

June 03, 2021

Cholamandalam MS Risk Services Limited: Ratings Withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based - Cash Credit	2.00	2.00	[ICRA]BBB+(Stable); Withdrawn
Short Term- Non-Fund Based	7.50	7.50	[ICRA]A2; Withdrawn
Long-Term/Short-Term Unallocated	0.50	0.50	[ICRA]BBB+(Stable)/[ICRA]A2; Withdrawn
Total	10.00	10.00	

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Cholamandalam MS Risk Services Limited (CMSRSL) at the request of the company and based on the confirmation received from the banker. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, Key Financial Indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal of Credit Ratings
Parent/Group Support	The ratings assigned to CMSRSL factored in the high likelihood of support from the parent– Murugappa Group. ICRA expects the parent group to be willing to extend financial support to CMSRSL to protect its reputation from the consequences of a Group entity’s distress, if need arises.
Consolidation/Standalone	Standalone

About the company

CMSRSL, incorporated in 1994 with its headquarters in Chennai, operates in the risk consulting segment offering comprehensive risk management and engineering solutions in the field of environment, health and safety. The expertise of CMSRSL comprises diverse domains such as process safety, fire safety, environment consulting, logistics and warehousing, electrical safety, construction safety and insurance support services. CMSRSL is jointly promoted by the Murugappa Group and MS&AD Insurance Group (through MSICL – 50% shareholding). The MS&AD Insurance Group, Japan, is a leading player in the financial services sector in Asia with presence in life insurance, non-life insurance, financial services and risk management services through its multiple entities. The Murugappa Group is one of India’s leading business conglomerates with presence in various segments including abrasives, auto components, food products and financial services, among others. The Murugappa Group has shareholding in CMSRSL through CFHL (49.5% shareholding) and Kartik Investments Trust Limited (0.5% shareholding).

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs.Crore)	Amount Outstanding (Rs.Crore) As on Mar 31, 2021	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					June 03, 2021	July 14, 2020	-	-
1	Fund Based- Cash Credit	Long Term	2.00	-	[ICRA]BBB+ (Stable); Withdrawn	[ICRA]BBB+ (Stable)	-	-
2	Non-Fund Based	Short Term	7.50	-	[ICRA]A2; Withdrawn	[ICRA]A2	-	-
3	Unallocated	Long Term/ Short Term	0.50	-	[ICRA]BBB+(Stable) / [ICRA]A2; Withdrawn	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund Based– Cash Credit	Simple
Short Term – Non-Fund Based	Very Simple
Long Term/Short Term– Unallocated	Not Applicable

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-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Fund Based- Cash Credit	NA	NA	NA	2.00	[ICRA]BBB+(Stable); Withdrawn
NA	Non-Fund Based	NA	NA	NA	7.50	[ICRA]A2; Withdrawn
NA	Unallocated	NA	NA	NA	0.50	[ICRA]BBB+(Stable)/[ICRA]A2; Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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