

Cholamandalam Investment and Finance Company Limited

July 15, 2019

Ratings

Facilities/Instruments	Amount (Rs. Crore)	Rating ¹	Rating Action
Commercial Paper Programme	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the Commercial Paper issue of Cholamandalam Investment and Finance Company Limited with immediate effect, as the company has fully repaid the amount under the said issue and there is no CP amount outstanding against the rating letter issued by CARE Ratings Limited.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Cholamandalam Investment & Finance Company (CIFCL) is a Non-Banking Finance Company, having track record of over three decades, promoted by the Chennai-based Murugappa group. As on March 31, 2019, the group holds 53.06% stake in CIFCL. CIFCL has major presence in the Vehicle Financing (VF) and Home Equity (HE, which is Loan against Property) segment. The company has 900 branches as on March 31, 2019 (PY: 8733 branches) spread across 27 states/UTs across India with AUM of Rs. 54,279 crore, of which share of Vehicle Finance was 74% and Home Equity was 21%.

The company also extends Home loans, MSME loans and Agricultural loans, however share of all these segments in total portfolio was around 5% as on March 31, 2019.

Brief Financials (Rs.crore)	FY18(A)		FY19(A)	
	Ind AS		Ind AS	
Total Income	5,480		6,993	
PAT	918		1186	
Interest coverage(times)	1.66		1.61	
Total Assets	44,090		57,426	
NNPA [#]	1.7		1.1	
ROTA (%)	2.32		2.34	

A: Audited; [#]As per IGAAP

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Size of the Issue (Rs. crore)	Maturity date	Rating assigned along with Rating Outlook
Commercial Paper	-	-	0.00	-	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Bonds-Perpetual Bonds	LT	397.70	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
2.	Debt-Perpetual Debt	LT	200.00	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
3.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (04-Jul-18)	1)CARE AA+; Stable (27-Sep-17)	1)CARE AA (28-Oct-16)
4.	Debt-Perpetual Debt	LT	200.00	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
5.	Debt-Perpetual Debt	LT	100.00	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
6.	Debt-Subordinate Debt	LT	250.00	CARE AA+; Stable	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (04-Jul-18)	1)CARE AA+; Stable (27-Sep-17)	1)CARE AA (28-Oct-16)
7.	Debt-Perpetual Debt	LT	50.00	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
8.	Debt-Perpetual Debt	LT	100.00	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
9.	Debt-Subordinate Debt	LT	115.00	CARE AA+; Stable	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (04-Jul-18)	1)CARE AA+; Stable (27-Sep-17)	1)CARE AA (28-Oct-16)
10.	Debt-Perpetual Debt	LT	25.00	CARE AA; Stable	1)CARE AA; Stable (05-Jul-19)	1)CARE AA; Stable (04-Jul-18)	1)CARE AA; Stable (27-Sep-17)	1)CARE AA- (28-Oct-16)
11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (28-Oct-16)
12.	Commercial Paper	ST	-	-	1)CARE A1+ (05-Jul-19)	1)CARE A1+ (29-Sep-18) 2)CARE A1+ (04-Jul-18)	1)CARE A1+ (05-Dec-17) 2)CARE A1+ (28-Sep-17)	-
13.	Debt-Subordinate Debt	LT	300.00	CARE AA+; Stable	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (04-Jul-18)	1)CARE AA+; Stable (26-Mar-18)	-

14.	Debt-Subordinate Debt	LT	700.00	CARE AA+; Stable	1)CARE AA+; Stable (05-Jul-19)	1)CARE AA+; Stable (04-Jul-18)	1)CARE AA+; Stable (29-Mar-18)	-
-----	-----------------------	----	--------	------------------	--------------------------------	--------------------------------	--------------------------------	---

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra
 Contact no. – +91-22-6837 4424
 Email ID – mradul.mishra@careratings.com

Analyst Contact

Name: Mr P Sudhakar
 Tel: 044-2850 1000
 Email: p.sudhakar@careratings.com

Relationship Contact

Name: Mr. V Pradeep Kumar
 Contact no. :044-28497812
 Email ID :pradeep.kumar@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**