

C.I. Finlease Limited

October 11, 2022

Ratings

| Facilities / Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|---------------------------|--|---|--|
| Long Term Bank Facilities | 42.83 | CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Facilities | 42.83 (Rs. Forty-Two Crore and Eighty-Three Lakhs Only) | | |

Details of instruments/facilities in Annexure-1.

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 11, 2021, placed the rating(s) of C.I. Finlease Limited (CFL) under the 'issuer non-cooperating' category as CFL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. CFL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 27, 2022, July 07, 2022, July 17, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [August 11, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

About the company Incorporated in the year 1996, C.I. Finlease Limited (CFL) is promoted by Mr. Rakesh Malik, Chairman, of C. I. group of companies and has experience of for more than three decades in managing various businesses. CFL was engaged in auto financing for TVS motors in Bhopal for tenure of 12 years. Later in the year 2005, CFL became authorized dealer and service provider for Hyundai Motors India Limited (HMIL). It has 3 showrooms and 3 service centres in Bhopal, Madhya Pradesh. CFL is the flagship company of C.I group headquartered in Bhopal, Madhya Pradesh. The group has three other companies under its umbrella viz; C.I. Automotors Private Limited having a dealership of Mahindra & Mahindra Limited (M&M), C.I. Capital Private Limited, an NBFC engaged in vehicle financing and C.I. Builders Private Limited engaged in the real estate development.

| Brief Financials (Rs. crore) | FY20 (A) | FY21 (A) | FY22 (Prov.) | H1FY23 (Prov.) |
|------------------------------|----------|----------|--------------|----------------|
| Total operating income | 180.00 | 190.76 | NA | NA |
| PBILDT | 6.78 | 10.24 | NA | NA |
| PAT | 0.82 | 1.67 | NA | NA |
| Overall gearing (times) | 4.81 | 4.49 | NA | NA |
| Interest coverage (times) | 1.17 | 1.47 | NA | NA |

A: Audited; Prov.: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: CRISIL has continued the ratings assigned to the bank facilities of CFL to 'Issuer Not Cooperating' category vide press release dated September 16, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

ICRA has continued the ratings assigned to the bank facilities of CFL to 'Issuer Not Cooperating' category vide press release dated May 31, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Instruments/Facilities

| Name of the Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating Assigned along with Rating Outlook |
|-----------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Cash Credit | | - | - | - | 35.00 | CARE B; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | | - | - | May 2023 | 7.83 | CARE B; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument / Bank Facilities | Current Ratings | | | Rating History | | | |
|---------|--|-----------------|--------------------------------|---|---|---|---|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
| 1 | Fund-based - LT-Cash Credit | LT | 35.00 | CARE B; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (19-Jun-20) | - |
| 2 | Fund-based - LT-Term Loan | LT | 7.83 | CARE B; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (19-Jun-20) | - |

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

| Sr. No. | Name of Instrument | Complexity Level |
|---------|-----------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |
| 2 | Fund-based - LT-Term Loan | Simple |

Annexure-5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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