August 05, 2026

Cholamandalam Investment and Finance Company Limited: Ratings reaffirmed for PTCs issued under three vehicle loan securitisation transactions

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	Financial Sector Regulator#
PLATINUM TRUST July 2023 - Tranche I	PTC Series A	654.14	235.88	122.92	[ICRA]AAA(SO); reaffirmed	RBI
	Second Loss Facility	11.45	11.45	8.02	[ICRA]A-(SO); reaffirmed	RBI
PLATINUM TRUST Aug 2023 - TRANCHE II	PTC Series A	355.77	136.32	82.81	[ICRA]AAA(SO); reaffirmed	RBI
	Second Loss Facility	6.23	6.23	6.23	[ICRA]A-(SO); reaffirmed	RBI
PLATINUM TRUST May 2024 - TRANCHE II	PTC Series A	999.26**	636.53	406.95	[ICRA]AAA(SO); reaffirmed	RBI
	Second Loss Facility	17.49	17.49	17.49	[ICRA]A-(SO); reaffirmed	RBI

**Instrument details are provided in Annexure I;*
***During finalization of provisional rating, there was change in rated amount on account of change in pool size from Rs. 999.26 crore to Rs. 984.96 crore.*
#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.

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+)[1]. 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 amortisation and healthy performance of the pools. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pools till the June 2026 payout month.

Pool performance summary

Parameter	PLATINUM TRUST July 2023 - Tranche I	PLATINUM TRUST Aug 2023 - TRANCHE II	PLATINUM TRUST May 2024 - TRANCHE II
Payout month	June 2026	June 2026	June 2026
Months post securitisation	35	34	25
Pool amortisation (as % of initial pool principal)	81.2%	76.7%	58.7%
Cumulative collection efficiency[2]	98.7%	98.5%	111.8%
Loss-cum-90+ dpd[3] (% of initial pool)	1.1%	1.4%	1.4%
Loss-cum-180+ dpd[4] (% of initial pool)	0.8%	1.1%	1.0%
Cumulative credit collateral (CC) utilisation	0.0%	0.0%	0.0%

[1] *The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions.*
[2] *(Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)*
[3] *Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal*
[4] *Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 180 days, as a % of Initial pool principal*

Parameter	PLATINUM TRUST July 2023 - Tranche I	PLATINUM TRUST Aug 2023 - TRANCHE II	PLATINUM TRUST May 2024 - TRANCHE II
Breakeven collection efficiency[5] for PTC Series A	73.8%	70.3%	81.1%
Credit collateral (CC; % of balance pool)	25.1%	29.0%	16.6%
Excess interest spread (EIS; % of balance pool) for PTC Series A[6]	3.8%	4.1%	5.3%

Transaction structure

For all the three trusts:

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 the PTC Series A principal.

Reset of credit enhancement

At the Originator's request for resetting the credit enhancement, ICRA has analysed all the three trusts, basis the cash collateral (CC) mentioned in the table provided below. Based on the pools' performance, the rating for the PTCs and SLF 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 July 2023 - Tranche I	30.91 (FLF: 22.90 and SLF: 8.02)	17.17 (FLF: 11.45 and SLF: 5.72)	8.25 (FLF: 6.87 and SLF: 1.38)	22.67 (FLF: 16.03 and SLF: 6.64)
PLATINUM TRUST Aug 2023 – TRANCHE II	24.02 (FLF: 17.79 and SLF: 6.23)	12.01 (FLF: 8.90 and SLF: 3.12)	7.21 (FLF: 5.34 and SLF: 1.87)	16.81 (FLF: 12.45 and SLF: 4.36)
PLATINUM TRUST May 2024 - TRANCHE II	67.45 (FLF: 49.96 and SLF: 17.49)	40.47 (FLF: 29.98 and SLF: 10.49)	16.19 (FLF: 11.99 and SLF: 4.20)	51.26 (FLF: 37.97 and SLF: 13.29)

All figures in Rs. Crore

Key rating drivers and their description

For all the three transactions

Credit strengths

Track record of Originator/ servicer – CIFCL, 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 also has satisfactory processes for servicing the loan accounts in the securitised pool.

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

[5] *(Balance cash flows payable to investor – CC available)/Balance pool cash flows*

[6] *(Pool cash flows – Cash flows to PTC A)/Pool principal outstanding*

Healthy pool performance – The delinquency for the pools 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 for all the pools. Further, the performance of the pools 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 pools, 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 July 2023 - Tranche I	1.00%	4.8% - 18.0%
PLATINUM TRUST Aug 2023 – TRANCHE II	1.00%	4.8% - 18.0%
PLATINUM TRUST May 2024 - TRANCHE II	1.50%	4.8% - 18.0%

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 July 2023 - Tranche I	PLATINUM TRUST Aug 2023 - TRANCHE II	PLATINUM TRUST May 2024 - TRANCHE II
Originator	Cholamandalam Investment and Finance Company Limited		
Servicer	Cholamandalam Investment and Finance Company Limited		
Trustee	IDBI Trusteeship Services Limited		
CC holding bank	HDFC Bank Limited	HDFC Bank Limited	HDFC Bank Limited
Collection and payout account bank	HDFC Bank Limited	HDFC Bank Limited	HDFC Bank Limited

Liquidity position

For PTC Series A of PLATINUM TRUST July 2023 - Tranche I and PLATINUM TRUST Aug 2023 - TRANCHE II trust: Superior

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 more than 6 times the estimated losses for the pool for both the trusts.

For PTC Series A of PLATINUM TRUST May 2024 - TRANCHE II: Strong

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 is 5 times the estimated losses for the pool.

For SLF of all three trusts: Strong

The liquidity for the SLF is strong after factoring in the FLF available for top up of SLF, if needed, as per the defined waterfall mechanism for all the three trusts.

Rating sensitivities

Positive factors – Not applicable for PTC Series A for all the three trusts

The ratings 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 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 performance of the pools till the June 2026 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 transactions.

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 1,761 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

S. no.	Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years			
		Instrument	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	
					Aug 05, 2026	Sep 23, 2025	Sep 27, 2024	Oct 12, 2023	Aug 01, 2023
1	PLATINUM TRUST July 2023 - Tranche I	PTC Series A	654.14	122.92	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)
		Second loss facility	11.45	8.02	[ICRA]A- (SO)	[ICRA]A- (SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)

S. no.	Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years			
		Instrument	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	
					Aug 05, 2026	Nov 27, 2025	Nov 25, 2024	Nov 20, 2023	Sep 05, 2023
2	PLATINUM TRUST Aug 2023 - TRANCHE II	PTC Series A	355.77	82.81	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	Provisional [ICRA]AAA(SO)
		Second loss facility	6.23	6.23	[ICRA] A-(SO)	[ICRA] A-(SO)	[ICRA] A-(SO)	[ICRA] A-(SO)	Provisional [ICRA]A-(SO)

S. no.	Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years			
		Instrument	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
					Aug 05, 2026	Sep 23, 2025	Sep 05, 2024	Jun 10, 2024	-
3	PLATINUM TRUST May 2024 - TRANCHE II	PTC Series A	999.26	406.95	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-
		Second loss facility	17.49	17.49	[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 July 2023 - Tranche I	PTC Series A	Complex
	Second Loss Facility	Complex
PLATINUM TRUST Aug 2023 – TRANCHE II	PTC Series A	Complex
	Second Loss Facility	Complex
PLATINUM TRUST May 2024 - 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	Financial Sector Regulator#
PLATINUM TRUST July 2023 - Tranche I	PTC Series A	July 26, 2023	7.89%	January 23, 2029	122.92	[ICRA]AAA(SO)	RBI
	Second Loss Facility		-		8.02	[ICRA]A-(SO)	RBI
PLATINUM TRUST Aug 2023 – TRANCHE II	PTC Series A	August 31, 2023	7.90%	February 23, 2029	82.81	[ICRA]AAA(SO)	RBI
	Second Loss Facility		-		6.23	[ICRA]A-(SO)	RBI
PLATINUM TRUST May 2024 - TRANCHE II	PTC Series A	May 31, 2024	8.30%	November 22, 2029	406.95	[ICRA]AAA(SO)	RBI
	Second Loss Facility		-		17.49	[ICRA]A-(SO)	RBI

Source: Company; #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

Annexure II: List of entities considered for consolidated analysis

Not applicable

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