

April 20, 2026

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 Nov 2025 - Tranche II | PTC Series A1 | 1,453.88 | 1,453.88 | [ICRA]AAA(SO); provisional rating confirmed as final |

*Instrument details are provided in Annexure II

Rationale

In November 2025, ICRA had assigned provisional rating to the pass-through certificates (PTCs) issued by Platinum Trust Nov 2025 - Tranche II. 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. 1,580.31 crore (pool receivables of Rs. 1,970.87 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 has now been confirmed as final.

Pool performance summary

| Parameter | Platinum Trust Nov 2025 - Tranche II |
|---|--------------------------------------|
| Payout month | March 2026 |
| Months post securitisation | 3 |
| Pool amortisation | 11.8% |
| PTC Series A1 amortisation | 12.8% |
| Cumulative prepayment rate | 1.5% |
| Cumulative collection efficiency ¹ | 98.1% |
| Loss-cum-0+ days past due (dpd) ² | 7.2% |
| Loss cum 30+ dpd ³ | 0.4% |
| Loss cum 90+ dpd ⁴ | 0.0% |
| Cumulative cash collateral (CC) utilisation | 0.0% |

Transaction structure

As per the transaction structure, the monthly cashflow 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 PTC Series A1 PTC principal. After the payment of PTC Series A1, all pool collections will be used to repay Series A2 PTCs. The principal for Series A2 PTCs is promised on the final maturity date.

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 CC of 5.00% of the initial pool principal, amounting to Rs. 79.02 crore, provided by the Originator, and (ii) the EIS of 14.71% of the initial pool principal for Series A1 PTC, and (iii) subordination of 8.00% of the initial pool principal (Rs. 126.42 crore) in the form of PTC Series A2/equity tranche.

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 adequate processes for servicing of the loan accounts in the securitised pools.

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 59,188 contracts, with top 10 obligors forming only 0.33% 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 has a weighted average seasoning is ~9.5 months with no delinquent contracts as on the cut-off date thereby reflecting the borrowers' relatively better credit profile which is a credit positive.

Credit challenges

High loan-to-value (LTV) contracts – Proportion of contracts with loan-to-value (LTV) ratio of more than 80% is high at ~70% (in terms of the principal amount outstanding on the cut-off date). Borrower with high LTV loans is 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.

Exposed to interest rate risk – The transaction is exposed to interest rate risk as the underlying pool has fixed rate loans while the yield on the PTCs is floating (linked to external benchmark).

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 3.25% 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 Nov 2025 - Tranche II |
|------------------------------------|--|
| Originator | Cholamandalam Investment and Finance Company Limited |
| Servicer | Cholamandalam Investment and Finance Company Limited |
| Trustee | IDBI Trusteeship Services Limited |
| CC holding bank | Axis Bank Limited |
| Collection and payout account bank | Citi Bank |

Liquidity position: Superior

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~6.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – Not applicable for PTC Series A1

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 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 1,757 branches across 26 states and 7 Union Territories (UTs) with net AUM of Rs. 2,10,722 crore as of December 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 13% to AUM, while housing finance (10%) accounted for the rest. As of December 2025, CIFCL had two wholly-owned subsidiaries, Cholamandalam Leasing Limited and Cholamandalam Securities Limited, a joint venture with Payswiff 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. 3,579 crore on a managed asset base of Rs. 2,39,008 crore in 9M FY2026.

In FY2025, CIFCL (consolidated) reported a net profit of Rs. 4,260 crore on a managed asset base of Rs. 2,08,113 crore compared with Rs. 3,411 crore and Rs. 1,60,429 crore, respectively, in FY2024. It reported a provisional net profit of Rs. 3,585 crore in 9M FY2026

Key financial indicators (audited)

| CIFCL (Standalone) | FY2024 | FY2025 | 9M FY2026 |
|-----------------------------------|----------|----------|-----------|
| Total income | 19,216 | 26,055 | 22,906 |
| Profit after tax | 3,423 | 4,259 | 3,579 |
| Total managed assets [^] | 1,60,194 | 2,07,874 | 2,39,008 |
| Gross stage 3 | 2.5% | 2.8% | 3.4% |
| CRAR | 18.6% | 19.8% | 19.2% |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; [^]Managed Assets= Total assets (as per balancesheet) + Assignment book

Status of non-cooperation with previous CRAs: Not applicable

Any other information: None

Rating history for past three years

| Trust name | Instrument | Current rating (FY2027) | | Chronology of rating history for the past 3 years | | | |
|--------------------------------------|---------------|----------------------------------|----------------------------------|---|---------------------------|-------------------------|-------------------------|
| | | Initial rated amount (Rs. crore) | Current rated amount (Rs. crore) | Date & rating in FY2027 | Date & rating in FY2026 | Date & rating in FY2025 | Date & rating in FY2024 |
| | | | | Apr 20, 2026 | Nov 21, 2025 | - | - |
| Platinum Trust Nov 2025 - Tranche II | PTC Series A1 | 1,453.88 | 1,453.88 | [ICRA]AAA(SO) | Provisional [ICRA]AAA(SO) | - | - |

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Instrument | FSR |
|---------|--|------|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |

| | | |
|----|--|--|
| 16 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |
|----|--|--|

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(§) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. No. | Activity Name | FSR |
|---------|--|------|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

| Instrument | Complexity indicator |
|---------------|----------------------|
| PTC Series A1 | 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](#)

Annexure II: 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 Nov 2025 -Tranche II | PTC Series A1 | November 26, 2025 | 7.00% | November 14, 2030 | 1,453.88 | [ICRA]AAA(SO) |

Source: Company; *Floating–Linked to external benchmark

Annexure III: List of entities considered for consolidated analysis

Not applicable

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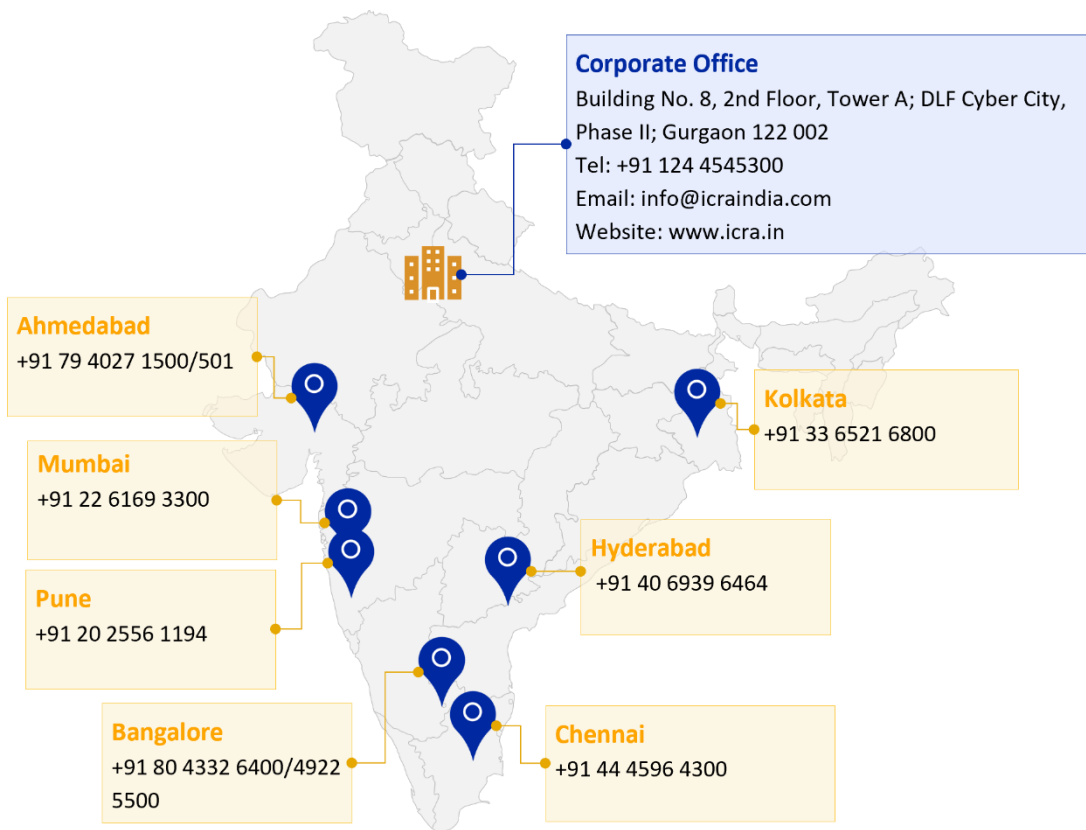
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