

January 13, 2022

## Indostar Capital Finance Limited: Rating withdrawn for PTCs issued under one vehicle loan securitisation transaction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
Solitaire CV Trust July 2019	PTC Series A1	79.77	8.34	0.00	[ICRA]AAA(SO); Withdrawn

\*Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under one vehicle loan receivables transaction originated by Indostar Capital Finance Limited (Indostar), 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key rating drivers, liquidity position, rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the company

Indostar Capital Finance Limited (ICFL) was originally incorporated as R V Vyapaar Private Ltd. in July 2009. The company's name was changed to IndoStar Capital Finance Private Limited in November 2010 and to IndoStar Capital Finance Limited in April 2014. The company is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit accepting non-banking financial company. It is sponsored by a group of financial institutions including Everstone Capital, Goldman Sachs Group, Baer Capital Partners and ACPI Investment Managers.

IndoStar Capital (ICF Mauritius), a company incorporated in Mauritius, has a majority shareholding in ICFL with a 57.02% stake as on September 30, 2018. ICF Mauritius is promoted by the sponsors of ICFL. ICFL got listed in May 2018 and received a fresh equity infusion of Rs. 700 crore. The promoters & promoter group's stake stood at 60.3% as on December 31, 2018. ICFL initially provided wholesale loans to the real estate and non-real estate segments. It commenced commercial vehicle financing in addition to SME financing. In July 2020, the Brookfield deal was completed with Rs. 1,225 crore of infusion of equity. Post the deal and the open offer, Brookfield holds ~57% of the shares on a fully-diluted basis.

## Key financial indicators

ICFL	FY2020 (audited)	FY2021 (audited)	Q2 FY2022 (provisional)
Total revenues	738	581	145
Profit after tax	(324)	(214)	39
Loan book (AUM)	9,690	8,398	8,117
Gross NPA	4.8%	4.4%	4.7%
Net NPA	3.8%	2.1%	2.3%

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	Current Rating (FY2022)					Chronology of Rating History for the past 3 years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					January 13, 2022	Aug 27, 2021		Aug 21, 2020	Nov 20, 2019^	
1	Solitaire CV Trust July 2019	PTC Series A1	79.77	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-

\*Initial rating assigned

^Final rating assigned

## Complexity level of the rated instruments

Instrument	Complexity Indicator
PTC Series A1	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 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](http://www.icra.in)

### Annexure-1: Instrument details

Trust	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Solitaire CV Trust July 2019	PTC Series A1	July 2019	10.00%	May 2024	0.00	[ICRA]AAA(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](mailto:abhishek.dafria@icraindia.com)

**Sachin Joglekar**

+91 22 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Gaurav Mashalkar**

+91 22 6114 3431

[gaurav.mashalkar@icraindia.com](mailto:gaurav.mashalkar@icraindia.com)

**Himanshi Doshi**

+91 22 61143410

[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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