

Shriram Transport Finance Company Limited

January 16, 2019

Summary of Rated Instruments

Sl.	Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount O/s after last surveillance (Rs. crore)	Amount O/s after Dec-18 Payout (Rs. crore)	Rating action
1	STFCL CV Trust Nov 2015	PTC Series A	505.36	73.17	0.00	[ICRA]AAA(SO) Withdrawn
		Second Loss Facility	30.33	30.33	0.00	[ICRA]BBB(SO) Withdrawn
2	Sansar Trust February 2016	PTC Series A	400.90	67.41	0.00	[ICRA]AAA(SO) Withdrawn
		Second Loss Facility	24.05	24.05	0.00	[ICRA]BBB(SO) Withdrawn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ICRA has withdrawn the ratings for PTCs and Second Loss Facility issued under 2 vehicle loan securitisation transactions originated by Shriram Transport Finance Company Limited,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.

Liquidity Position:

N.A

¹ 100 lakh = 1 crore = 10 million

Key rating assumptions

N.A.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the Company:

STFC is the market leader in financing of used vehicles with a total AUM of Rs. 104,380 crores as on September 30, 2018. Used vehicle financing accounted for around 82% of its portfolio (managed assets) as on September 30, 2018. The company finances vehicles with age of up to 12 years.

In FY2018 STFC reported a Profit After Tax (PAT) of Rs. 1568.02 crore on a total income base of Rs. 12143.55 crore against a PAT of Rs. 1257.34 crore on a total income base of Rs. 10730.58 crore in FY2017. In H1 FY2019 STFC reported a Profit After Tax (PAT) of Rs. 1182.48 crore on a total income base of Rs. 7681.83 crore against a PAT of Rs. 957.24 crore on a total income base of Rs. 6378.16 crore in H1 FY2018. As on September 30, 2018 STFC had a net worth of Rs. 14,560 crore and had a reported capital adequacy of 16.69%. As on September 30, 2018, STFC had a Gross NPA% of 8.77% and a Net NPA of 2.75% against a Gross NPA% of 8.06% and a Net NPA of 2.45% a year earlier.

ICRA currently has a rating of MAA+ (Stable) on the fixed deposit programme of STFC.

ICRA has thus far rated 37 pools backed by New & Used CV, New & Used Passenger Vehicle, New & Used Equipment and Tractor loans originated by STFC and has ratings outstanding on 13 pools as on 31st December, 2018. The performance of the outstanding pools is characterised by stable collection ratios averaging around 96% and loss-cum-180+ dpd levels of sub 1.5%.

Key financial indicators (audited)

STFC (Standalone)	FY2017	FY2018
Total Income (Rs. Crore)	10,731	12,144
Profit before tax (Rs. Crore)	1,924	2,372
Profit after tax (Rs. Crore)	1,257	1,568
Total Managed Portfolio (Rs. Crore)	65,463	79,673
Total Managed Assets (Rs. Crore)	78,761	95,306
CAR%	16.94%	16.87%
Cost to Income Ratio %	21.15%	20.59%
% Return on Assets	1.76%	1.94%
% Return on Equity	11.61%	13.06%
Gross NPA%	8.16%	9.15%
Net NPA%	2.65%	2.83%

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years:

Table:

S.No	Name of Instrument	Type	Current Rating (FY2019)		Month-year & Rating January 2019	Chronology of Rating History for the past 3 years		
			Initial Rated amount (Rs. Crores)	Amount outstanding (Rs. Crores)		Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017
						May 2018	July 2017	August 2016
1	STFCL CV Trust Nov 2015	PTC Series A	505.36	Nil	[ICRA]AAA(SO) Withdrawn	ICRA]AAA(SO)	ICRA]AAA(SO)	ICRA]AAA(SO)
		Second Loss Facility	30.33	Nil	[ICRA]BBB(SO) Withdrawn	ICRA]BBB(SO)	ICRA]BBB(SO)	ICRA]BBB(SO)

S.No	Name of Instrument	Type	Current Rating (FY2019)		Month-year & Rating January 2019	Chronology of Rating History for the past 3 years Month- year & Rating		
			Initial Rated amount (Rs. Crores)	Amount outstanding (Rs. Crores)		May 2018	July 2017	August 2016
2	Sansar Trust February 2016	PTC Series A	400.90	Nil	[ICRA]AAA(SO) Withdrawn	ICRA]AAA(SO)	ICRA]AAA(SO)	ICRA]AAA(SO)
		Second Loss Facility	24.05	Nil	[ICRA]BBB(SO) Withdrawn	ICRA]BBB(SO)	ICRA]BBB(SO)	ICRA]BBB(SO)

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 I

Details of Instruments

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate #	Scheduled Maturity Date	Rated Amount (Rs. crore ²)	Current Rating
1	STFCL CV Trust November 2015	PTC Series A	November 2015	7.85%	May 2020	Nil	[ICRA]AAA(SO) Withdrawn
		Second Loss Facility		N.A.		Nil	[ICRA]BBB(SO) Withdrawn
2	Sansar Trust February 2016	PTC Series A	February 2016	7.70%	July 2020	Nil	[ICRA]AAA(SO) Withdrawn
		Second Loss Facility		N.A.		Nil	[ICRA]BBB(SO) Withdrawn

per annum payable monthly

² 100 lakh = 1 crore = 10 million

Analyst Contacts

Vibhor Mittal

+91 22-6114 3440

vibhorm@icraindia.com

Sachin Joglekar

(+91) 22-6114 3470

sachin.joglekar@icraindia.com

Rahul Panigrahi

+91 22-6114 3436

rahul.panigrahi@icraindia.com

Ayush Agarwal

(+91) 22-6114 3417

ayush.agarwal@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

naznin.prodhani@icraindia.com

Helpline for business queries:

+91-124-3341580 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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. For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2552 0194/95/96

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents