



Tata Motors Finance Limited

ICRA has reaffirmed the rating assigned to PTCs backed by a pool of commercial vehicle loan receivables originated by Tata Motors Finance Limited (TMFL), while it has downgraded the rating of the Second Loss Facility (SLF) under the transaction. The summary of rating actions taken by ICRA is provided below.

Table 1: Rating Action Summary

Transaction Name	Description	Initial Amount (Rs. crore)	Balance Amount – After Oct 14 Payout (Rs. crore)	Rating Action
Indian Receivable Trust September 2013 A	PTCs	300.28	188.09	Reaffirmed at [ICRA]AAA(SO)
	Second Loss Facility (SLF)	28.30	28.30	Revised from [ICRA]BBB(SO) to [ICRA]BB+(SO)

The underlying pool is composed of commercial vehicle (CV) loan receivables. The performance of the pool is weaker than expected with cumulative collection efficiency of around 92% and loss-cum-90+ dpd (as percentage of initial pool principal) of around 8.5% as on Sep-14. However, on account of sizeable EIS in the transaction, there has been no cash collateral utilisation in the transaction till date, as the EIS available in the transaction has been sufficient to absorb all collection shortfalls.

Over the past few quarters, there has been considerable stress on transport operators' cashflow, resulting in worsening delinquency profile of most CV loan portfolios, including that of TMFL. Nevertheless, over the past few months, TMFL's collections / recovery team has been strengthened and various initiatives have been undertaken such as greater thrust on repossessions and constitution of teams focused on certain specific segments of the overall loan portfolio. The impact of these initiatives on the pool's collection performance and delinquency profile will be an important input for further rating actions under this transaction.

Summary of the pool performance till Sep 14 collection month is tabulated below.

* 100 lakh = 1 crore = 10 million