

August 01, 2024

Indostar Capital Finance Limited: Rating withdrawn for PTCs issued under a vehicle loan receivable transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous rated amount (Rs. crore)	Current Amount Outstanding (Rs. crore)	Rating Action
Solitaire CV Trust Feb 2022	PTC Series A	47.67	13.52	0.00	[ICRA]AAA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for PTCs issued under vehicle loan securitisation transaction originated by Indostar Capital Finance Limited, as tabulated above. All the payouts to the investors in the above-mentioned instrument has 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: Solitaire CV Trust Feb 2022 - [Click here](#)

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

ICFL, incorporated in July 2009, is registered with the Reserve Bank of India as a systemically important, non-deposit taking non-banking financial company. The company was founded and incorporated by private equity players (Everstone, Goldman Sachs Baer Capital Partners, ACPI Investment managers, and CDIB International) with an initial capital of around Rs 900 crore. In May 2020, Brookfield invested Rs 1,225 crore and became the largest shareholder and co-promoter. As on Sept 30, 2023, Brookfield held 56.20% stake, followed by IndoStar Capital Mauritius (owned by the Everstone group and other marquee private equity investors) at 18.80%.

ICFL started business as a wholesale financier in fiscal 2011 and entered the SME finance (loans against property) segment in fiscal 2015. In fiscal 2018, the company started offering vehicle finance and housing finance (through wholly owned subsidiary, IndoStar Home Finance Pvt Ltd). In fiscal 2019, IndoStar acquired the CV finance business of IIFL Finance Ltd. IndoStar is a professionally managed and institutionally owned organization engaged in providing used and new commercial vehicle financing. The company plans to focus on used CV financing segment hereon.

Key financial indicators (consolidated)

ICFL	FY2022 (audited)	FY2023 (audited)	FY2024 (audited)
Total income	1,147	1,179	1,398
Profit after tax	(737)	225	116
AUM	9,658	7,813	8,763
Gorss stage 3	13.6%	6.8%	4.1%
CRAR	26%	29%	32%

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

Sr. No.	Trust Name	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022
					August 1, 2024	October 04, 2023	April 17, 2023	May 23, 2022	March 4, 2022
1	Solitaire CV Trust Feb 2022	PTC Series A	47.67	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Solitaire CV Trust Feb 2022	PTC Series A	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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Solitaire CV Trust Feb 2022	PTC Series A	1 st February, 2022	8.00%	17 th August, 2025	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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