

February 19, 2024

Indostar Capital Finance Limited: Rating withdrawn for assignee payouts under a vehicle loan receivable transaction

Summary of rating action

Transaction Name	Instrument*	Initial Amount Rated (Rs. crore)	Amount outstanding after last surveillance (Rs. crore)	Current Amount Outstanding (Rs. crore)	Rating Action
Star PCG CV Jan 20	Assignee Payouts	80.59 [^]	7.50	0.00	[ICRA]A(SO); Withdrawn

*Instrument details are provided in Annexure-1

[^] Rs. 2.43-crore rating was withdrawn in March 2020 and rating for the balance amount was finalised

Rationale

ICRA has withdrawn the rating for assignee payouts issued under vehicle loan securitisation transaction originated by Indostar Capital Finance Limited (ICFL), as tabulated above.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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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:

Star PCG CV Jan 20 - [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 (standalone; audited)

ICFL	FY2021	FY2022	FY2023
Profit after tax	(241)	(769)	187
Assets under management (AUM)	7,994	8,252	6,190
GNPA	4.4%	15.5%	8.1%
NNPA	2.0%	7.3%	3.8%

Source: ICFL, 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

Transaction name	Instrument	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				Feb 19, 2024	Feb 21, 2023	Mar 28, 2022	Mar 19, 2021
1	Star PCG CV Jan 20 Assignee Payouts	80.59^	0.00	[ICRA]A(SO); withdrawn	[ICRA]A(SO)	[ICRA]A(SO)	[ICRA]A(SO)

^ Rs. 2.43-crore rating was withdrawn in March 2020 and the rating for the balance amount was finalised

Complexity level of the rated instrument

Instrument	Complexity Indicator
Assignee Payouts	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 [Click here](#)

Annexure-1: Instrument details

ISIN	Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Star PCG CV Jan 20	Assignee Payouts	January 2020	9.10%	September 2024	0.00	[ICRA]A(SO); Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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