

February 17, 2022

Cholamandalam Investment and Finance Company Limited: Ratings withdrawn for PTCs and second loss facility issued under two vehicle loan securitisation transactions

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s during previous surv exercise (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Platinum Trust September 2018 – Tranche III	PTC Series A	311.28	53.53	0.00	[ICRA]AAA(SO); withdrawn
	Second Loss Facility	17.12	17.12	0.00	[ICRA]BBB+(SO); withdrawn
Platinum Trust January 2019	PTC Series A	252.86	45.85	0.00	[ICRA]AAA(SO); withdrawn
	Second Loss Facility	12.52	12.52	0.00	[ICRA]BBB+(SO); withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) and second loss facility (SLF) issued under two vehicle loan securitisation transactions originated by Cholamandalam Investment and Finance Company Limited (CIFCL), as tabulated above. All the payouts to the investors in the above-mentioned instrument have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

CIFCL, a non-banking financial company, is a part of the Chennai-based Murugappa Group of companies. Incorporated in 1978, it operates through 1,137 branches across 29 states and Union Territories (UTs) with net assets under management (AUM) of Rs. 67,821 crore as of June 2021. The company's business segments include vehicle finance (71% of AUM), loan against property (LAP)/small and medium enterprise (SME) loans (22%) and home loans (7%).

CIFCL has two wholly-owned subsidiaries, viz. Cholamandalam Home Finance Limited (erstwhile Cholamandalam Distribution Services Limited) and Cholamandalam Securities Limited, and an associate entity – White Data Systems India Private Limited (31% stake).

Key financial indicators (Standalone - audited)

CIFCL	FY2020	FY2021
Total income (Rs. crore)	8,653	9,520
Profit after tax (Rs. crore)	1,052	1,515
Assets under Management (Rs. crore)	60,549	69,996
Gross NPA (%)	3.8%	4.0%
Net NPA (%)	2.2%	2.2%

Source: Company, ICRA Research

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 (FY2022)			Chronology of Rating History for the Past 3 Years					
		Instrument	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
					Feb-17-2022	Jul-27-2021	Jul-27-2020	Nov-29-2019	Dec-19-2018	Oct-05-2018 [^]
1	Platinum Trust	PTC Series A	311.28	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)	Provisional [ICRA]AAA(SO)
	September 2018 – Tranche III	Second Loss Facility	17.12	0.00	[ICRA]BBB+(SO); Withdrawn	[ICRA]BBB + (SO)	[ICRA]BBB + (SO)	[ICRA]BBB + (SO)	[ICRA]BBB + (SO)	Provisional [ICRA]BBB+(SO)

S. No	Trust Name	Current Rating (FY2022)			Chronology of Rating History for the Past 3 Years					
		Instrument	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					Feb-17-2022	Jul-27-2021	Jul-27-2020	Nov-29-2019	Jul-11-2019	Feb-05-2019 [^]
2	Platinum Trust	PTC Series A	252.86	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)	Provisional [ICRA]AAA(SO)
	January 2019	Second Loss Facility	12.52	0.00	[ICRA]BBB+(SO); Withdrawn	[ICRA]BBB+(SO)	[ICRA]BBB + (SO)	[ICRA]BBB + (SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Platinum Trust September 2018 – Tranche III	PTC Series A	Simple
	Second Loss Facility	Simple
Platinum Trust January 2019	PTC Series A	Simple
	Second Loss Facility	Simple

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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Scheduled Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Platinum Trust September 2018 – Tranche III	PTC Series A	September 2018	8.40%	January 2023	0.00	[ICRA]AAA(SO); withdrawn
	Second Loss Facility		N.A.		0.00	[ICRA]BBB+(SO); withdrawn
Platinum Trust January 2019	PTC Series A	January 2019	8.20%	May 2023	0.00	[ICRA]AAA(SO); withdrawn
	Second Loss Facility		N.A.		0.00	[ICRA]BBB+(SO); withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Sushant Vanmali

+91 22 6114 3436

sushant.vanmali@icraindia.com

Sohil Mehta

+91 22 6114 3449

sohil.mehta@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

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

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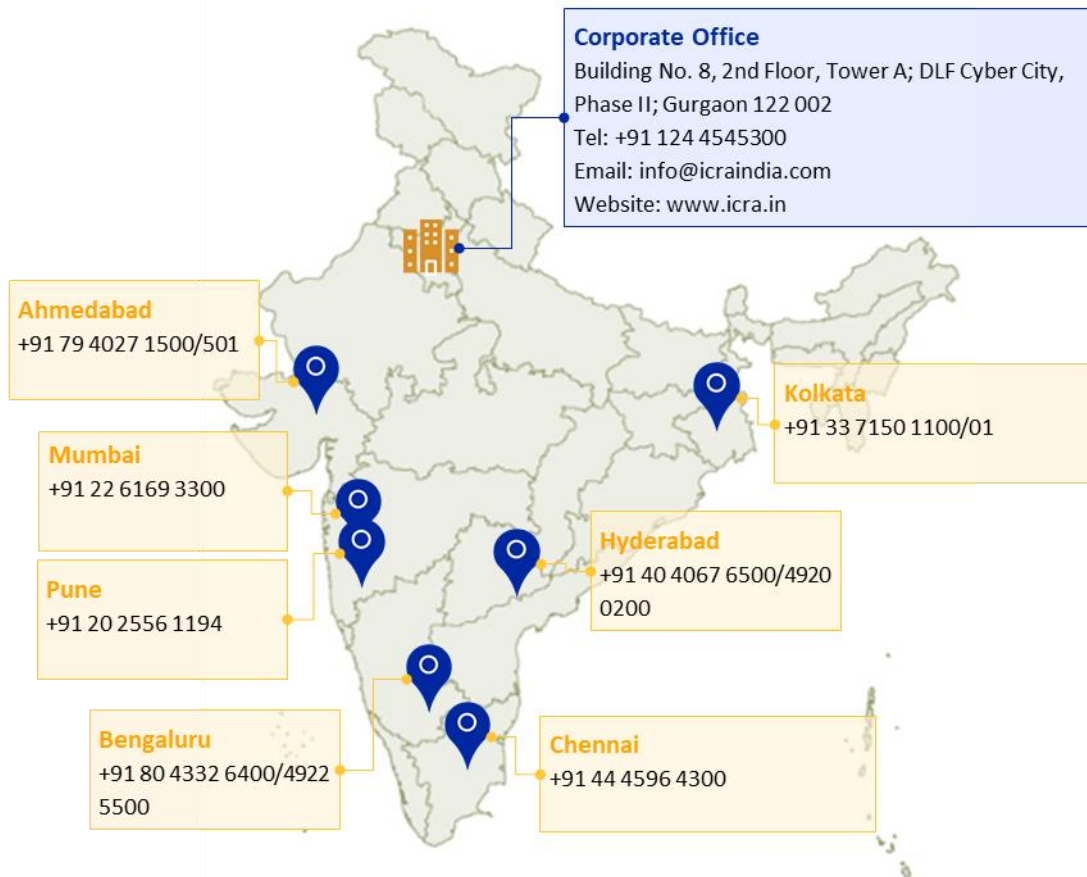
Registered Office

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

Tel: +91 11 23357940-45



Branches



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