

March 09, 2017

## IFMR Capital Finance Private Limited

Sl.	Trust Name	Instrument*	Initial Issued Amount (Rs. crore <sup>1</sup> )	Rating Action
1	IFMR Capital Mosec Harv 2017	PTC Series A1	8.17	Provisional [ICRA]BBB+(SO) Assigned

*\*Instrument details are provided in Annexure I*

### Rating Action

ICRA has assigned provisional [ICRA]BBB+(SO) ratings to PTC Series A1 under a securitisation transaction issued by IFMR Capital Mosec Harv 2017.

### Rationale

Mahaveer Finance India Limited (Mahaveer) and Western India Transport Finance Company Private Limited (Witfin) would assign to an SPV (Trust) namely IFMR Capital Mosec Harv 2017, the future receivables arising from selected pool of 357 loans. The transfer would be at par. The Trust will issue one series of PTCs backed by the receivables. The upfront purchase consideration to be paid by PTC A1 to the Trustee will be 94.00% of the pool principal i.e. Rs. 8.17 crore. The rest 6.00% of the pool principal i.e. Rs. 0.52 crore will be held in the Trust as over-collateral.

### Key rating drivers

#### Credit Strengths

- Availability of credit enhancement in the form of Subordination, EIS, First Loss Facility (FLF) for each of the sub-pools and a common Second Loss Facility (SLF);
- Geographical diversity given multiple areas of operations of the various originators forming part of the pool;
- Favourable pool selection filters like absence of any overdue contracts as on pool cut-off date;

#### Credit Weakness

- Moderate obligor concentration in the pool;

### Description of key rating drivers highlighted above:

The first line of support for Series A1 PTCs in the transaction is in the form of subordination of 6.00% of the pool principal (includes over collateralization) provided by each of the originators. An important feature of the structure in this transaction is that any collection in excess of the promised interest payouts to PTC A1 would be first utilised for payment of scheduled principal of PTC A1 and then the rest would leak out to the Originators on a monthly basis.

FLF and SLF act as further credit enhancement in the transaction. FLF, together aggregating to the extent of 4.41% of the initial pool principal (Rs. 0.38 crore) has been provided by the Originators. The FLF provided by each Originator can be used to make good the losses/ collection shortfalls faced on account

<sup>1</sup> 100 lakh = 1 crore = 10 million



of the pool of that Originator only, and not for meeting the losses/ collection shortfalls faced on account of other Originator. The SLF, to the extent of 10.00% of the initial pool principal (Rs. 0.87 crore) would be utilised only after the FLF provided by any specific Originator is exhausted.

The pool consists of loans with moderate seasoning, no overdue and moderate Loan to value (LTV).

**Analytical approach:**

The rating action is based on the profile of the current pool, performance of the Originators' portfolio till January 2017, performance expected over the balance pool tenure, and the credit enhancement available in the current transaction.

**Links to applicable Criteria**

ICRA's Rating Methodology for Securitisation Transactions

<http://www.icra.in/Files/Articles/Securitisation%20Tran%20%20Methodology%20Dec%202016.pdf>

**About the Company:**

***Mahaveer Finance India Limited (Mahaveer)***

Mahaveer Finance India Limited (Mahaveer) is a Non-Banking Finance Company engaged in financing of used commercial / passenger Vehicles in Tamil Nadu. The company was incorporated in January 1981 and was acquired by the present promoters in 1987. The company was converted from a deposit taking NBFC to a non-deposit taking B category Non Banking Asset Financing Company (AFC) in the year 2015. Over the years it has built a strong network of small road transport operators, dealers, agents, and individuals. The company reported an AUM of INR 75 Cr as of Nov 2016 through its 10 branches in Tamilnadu, Andhra Pradesh and Pondicherry.

**Western India Transport Finance Company Private Limited (Witfin)**

Western India Transport Finance Company Private Limited was incorporated on 13th April 2006. It got its NBFC license in 2011. Its registered office is in Navi Mumbai, Maharashtra. The company started disbursing vehicles loans in FY2012 and as on FY2012 the portfolio stood at Rs. 2.24 crore. As on Sep-16, the total portfolio of the company stood at Rs. 56.39 crore.

This is the 1<sup>st</sup> multi-originator transaction with par structure being rated by ICRA.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:**
**Table: Rating History**

S.No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years		
		Type	Rated amount (Rs. Crores)	Month-year & Rating March 2017	Month- year & Rating in FY2016	Month- year & Rating in FY2015	Month- year & Rating in FY2014
1	IFMR Capital Mosec Harv 2017	PTC Series A1	8.17	Provisional [ICRA]BBB+(SO)	-	-	-

**Complexity level of the rated instrument:**

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

**Annexure I  
Details of Instruments**

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate	Scheduled Maturity Date	Initial Amount (Rs. crore <sup>2</sup> )	Current Rating
1	IFMR Capital Mosec Harv 2017	PTC Series A1	January 2017	12.25%	May 2019	8.17	Provisional [ICRA]BBB+(SO)

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About ICRA Limited:

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<sup>2</sup> 100 lakh = 1 crore = 10 million

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