

May 28, 2026

Cholamandalam Investment and Finance Company Limited: Provisional [ICRA]AAA(SO) assigned to PTC Series A backed by vehicle loan receivables issued by Platinum Trust May 2026 - Tranche I; Provisional [ICRA]A-(SO) assigned to second loss facility

Summary of rating action

| Trust name | Instrument* | Current rated amount (Rs. crore) | Rating action |
|-------------------------------------|----------------------|----------------------------------|-------------------------------------|
| Platinum Trust May 2026 - Tranche I | PTC Series A | 540.11 | Provisional [ICRA]AAA(SO); assigned |
| | Second loss facility | 8.10 | Provisional [ICRA]A-(SO); assigned |

*Instrument details are provided in Annexure II

Rating in the absence of pending actions/documents **No rating would have been assigned as it would not be meaningful**

Rationale

The pass-through certificates (PTCs) are backed by a pool of vehicle loan receivables originated by Cholamandalam Investment and Finance Company Limited (CIFCL/Originator; rated [\[ICRA\]AA+ \(Positive\)/\[ICRA\]A1+](#)) with an aggregate principal outstanding of Rs. 540.11 crore (pool receivables of Rs. 687.69 crore). CIFCL would also act as the servicer for the transaction.

The provisional ratings are based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The ratings are subject to the fulfilment of all the conditions under the structure and ICRA’s review of the documentation pertaining to the transaction.

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 excess interest spread (EIS), after meeting the promised 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 A principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 6.50% of the initial pool principal, amounting to Rs. 35.11 crore, to be provided by the Originator. The CC will be split into a first loss facility (FLF), amounting to Rs. 27.01 crore (5.00% of initial pool principal), and a second loss facility (SLF) of Rs. 8.10 crore (1.50% of initial pool principal). (ii) the excess interest spread (EIS) of 14.29% of the initial pool principal for PTC Series A.

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 33,448 contracts, with top 10 obligors forming only ~0.99% 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 of ~10 months 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 ~68% (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.

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 ratings for the instruments.

Liquidity position: Strong

PTC Series A

The liquidity for PTC Series A is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~4.00 times the estimated loss in the pool.

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

Negative factors – Pressure on the rating 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 CE utilization levels. Weakening in the credit profile of the servicer (CIFCL) could also exert pressure on the rating.

Analytical approach

The rating action is based on the analysis of the performance of CIFCL's portfolio till December 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

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

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned ratings are provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Power of Attorney
4. Legal opinion
5. Trustee letter
6. Other key or important documents executed for the transaction

Validity of the provisional ratings

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional ratings would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional ratings

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the ratings, the provisional ratings will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

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 1,761 branches across 26 states and 7 Union Territories (UTs) with net AUM of Rs. 2,24,334 crore as of March 2026. The company's core business segments include vehicle finance (55%) and HE loans (18%). CIFCL has forayed into three new business divisions in the consumer and SME ecosystem, namely CSEL, SBPL and SME, which contributed 17% to AUM, while housing finance (7%) accounted for the rest. As of March 2026, 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 FY2026, CIFCL (standalone) reported a net profit of Rs. 5,220 crore on a managed asset base of Rs. 2,55,372 crore compared with Rs. 4,259 crore and Rs. 2,07,874 crore, respectively, in FY2025.

In FY2026, CIFCL (consolidated) reported a net profit of Rs. 5,229 crore on a managed asset base of Rs. 2,55,750 crore compared with Rs. 4,260 crore and Rs. 2,08,113 crore, respectively, in FY2025.

Key financial indicators (audited)

| CIFCL (Standalone) | FY2024 | FY2025 | FY2026 |
|-----------------------------------|----------|----------|----------|
| Total income | 19,216 | 26,055 | 31,445 |
| Profit after tax | 3,423 | 4,259 | 5,220 |
| Total managed assets [^] | 1,60,194 | 2,07,874 | 2,55,372 |
| Gross stage 3 | 2.5% | 2.8% | 3.1% |
| 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 balance sheet) + Assignment book

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

| Trust name | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | |
|-------------------------|-------------------------|--------------------------|---------------------------|---|-------------------------|-------------------------|
| | Instrument | Amount rated (Rs. crore) | Date & rating in FY2027 | Date & rating in FY2026 | Date & rating in FY2025 | Date & rating in FY2024 |
| | | | May 28, 2026 | - | - | - |
| Platinum Trust May 2026 | PTC Series A | 540.11 | Provisional [ICRA]AAA(SO) | - | - | - |
| - Tranche I | Second loss facility | 8.10 | Provisional [ICRA]A-(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 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 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 May 2026 - Tranche I | PTC Series A | May 21, 2026 | 7.70% | September 18, 2031 | 540.11 | Provisional [ICRA]AAA(SO) |
| | Second loss facility | | - | | 8.10 | Provisional [ICRA]A-(SO) |

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Sagar
+91 124 4545 316
manushrees@icraindia.com

Sachin Joglekar
+91 22 6114 3470
sachin.joglekar@icraindia.com

Sumit Kumar Pramanik
+91 22 6114 3400
sumit.pramanik@icraindia.com

Mrugesh Trivedi
+91 22 6114 3436
mrugesh.trivedi@icraindia.com

Vishal Oza
+91 22 6114 3472
vishal.oza2@icraindia.com

Abhishek Jena
+91 22 6114 3432
abhishek.jena@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar
+91 22 6114 3304
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.