the cut-off date). Borrowers with high LTV loans are more likely to default and are sensitive to economic downturns.

Risks associated with lending business – The pool's 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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 3.00% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% 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		PLATINUM TRUST AUG 2025 - TRANCHE I
Originator	Cholamandalam Investment and Finance Company Limited	
Servicer	Cholamandalam Investment and Finance Company Limited	
Trustee	Axis Trustee Services Limited	
CC holding bank	Axis Bank	
Collection and payout account bank	JP Morgan Chase Bank	

Liquidity position: Superior

The liquidity for Series A1 PTC is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~7.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Pressure on the rating could emerge on the 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 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	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 1,749 branches across 26 states and 7 Union Territories (UTs), with net AUM of Rs. 1,99,159 crore as of September 2025. The company's core business segments include vehicle finance (54%) and HE loans (23%). CIFCL has forayed into three new business divisions in the consumer and SME ecosystem, namely CSEL, SBPL and SME, which contributed 12% to AUM, while housing finance (10%) accounted for the rest. As of September 2025, CIFCL had two wholly-owned subsidiaries, Cholamandalam Leasing Limited and Cholamandalam Securities Limited, a joint venture with Payswift Technologies Private Limited, and an associate entity –Vishvakarma Payments Private Limited.

In FY2025, CIFCL (standalone) reported a net profit of Rs. 4,259 crore on a managed asset base of Rs. 2,07,874 crore compared with Rs. 3,423 crore and Rs. 1,60,194 crore, respectively, in FY2024. It reported a provisional net profit of Rs. 2,291 crore on a managed asset base of Rs. 2,25,616 crore in H1 FY2026.

Key financial indicators (audited)

CIFCL	FY2024	FY2025	H1FY2026
Total income	19,216	26,055	14,921
Profit after tax	3,423	4,259	2,291
Total managed assets⁵	1,60,194	2,07,875	2,25,616
Gross stage 3	2.5%	2.8%	3.4%
CRAR	18.6%	19.8%	20.0%

Source: Company, ICRA Research; Amount in Rs. crore.

Status of non-cooperation with previous CRAs: Not applicable
Any other information: None
Rating history for past three years

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
PLATINUM TRUST AUG 2025 - TRANCHE I	Series A1 PTC	1,489.90	1,489.90	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	- - -

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 PTC	Highly 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](#)

⁵ Total assets (as per balance sheet) + Assignment book + Impairment loss allowance (ECL provision)

Annexure I: Instrument details

Trust name	Instrument	Date of issuance / sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
PLATINUM TRUST AUG 2025 - TRANCHE I	Series A1 PTC	August 29, 2025	7.35%	January 20, 2032	1,489.90	[ICRA]AAA(SO)

Source: Company
Annexure II: List of entities considered for consolidated analysis

Not applicable

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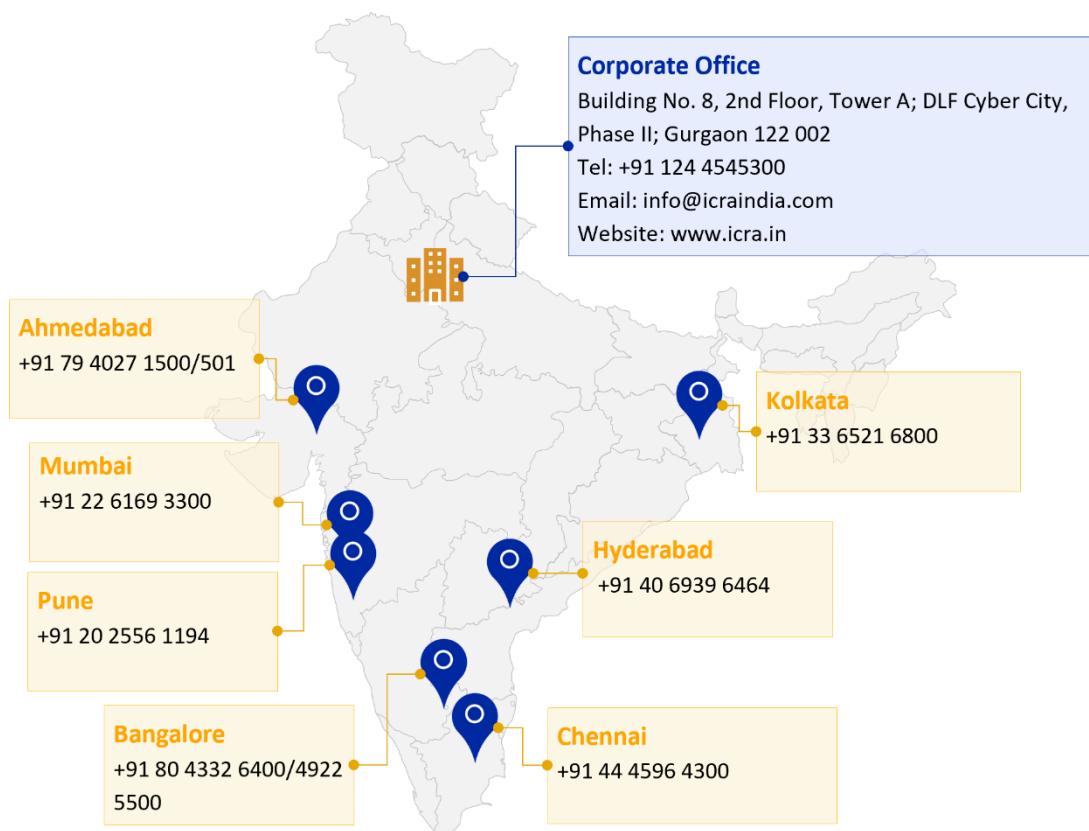
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