

January 27, 2026

## Cholamandalam Investment and Finance Company Limited: Ratings reaffirmed for PTCs and SLF issued under vehicle loan securitisation transaction

### 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 NOV 2023 - TRANCHE II	PTC Series A	513.95	321.38	166.04	[ICRA]AAA(SO); reaffirmed
	Second loss facility	7.71	7.71	7.71	[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 to high amortisation and healthy performance of the pool. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably lower than the actual collection level observed in the pool till the December 2025 payout month.

### Pool performance summary

Parameter	PLATINUM TRUST NOV 2023 - TRANCHE II
Payout month	December 2025
Months post securitisation	25
Pool amortisation (as % of initial pool principal)	67.69%
Last 3 months average monthly collection efficiency <sup>1</sup>	98.68%
Cumulative collection efficiency <sup>2</sup>	98.60%
Loss-cum-90+ dpd <sup>3</sup> (% of initial pool)	0.79%
Loss-cum-180+ dpd <sup>4</sup> (% of initial pool)	0.51%
Cumulative credit collateral (CC) utilisation	0.00%
Breakeven collection efficiency <sup>5</sup> for PTC Series A	77.49%
Credit collateral (CC; % of balance pool)	20.12%
Excess interest spread (EIS) (% of balance pool) for PTC Series A <sup>6</sup>	5.42%

<sup>1</sup> Average of (Total current and overdue collections for the month as a % of Total billing for the month) for 3 months

<sup>2</sup> (Cumulative current and overdue Collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

<sup>3</sup> Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

<sup>4</sup> Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 180 days, as a % of Initial pool principal

<sup>5</sup> (Balance cash flows payable to investor – CC available)/Balance pool cash flows

<sup>6</sup> (Pool cash flows – Cash flows to PTC A)/Pool principal outstanding

## Transaction structure

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 PTC Series A principal.

## Reset of credit enhancement

At the Originator's request for resetting the credit enhancement, ICRA has analysed the pool basis the credit collateral (CC) mentioned in the table provided below. Based on the pool's performance, the rating for the PTCs 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 NOV 2023 - TRANCHE II	33.41(FLF:25.70 and SLF:7.71)	16.70(FLF:8.99 and SLF:7.71)	10.02(FLF:10.02 and SLF:0.00)	23.38(FLF:15.68 and SLF:7.71)

Amount in Rs. crore

## Key rating drivers and their description

### Credit strengths

**Track record of originator/servicer** – The Originator, which is also 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. It has satisfactory processes for servicing the loan accounts in the securitised pool.

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

**Healthy pool performance** – The delinquency for the pool has remained low with the loss cum 90+ days past due (dpd; as percentage of initial pool principal) below 2.0% in the last 12 months (after the December 2025 payout). Further, the performance of the pool has been healthy with the cumulative collection efficiency of over 97%, comfortably above the 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 pool, 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 NOV 2023 - TRANCHE II	1.25%	7.2% - 27.0%

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 NOV 2023 - TRANCHE II
Originator	Cholamandalam Investment and Finance Company Limited
Servicer	Cholamandalam Investment and Finance Company Limited
Trustee	IDBI Trusteeship Services Limited
CC holding bank	State Bank of India and IDBI Bank
Collection and payout account bank	State Bank of India

## Liquidity position

### For PTC Series A:

The liquidity for PTC Series A is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is 6.75 times the estimated loss in the pool.

### For SLF:

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

## Rating sensitivities

### Positive factors – Not applicable for PTC Series A

The rating for the SLF can be upgraded on the sustained strong collection performance of the underlying pool of contracts, resulting in an increase in the credit enhancement cover available for the SLF.

**Negative factors** – Pressure on the ratings 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 ratings.

## Analytical approach

The rating action is based on the performance of the pool till the December 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 transaction.

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</a>
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. 2,17,398 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 Payswift Technologies Private Limited, and an associate entity – Vishvakarma Payments Private Limited.

## Key financial indicators (audited)

CIFCL	FY2024	FY2025	H1 FY2026
<b>Total income</b>	19,216	26,055	14,921
<b>Profit after tax</b>	3,423	4,259	2,291
<b>Total managed assets<sup>^</sup></b>	1,60,194	2,07,874	2,25,616
<b>Gross stage 3</b>	2.5%	2.8%	3.4%
<b>CRAR</b>	18.6%	19.8%	20.0%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; <sup>^</sup>Managed Assets= Total assets (as per balance sheet) + Assignment book

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

S. No.	Trust Name	Current Rating (FY2026)			Chronology of Rating History for the Past 3 Years			
		Initial Rated Instrument	Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
1	PLATINUM TRUST NOV 2023 - TRANCHE II	PTC Series A	513.95	166.04	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO) -
		Second loss facility	7.71	7.71	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO) -

### Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
PLATINUM TRUST NOV 2023 - TRANCHE II	PTC Series A	Complex
	Second loss facility	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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Rating
PLATINUM TRUST NOV 2023 - TRANCHE II	PTC Series A	November 29, 2023	7.95%	December 22, 2028	166.04	[ICRA]AAA(SO)
	Second loss facility		NA		7.71	[ICRA]A-(SO)

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

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