

December 20, 2024

Cholamandalam Investment and Finance Company Limited: Ratings withdrawn for PTCs issued under vehicle loan receivables transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Platinum Trust September 2021- Tranche II	PTC Series A	159.81	26.81	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	7.99	7.99	0.00	[ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under a vehicle loan securitisation transaction originated by Cholamandalam Investment and Finance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 ICRA has also withdrawn the rating for the second loss facility.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

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position, and rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn.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

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
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 1,438 branches across 29 states and Union Territories (UTs) with a net AUM of Rs. 1,64,642 crore as of September 2024. Its core business segments include vehicle finance (56%) and HE loans (20%). CIFCL has forayed into three new business divisions in the consumer and SME ecosystem, namely CSEL, SBPL and SME, which contributed 14% to the AUM while housing finance accounted for the rest (10%). As of September 2024, CIFCL had two wholly-owned subsidiaries, Cholamandalam Home Finance Limited and Cholamandalam Securities Limited, a joint venture with Payswiff Technologies Private Limited, and an associate entity –Vishvakarma Payments Private Limited.

In FY2024, CIFCL (standalone) reported a net profit of Rs. 3,423 crore on a managed asset base of Rs. 1,60,194 crore compared with a net profit of Rs. 2,666 crore on a managed asset base of Rs. 1,17,607 crore in FY2023. In H1 FY2025, it reported a provisional net profit of Rs.1,905 crore on a managed asset base of Rs.1,82,652 crore.

Key financial indicators (audited)

CIFCL	FY2023	FY2024	H1 FY2025
Total income	12,978	19,216	12,122
Profit after tax	2,666	3,423	1,905
Total managed assets ¹	1,17,607	1,60,194	1,82,652
Gross stage 3	3.0%	2.5%	2.8%
CRAR	17.1%	18.6%	19.5%

Source: Company & ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years				
	Instrument	Initial Amount Rated (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022	
				Dec 20, 2024	Mar 26, 2024	May 30, 2023	Jun 27, 2022	Dec 23, 2021	Oct 08, 2021 [^]
Platinum Trust September 2021-Tranche II	PTC Series A	159.81	0.00	[ICRA]AAA (SO); withdrawn	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)
	Second Loss Facility	7.99	0.00	[ICRA]A-(SO); withdrawn	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]BBB-(SO)	[ICRA]BBB-(SO)	Provisional [ICRA]BBB-(SO)

[^]Initial ratings assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Platinum Trust September 2021-Tranche II	PTC Series A	Moderately Complex
	Second Loss Facility	Moderately 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 analyzing 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-I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date*	Current Amount Rated (Rs. Crore)	Current Rating
Platinum Trust September 2021- Tranche II	PTC Series A	September 30, 2021	4.00%	March 22, 2026	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility		N.A.		0.00	[ICRA]A-(SO); Withdrawn

*Scheduled PTC maturity date at transaction initiation

Source: Company

Annexure-II: List of entities considered for consolidated analysis

Not Applicable

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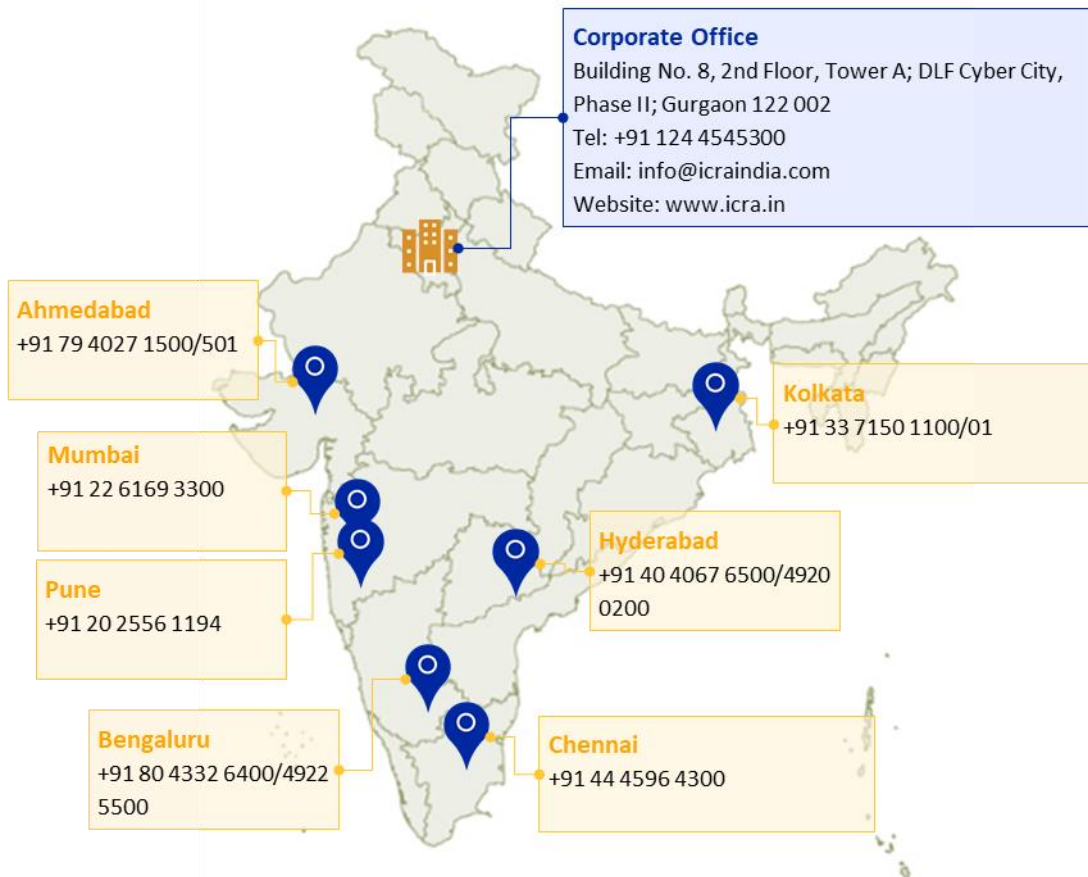
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