Tanjiro CV Trust August 2024
Originator: Indostar Capital Finance Limited

March 06, 2026

Instrument	Amount (₹ crore)@	Balance Tenure (months)*	Credit Enhancement (₹ crore)			Rating[1]	Rating Action
			Cash Collateral	Over Collateral	Subordination		
Series A1 SNs	73.82	31	19.08	0.64^	7.63	CARE AAA (SO)	Reaffirmed
Series A2 SNs	7.63				-	CARE A+ (SO)	Reaffirmed

Details of instruments/facilities in Annexure-1
@After January 2026 payout.
*Tenure/door-to-door maturity may change due to prepayments or changes in interest rates.
^Over collateral (OC) built up due to trigger-based turbo amortisation.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of Series A1 SNs and Series A2 SNs issued by Tanjiro CV Trust August 2024, backed by commercial vehicle loan receivables originated by Indostar Capital Finance Limited (ICFL), at 'CARE AAA (SO)' [pronounced as Triple A (Structured Obligation)] and at 'CARE A+ (SO)' [pronounced as Single A Plus (Structured Obligation)] respectively.

Reaffirmation in ratings is primarily based on performance of underlying loans over the past 17 months post-securitisation, robust legal structure, well-defined payment mechanism, significant build-up in cash collateral (CC), over collateral (OC) and subordination in form of Series A2 SN – as a percentage of balance amount of securitisation notes (SNs), subordination of excess interest spread (EIS), servicing capability and overall performance of ICFL.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

For Series A1 SNs: None

For Series A2 SNs:

- Delinquencies (90+ days past due [DPD]) of <2% and/or sustained high collection efficiency (cumulative collection efficiency of >98%).
- Sustained build-up of CC of more than 2 times the initial proposed (CC; as a percentage of the balance principal outstanding [POS]).

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD) of >9% coupled with the sustained lower collection efficiency (cumulative collection efficiency of <90%).
- Utilisation of CC.
- Deterioration in the credit profile of the originator.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

The rating reaffirmation is based on inter alia, observed and expected pool performance, presence of credit enhancement (CE) and adherence to the transaction structure.

Detailed description of key rating drivers

Pool Performance:

The transaction is structured at timely payment of interest and principal on a monthly basis. The pool has amortised by ~57% in 17 months post-securitisation. As of January 2026 payouts, overdue (OD; as a percentage of initial pool POS) is 3.52% and CC,

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications

which is in the form of fixed deposit (FD), stands at 23.24% (as percentage of balance pool POS) with nil utilisation. The CE available is sufficient to sustain ratings for the balance tenure.

Pool summary (as of January 2026 payout)	
Months post-securitisation	17
Pool amortisation	56.97%
30+ delinquency (percentage of the initial pool POS)	12.08%
90+ delinquency (percentage of the initial pool POS)	6.22%
Overdue amount (percentage of the initial pool POS)	3.52%
Cumulative Collection Efficiency [CCE]	94.14%
CC (percentage of the balance SN POS)	23.42%
Cumulative prepayments	15.69%

Key strengths:

- CCE of 94.14% coupled with pool amortisation of 56.97% after 17 months post securitisation.
- CC as a percentage of SN POS is 23.42%, which remains unutilised
- Well-defined payment mechanism and adherence to the transaction structure.

Key weaknesses:

- High 90+ DPD and OD at 6.22% and 3.52% (as percentage of initial pool POS) respectively.
- Underlying borrowers in the pool have volatile cash flows.

Liquidity:

For Series A1 SNs: Strong

Inherent liquidity in the structure is strong. Interest and principal payouts for Series A1 SNs are promised every month. In case of delinquency, payouts are expected to be supported by CE comprising CC, OC and subordinated Series A2 SNs and EIS.

For Series A2 SNs: Adequate

Inherent liquidity in the structure for Series A2 SNs is adequate, and it is supported by CE comprising CC, OC and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover shortfalls. Since the transaction is sensitive to credit quality of underlying pool, CareEdge Ratings has analysed pool performance and overall portfolio performance of the originator. Considering borrower profile and nature of loan, pool characteristics and portfolio performance, CareEdge Ratings has taken average shortfall from 8.00-9.00% of the POS. Base case shortfalls were stressed along with other key factors such as timing of shortfalls, recovery assumptions, and time to recovery. CareEdge Ratings has found that the CE provided is sufficient to cover shortfalls in a stress scenario commensurate with the assigned rating. Pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayments in the range of 0.50-1.00%.

Key risks, concerns and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties e.g., trustee, banker etc.

Applicable criteria

Policy on Default Recognition

CARE Ratings' methodology for asset/mortgage-backed securitisation

About Originator / Servicer and industry

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

Incorporated in July 2009, ICFL is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking NBFC. Brookfield, one of the leading global alternative asset managers, is the largest shareholder and promoter of ICFL, holding 56.20%, followed by the Everstone group at 17.4% as on June 30, 2024. The company commenced corporate lending in 2011, ventured in small and medium-sized enterprises (SME) financing from 2015 and vehicle financing from 2017 to have a diversified and a granular portfolio. It further diversified in retail home financing from FY18 through its subsidiary, IHFPL. In March 2019, the company acquired vehicles business of India Infoline Finance Limited (IIFL). In Q1FY25, the company forayed in micro loans against property (LAP) and going forward its focus is to grow its vehicles financing book and micro-LAP book. As on June 2024, assets under management (AUM) on a consolidated basis is ₹9,565 crore. Currently, ICFL has a network of 419 branches across 23 states in India. ICFL is engaged in CV business for over 12 years and is an active player in securitisation/bilateral market and as on December 31, 2025. ICFL has 22 such live pools with initial size amounting ~₹3,102 crore.

Key financial indicators - ICFL

Brief financials	FY24 (A)	FY25 (A)	9MFY26 (UA)
Total income (₹ crore)	1,125.2	1,412.4	1,046.9
Profit after tax (₹ crore)	71.6	52.6	554.1
Assets under management (AUM) (₹ crore)	6,468	7,963	7,692
On-book gearing (x)	1.9	2.0	1.2
AUM/Tangible net worth (TNW) (x)	2.6	2.8	2.1
Gross Stage 3 (%)	5.0	4.5	4.1
Return on managed assets (ROMA) (%)	0.8	0.5	5.4
Capital adequacy ratio (CAR) (%)	28.9	28.5	41.4

A: Audited, UA: Unaudited. Note: these are latest financial results available

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the SPV in managing collections from underlying borrowers, without informing them of the assignment. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilizes cash collateral in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. The terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Securitisation Notes	-	30-08-2024	9.45%	16-08-2028	73.82	CARE AAA (SO)
Securitisation Notes	-	30-08-2024	-	16-08-2028	7.63	CARE A+ (SO)

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Securitisation Notes	LT	73.82	CARE AAA (SO)	-	1)CARE AAA (SO) (24-Dec-24) 2)Provisional CARE AAA (SO) (26-Aug-24)	-	-
2	Securitisation Notes	LT	7.63	CARE A+ (SO)	-	1)CARE A+ (SO) (24-Dec-24) 2)Provisional CARE A+ (SO) (26-Aug-24)	-	-

LT- Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Securitisation Notes	Highly complex

Annexure-5: Lender details

Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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