CHANDLER CV TRUST JUNE 2024

Originator: Indostar Capital Finance Limited

May 11, 2026

Instrument	Amount (₹ crore)@	Balance Tenure (months)*	Credit Enhancement (₹ crore)	Rating[1]	Rating Action
			Cash Collateral^		
Series A1 PTC	7.77	31	2.63	CARE AAA (SO)	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

@After March 2026 payout.

^Post proposed reset.

*Tenure/door-to-door maturity may change due to prepayments or changes in interest rates if any.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating of the Series A1 PTC issued by CHANDLER CV TRUST JUNE 2024, backed by commercial vehicle (CV) loans receivables originated by Indostar Capital Finance Limited (ICFL), at 'CARE AAA (SO)' [pronounced as Triple A (Structured Obligation)].

Reaffirmation in the rating is primarily based on the performance of the underlying loans over the past 20 months post-securitisation, the robust legal structure, the well-defined payment mechanism, the significant build-up in cash collateral (CC) – as a percentage of the balance amount of pass-through certificates (PTCs), the subordination of excess interest spread (EIS), the servicing capability and overall performance of ICFL.

Proposed reset of credit enhancement

ICFL had requested to reset the credit enhancement (CE) for CHANDLER CV TRUST JUNE 2024. CareEdge Ratings has analysed the transaction for the rating to assess CC requirement after the March 2026 payout. Based on reserve floor suggested by Reserve Bank of India (RBI) and calculated requirement of CC for maintaining current rating of the transaction, CareEdge Ratings has concluded that there is scope for release of a part of the CC. The proposed CC reset calculation is presented below. The rating for the transaction will remain unchanged even after the proposed reset of the CC amount. However, according to regulatory guidelines, the amount of CC that can be released would be restricted to 60% of the difference between current CC amount and revised CC amount allowed by CareEdge Ratings. **Proposed CC reset shall be subject to the approval of PTC investors**.

Current CC (₹ crore) (a)	CC required to maintain the rating (₹ crore) (b)	CC proposed to be release (₹ crore) (c)= 60%*(a-b)	Available CC post proposed CC reset (₹ crore) (d)= (a-c)
3.21	2.25	0.58	2.63

Rating sensitivities: Factors likely to lead to rating actions

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

None

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

- Delinquencies (90+ days past due [DPD]) of over 7% and the sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Deterioration in the credit profile of the originator.
- Utilisation of CC.
- Non-adherence to key transaction terms envisaged at the time of the rating.

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

Analytical approach

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

Detailed description of key rating drivers

Pool performance:

The transaction structure stimulates timely payment of interest and payment of principal. The pool has amortised by ~66% in twenty months post-securitisation. As of March 2026 payout, overdue (OD) (as a percentage of initial pool POS) is 2.24% and CC which is in the form of FD, stands at 33.87% (as percentage of balance pool POS) with nil utilisation. The credit enhancement (CE) available is sufficient to sustain Ratings for the balance tenure.

Pool summary (as of March 2026 payout)	
Months post-securitisation	20
Pool amortisation	66.11%
30+ delinquency (percentage of the initial pool POS)	7.38%
90+ delinquency (percentage of the initial pool POS)	3.94%
Overdue amount (percentage of the initial pool POS)	2.24%
Cumulative Collection Efficiency (CCE)	96.87%
CC (percentage of the balance PTC POS)^	33.87%
Cumulative prepayments	15.42%

^Post proposed reset

Key strengths:

- CCE of ~97% and PTC amortisation of ~66% after 20 months post securitisation.
- CC as a percentage of PTC POS is ~34% (post proposed reset), which remains unutilised.
- Well-defined payment mechanism and adherence to the transaction structure.

Key weakness:

- Moderate delinquency with OD of 2.24% and 90+ DPD of 3.94% (both, as a percentage of initial pool POS).

Liquidity: Strong

The inherent liquidity in the structure is strong. The interest and principal payouts for Series A1 PTCs are promised every month. In case of delinquency, the payouts are expected to be supported by CC (in the form of fixed deposits [FDs]), 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 the credit quality of the underlying pool, CareEdge Ratings has analysed the performance of the pool and the overall portfolio performance of the originator. Considering the borrower profile and the nature of the loan, the pool characteristics and the portfolio performance, CareEdge Ratings has taken the average shortfall from 5.00% to 6.00% of the POS. The base case shortfalls were stressed along with other key factors such as the timing of shortfalls, the recovery assumptions, and the 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. The 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 the 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, such as trustee and banker and others.

Applicable criteria

Policy on Default Recognition

CARE Ratings' methodology for asset/mortgage-backed securitisation

About the 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 non-banking finance company (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 (₹ crore)	FY24 (A)	FY25 (A)	9MFY26 (UA)
Total income	1,125.2	1412.4	1046.9
Profit after tax (PAT)	71.6	52.6	554.1
Assets under management (AUM)	6,468	7963	7692
On-book gearing (x)	1.9	2.0	1.2
AUM / tangible net-worth (TNW) (x)	2.6	2.8	2.1
Gross non-performing assets (NPA) / 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 special purpose vehicle (SPV) in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. 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 utilises CC 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
Pass Through Certificates	INE118015010	31-07-2024	9.15%	16-08-2028	7.77	CARE AAA (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 2026-2027	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
1	Pass Through Certificates	LT	7.77	CARE AAA (SO)	-	1)CARE AAA (SO) (26-Jun-25)	1)CARE AAA (SO) (23-Oct-24) 2)Provisional CARE AAA (SO) (25-Jul-24) 3)Provisional CARE AAA (SO) (03-Jul-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.	Pass Through Certificates	Highly complex

Annexure-5: Lender details

Not applicable

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

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

#There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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