

March 31, 2022

Hinduja Leyland Finance Limited: Rating withdrawn for PTCs issued under a term loan receivables securitisation transaction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
Vivriti Bellerin 12 2019	PTC Series A1	149.94	19.12	0.00	[ICRA]AA-(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under one term loan receivables securitisation transaction originated by Hinduja Leyland Finance Limited (HLFL), 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key rating drivers, liquidity position, rating sensitivities have not been captured as the rated instrument is being withdrawn.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	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

HLFL is a systemically important non-deposit accepting non-banking finance company (NBFC) incorporated in 2008. The company received an NBFC licence in 2010 and commenced operations from 2011. The company has a presence in 21 states as on December 2021. As of December 2021, Ashok Leyland Limited (ALL) is the largest shareholder in HLF with 68.80% stake. HLF offers financing for ALL and non-ALL vehicles apart from tractor, construction equipment, three-wheeler, two-wheeler, loan against property (LAP) and wholesale financing with predominant asset class in portfolio being financing of commercial vehicles. The financing of ALL vehicles accounted for around 34% of the assets under management (AUM) as of December 2021. The company also invests in securitisation, assignment and debenture transactions as a part of its overall growth strategy.

Key financial indicators (Ind-AS; audited)

HLF (consolidated)	FY2019	FY2020	FY2021
Total Income	2,543.4	2,948.9	2,817.1
Profit after Tax	300.4	327.2	333.4
Assets under Management^	25,417	26,451	27,294
Gross Non-performing Assets (NPA)% ^	4.7%	4.4%	4.0%
Net NPA% ^	3.0%	2.6%	2.0%

Source: Company data, ICRA Research; Amount in Rs. crore; ^ Standalone level

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	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
				March 31, 2022	Nov 16, 2021	Dec 10, 2020	Jun 04, 2020^	Jan 03, 2020*		
1 Vivriti Bellerin 12 2019	PTC Series A1	149.94	0.00	[ICRA]AA-(SO); Withdrawn	[ICRA]AA-(SO)	[ICRA]AA-(SO)	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)		-

*Initial rating assigned

^Final rating assigned

Complexity level of the rated instruments

Trust name	Instrument	Complexity Indicator
Vivriti Bellerin 12 2019	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

Annexure-1: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Vivriti Bellerin 12 2019	PTC Series A1	December 2019	10.10%	October 2023	0.00	[ICRA]AA-(SO); Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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