Tanjiro CV Trust August 2024

Originator: Indostar Capital Finance Limited

July 22, 2026

Instrument#	Amount (₹ crore)@	Name of the regulator[1]	Balance Tenure (months)*	Credit Enhancement (₹ crore)			Rating[2]	Rating Action
				Cash Collateral	Over Collateral	Subordination		
Series A1 SN	45.00	RBI	26	18.88	1.58	7.63	CARE AAA (SO)	Reaffirmed
Series A2 SN	7.63					-	CARE A+ (SO)	Reaffirmed

Details of instruments/facilities in Annexure-1.

Series A SNs are rated based on timely payment of interest and payment of principal on or before the last scheduled payout date and Series A2 SNs are rated based on payment of principal on or before the last scheduled payout.

@After June 2026 payout.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of Series A1 SN and Series A2 SN 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 the performance of the underlying loans in the last 22 months post-securitisation, the robust legal structure, the well-defined payment mechanism, the significant build-up in cash collateral (CC) and over collateral (OC) and subordination in form of Series A2 SN – as a percentage of the balance amount of securitisation notes (SNs), the subordination of excess interest spread (EIS), the 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 SN: None

For Series A2 SN:

- Delinquencies (90+ days past due [DPD]) of less than 2% and/or sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Sustained build-up of CC of over 2x the initial proposed (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 over 9% and the sustained lower collection efficiency (cumulative collection efficiency of less than 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:

[1] 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

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

The transaction is structured at timely payment of interest and payment of principal on or before the final legal maturity date. The transaction also features a conditional turbo amortisation, which has been triggered. The pool has amortised by ~72% in 22 months post-securitisation. As of June 2026 payout, overdue (OD) (as a percentage of initial pool POS) is 4.66% and CC, which is in the form of fixed deposit (FD), stands at ~35% (as percentage of balance pool POS). CE available is sufficient to sustain ratings for the balance tenure.

Pool summary (as of Jun 2026 payout)	
Months post-securitisation	22
Pool amortisation	71.59%
30+ delinquency (percentage of the initial pool POS)	11.16%
90+ delinquency (percentage of the initial pool POS)*	7.02%
Overdue amount (percentage of the initial pool POS)**	4.66%
Cumulative Collection Efficiency (CCE)	93.69%
CC (percentage of the balance SN POS)	35.87%
Cumulative prepayments	19.31%

*90+ DPD defined as the ratio of the sum of overdue (principal and interest) amounts for over 90 days and future principal outstanding of contracts that have been overdue for over 90 days to the initial pool principal amount.
**Overdue amount is defined as the total amount of principal and interest that have not been paid as a percentage of the initial pool principal amount.

Key strengths:

- CCE of ~94% and pool amortisation of ~72% after 22 months post securitisation.
- CC as a percentage of SN POS is ~36%.
- Well-defined payment mechanism and adherence to the transaction structure.

Key weakness:

- High delinquency with OD of 4.66% (as a percentage of initial pool POS) and 90+ DPD of 7.02% (as a percentage of initial pool POS).
- 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 the credit quality of the underlying pool, CareEdge Ratings has analysed pool performance 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 5.00-6.00% of 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 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 including trustee, and banker among 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 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 March 31, 2026, ICFL has ~15 such live pools with initial size amounting to over ₹2,000 crore.

Key financial indicators - ICFL

Brief financials	FY24 (A)	FY25 (A)	FY26 (A)
Total income (₹ crore)	1,125.2	1,412.4	1,393.6
Profit after tax (₹ crore)	71.6	52.6	130.2
Assets under management (AUM) (₹ crore)	6,468	7,963	8,056.0
On-book gearing (x)	2.44	2.47	1.74
AUM/Tangible net worth (TNW) (x)	2.6	2.8	2.55
Gross Stage 3 (%)	4.97	4.52	4.77
Return on managed assets (ROMA) (%)	0.83	0.53	1.31*
Capital adequacy ratio (CAR) (%)	28.87	28.46	36.10

A: Audited, UA: Unaudited. Note: these are latest financial results available
*Includes the one-time exceptional gain on sale of subsidiary

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, 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 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. 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 the covenants of the rated instruments/facilities: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities:

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Highly Complex	INE14MF15014	30-08-2024	9.45%	16-08-2028	45.00	CARE AAA (SO)
Securitisation Notes	RBI	Highly Complex	INE14MF15022	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 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	Securitisation Notes	LT	45.00	CARE AAA (SO)	-	1)CARE AAA (SO) (06-Mar-26)	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) (06-Mar-26)	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: Lender details

Not applicable

Note on the 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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About us:

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