

April 15, 2024

Poonawalla Fincorp Limited: Ratings withdrawn for PTCs and SLF issued under a tractor loan securitisation transaction

Summary of rating action

Trust Name^	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
MFL Securitisation Trust XCIX	PTC Series A1	57.29	6.91	0.00	[ICRA]AAA(SO); Withdrawn
	PTC Series A2	3.66	0.44	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility (SLF)	3.66	3.66	0.00	[ICRA]AA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) and SLF issued under a tractor loan receivables transaction originated by Poonawalla Fincorp Limited (PFL) (erstwhile Magma Fincorp Limited) 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liquidity position and rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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 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

Poonawalla Fincorp Limited (PFL, erstwhile Magma Fincorp Limited) was incorporated in 1988 and is registered with the Reserve Bank of India (RBI) as an asset-financing non-banking financial company (NBFC). Following the acquisition of controlling stake by Adar Poonawalla-led Rising Sun Holdings Private Limited in May 2021, the Company was renamed to Poonawalla Fincorp Limited in July 2021. Post the transaction, there has been a change in the management with Mr. Adar Poonawalla appointed as the Chairman along with a revamped senior management team. As on December 31, 2023, Rising Sun Holdings Private Limited held 62.1% stake in PFL.

PFL, on a standalone basis had assets under management (AUM) of Rs. 21,946 crore as on December 31, 2023. In 9M FY2024, PFL on a standalone basis, recorded a profit of Rs. 1,724 crore on AUM of Rs. 21,946 crore compared with a standalone profit of Rs. 585 crore on a total AUM of Rs. 16,143 crore in FY2023. The gross stage 3 asset ratio stood at 1.3% as on December 31, 2023 compared with a gross stage 3 of 1.4% as on March 31, 2023.

Key financial indicators (audited; standalone)

Poonawalla Fincorp Limited	FY2022	FY2023	9M FY2024
Total income	1,567	2,010	2,230
Profit after tax	293	585	1,724
Total assets under management	11,765	16,143	21,946
Gross stage 3	3.3%	1.4%	1.3%
CRAR	49%	39%	38%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years			
		Instrument Name	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
					April 15, 2024		October 27, 2023	October 31, 2022	May 26, 2022
1	MFL Securitisation Trust XCIX	PTC Series A1	57.29	0.00	[ICRA]AAA(SO); withdrawn	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)
		PTC Series A2	3.66	0.00	[ICRA]AAA(SO); withdrawn	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)
		Second Loss Facility	3.66	0.00	[ICRA]AA(SO); withdrawn	[ICRA]AA(SO)	[ICRA]BBB-(SO)	[ICRA]BBB-(SO)	[ICRA]BBB-(SO)

^Final rating assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
MFL Securitisation Trust XCIX	PTC Series A1	Simple
	PTC Series A2	Moderately Complex
	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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date*	Amount Rated (Rs. crore)	Current Rating
MFL Securitisation Trust XCIX	PTC Series A1	March 2021	6.00%	September 2025	0.00	[ICRA]AAA(SO); withdrawn
	PTC Series A2		Residual		0.00	[ICRA]AAA(SO); withdrawn
	Second Loss Facility		NA		0.00	[ICRA]AA(SO); withdrawn

Source: Company

* Scheduled maturity at transaction initiation; may change on account of prepayments in the underlying pool

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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