

February 14, 2018

Shriram Transport Finance Company Limited

Summary of Rated Instrument

Sl.	Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount O/s after last surveillance (Rs. crore)	Amount O/s after Jan-18 Payout (Rs. crore)	Rating action
1	Sansar Trust Mar 2015 II	PTCs	549.02	85.94	Nil	[ICRA]AAA(SO) Withdrawn
		Second Loss Facility	32.94	32.94	Nil	[ICRA]BBB(SO) Withdrawn

*Instrument details are provided in Annexure I

Rating Action

ICRA has withdrawn the ratings for PTCs and Second Loss Facility issued under a vehicle loan securitisation transaction originated by Shriram Transport Finance Company Limited, as tabulated above.

Rationale

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

[Rating Methodology for Securitization Transactions](#)

¹ 100 lakh = 1 crore = 10 million

**About the Company:**

STFC is the market leader in financing of used vehicles with a total AUM of Rs. 90,019 crore as on December 31, 2017. Used vehicle financing accounted for around 86% of its portfolio (managed assets) as on December 31, 2017. The company finances vehicles with age of up to 12 years.

In 9M FY2018 STFC reported a Profit After Tax (PAT) of Rs. 1423.42 crore on a total income base of Rs. 8967.79 crore against a PAT of Rs. 1107.71 crore on a total income base of Rs. 8118.30 crore during the corresponding period in the previous financial year. As on December 31, 2017 STFC had a net worth of Rs. 12,424 crore and had a reported capital adequacy of 16.15%. As on December 31, 2017, STFC had a Gross NPA% of 7.98% and a Net NPA of 2.45% against a Gross NPA% of 6.62% and a Net NPA of 1.71% a year earlier.

ICRA currently has a rating of MAA+ (Stable) on the fixed deposit programme of STFC and a rating of [ICRA]AA with Stable Outlook to the subordinate debt programme of STFC.

Key Financial ratios (Audited):

STFC (Standalone)	FY2016	FY2017
Total Income (Rs. Crore)	10,195	10,731
Profit before tax (Rs. Crore)	1,781	1,924
Profit after tax (Rs. Crore)	1,178	1,257
Total Managed Portfolio (Rs. Crore)	61,878	65,463
Total Managed Assets (Rs. Crore)	72,761	78,761
CAR%	17.56%	16.94%
Gearing	5.09	4.89
% RoMA (return on managed assets)	1.59%	1.51%
% Return on Net worth	12.19%	11.74%
Gross NPA%	6.18%	8.16%
Net NPA%	1.91%	2.65%

Source: STFC's investor presentation and ICRA research; Amount in Rs. Crore

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	Month-year & Rating in FY2018	Month-year & Rating in FY2017	Month-year & Rating in FY2016
				February 2018	July 2017	August 2016	August 2015
1	Sansar Trust Mar 2015 II	PTCs	Nil	[ICRA]AAA (SO) Withdrawn	[ICRA]AAA (SO)	[ICRA]AAA (SO)	[ICRA]AAA (SO)
		Second Loss Facility	Nil	[ICRA]BBB(SO) Withdrawn	[ICRA]BBB (SO)	[ICRA]BBB (SO)	[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

Annexure I
Details of Instruments

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate [#]	Scheduled Maturity Date	Initial Amount (Rs. crore ²)	Amount O/s after Jan-18 Payout (Rs. crore)	Current Rating
1	Sansar Trust March 2015 II	PTCs	Mar-15	8.15%	Sep-19	549.02	0.00	[ICRA]AAA(SO) Withdrawn
		Second Loss Facility		NA	Sep-19	32.94	0.00	[ICRA]BBB(SO) Withdrawn

per annum payable monthly

² 100 lakh = 1 crore = 10 million



Name and Contact Details of the Rating Analyst(s):

Analyst Contacts

Vibhor Mittal

+91 22-6114 3440

vibhorm@icraindia.com

Rahul Panigrahi

(+91) 22 6114 3436

rahul.panigrahi@icraindia.com

Name and Contact Details of Relationship Contacts:

Mr. L. Shivakumar

+91 -98210 86490

shivakumar@icraindia.com

About ICRA Limited:

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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20- 6606 9999; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500