

TVS Credit Services Limited

August 07, 2018

Summary of rated instruments

Transaction Name	Instrument	Initial Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Gold Trust October 2015	PTC Series A1	75.78	15.73	0.00	[ICRA]AAA(SO) Withdrawn
	Second Loss Facility	4.36	4.36	0.00	[ICRA]A+(SO) Withdrawn

Rating action

ICRA has withdrawn the ratings for PTCs issued under a tractor loan securitisation transaction originated by TVS Credit Services Limited, as tabulated above.

Rationale and Key Rating Drivers

All the payouts to the investors in the above mentioned instruments have been made and no further payment is due to the investors.

Key rating drivers

Credit Strengths

- N.A.

Credit Weakness

- N.A.

Description of key rating drivers highlighted above:

N.A.

Key rating assumptions

N.A.

Analytical approach:

N.A.

Links to applicable Criteria

[ICRA's Policy on Withdrawal and Suspension of Credit Rating](#)

About the company:

TVSCSL, a Chennai-based non-deposit taking NBFC incorporated in November 2008, is part of the TVS group of companies. TVS Motor Services held 86% equity in the company as on March 31, 2017, while TVSM held about 7%. Other shareholders include, PHI Research Private Limited, HDFC Bank Limited and PHI Capital Services LLP, which held 2%, 3% and 2% respectively. The company has operations spread across 21 states and union territories in India. The company's overall managed loan portfolio stood at Rs. 5,802 crore as on October 2017.

TVSCSL reported a net profit of Rs.87.5 crore on a managed asset base of Rs.5,758.9 crore in FY2017 compared to a net profit of Rs.50.7 crore on a managed asset base of Rs. 4,759.1 crore in FY2016. The company's net profit stood at Rs.29.8 crore on a managed asset base of Rs. 5,851.7 crore in Q1FY2018.

ICRA has rated 9 tractor loan pools originated by TVS CSL till date of which 5 pools are still live. The observed delinquencies in the live pools have been low to moderate till the Jan-18 payouts. ICRA has a rating outstanding of [ICRA]A+(Stable) and [ICRA]A1+ on the long-term bank limits and commercial papers respectively of TVSCSL.

Key financial indicators (audited)

	FY2016	FY2017
Total Income	828.5	1114.8
PAT	50.7	87.5
Net worth	541.1	703.2
Total Managed Portfolio	4,157.9	5,262.8
Total Managed Assets	4,759.1	5,758.9
Return on Managed Assets	1.3%	1.7%
Return on Net worth	10.9%	14.1%
Gearing	5.9	6.0
Gross NPA%	1.3%	2.6%
Net NPA%	0.6%	1.7%
Net NPA/ Net worth	3.7%	12.0%
CAR%	18.0%	18.3%

Amounts in Rs. Crore;

Source: TVSCSL and ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Current Rating (FY2019)			Chronology of Rating History for the past 3 years					
	Type	Rated amount (Rs. Crores)	Amount outstanding (Rs. Crores)	FY2018 August 2018	February 2018	April 2017	FY2017 September 2016	FY2016 February 2016	October 2015*
Gold Trust October 2015	PTC Series A1	75.78	-	[ICRA]AAA (SO) Withdrawn	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)	Provisional [ICRA]AAA (SO)
	Second Loss Facility	4.36	-	[ICRA]A+ (SO) Withdrawn	[ICRA]A+ (SO)	[ICRA]A+ (SO)	[ICRA]A+ (SO)	[ICRA]A- (SO)	Provisional [ICRA]A- (SO)

* Initial Rating assigned

Complexity level of the rated instrument: Highly Complex

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

Annexure-1: Instrument Details

Sl.	Trust Name	Instrument	Month of Issuance	Coupon Rate (p.a.)	Scheduled Maturity Date	Rated Amount (Rs. crore ¹)	Current Rating
1.	Gold Trust October 2015	PTC Series A1 Second Loss Facility	Oct-15	8.00% -	Jan-20	Nil Nil	[ICRA]AAA(SO) Withdrawn [ICRA]A+(SO) Withdrawn

¹ 100 lakh = 1 crore = 10 million

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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.

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