



**BRICKWORK RATINGS INDIA PVT. LTD.**

# Performance of the ABS pool rated by Brickwork Ratings

**Period ending September 2016**

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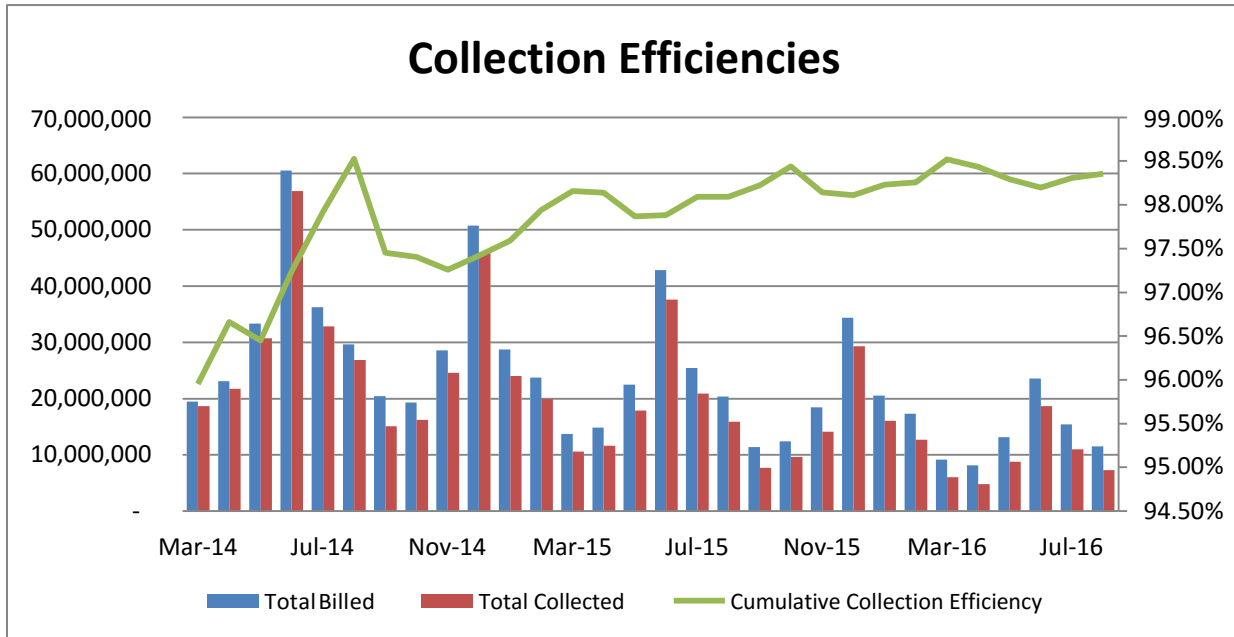
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## **Executive Summary:**

Brickwork Ratings has rated the securitization transaction of receivables under tractor loans which were originated by TVS Credit Services Ltd. The performance of the rated pool up to September 2016 is summarized in this report.

1. **Collection Efficiency:** The collection efficiencies of the rated pool continued to be at stable levels averaging with cumulative collection efficiencies averaging at around 98.36%.
2. **Prepayments:** The prepayment rates increased over the last quarter, however, these are well within the scenario assumptions of Brickwork Ratings run during the initial rating analysis. The cumulative prepayment rate as of August 2016 was at 7.42%.
3. **Delinquencies:** The delinquency levels for the rated pool have been well under control. 90+ dpd delinquency rates (as a % of original Principal Outstanding) as of August 2016 stood at 0.35%, roll over ratios for accounts from 30+ dpd to 60+ dpd buckets have increased on an overall basis for August 2016, however, management of accounts through follow up by the originator has helped in keeping the 90+ levels low.
4. **Credit Enhancement:** There has been only one time drawdown from the cash collateral, in the form of credit enhancement provided for the rated pool; it was, however reinstated at its original level within the next two months. As of August 2016, the available cash collateral as a % of the remaining total investor payout was 138.64%.

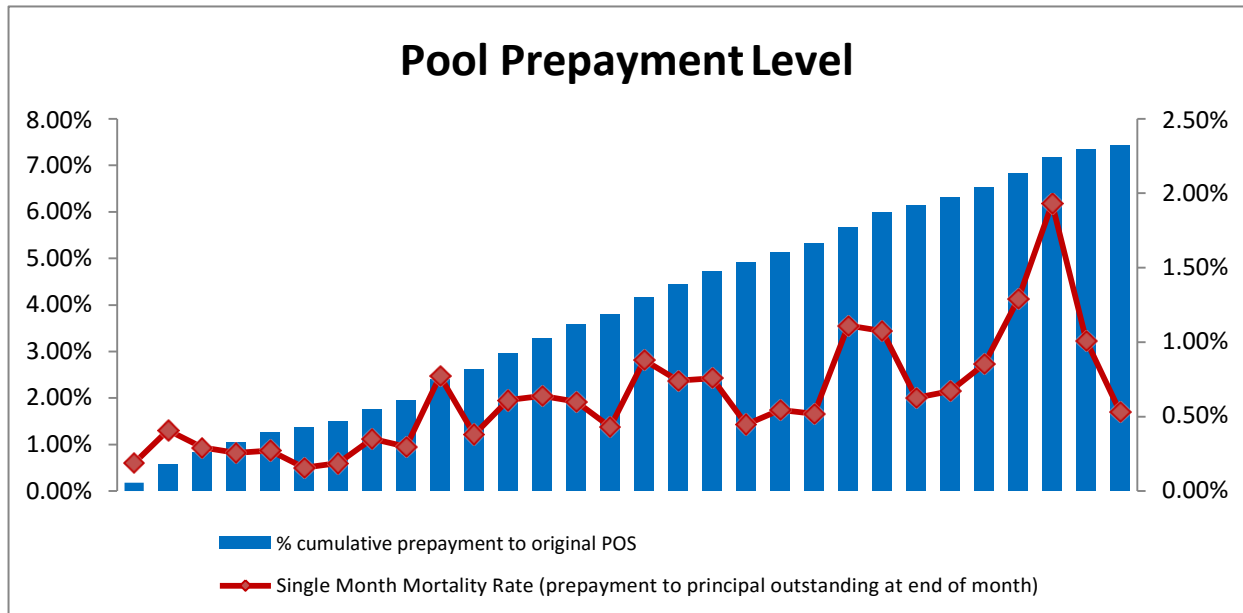
**1.Collection Efficiencies:**



Current dues collection efficiencies which showed a small decline to 82.13% in May 2016, have since then averaged around 90.15%. Cumulative collection efficiency levels continue to remain strong (averaging at 97.85% since inception); as a result there has been no draw down in the cash collateral provided as a credit enhancement for the pool.

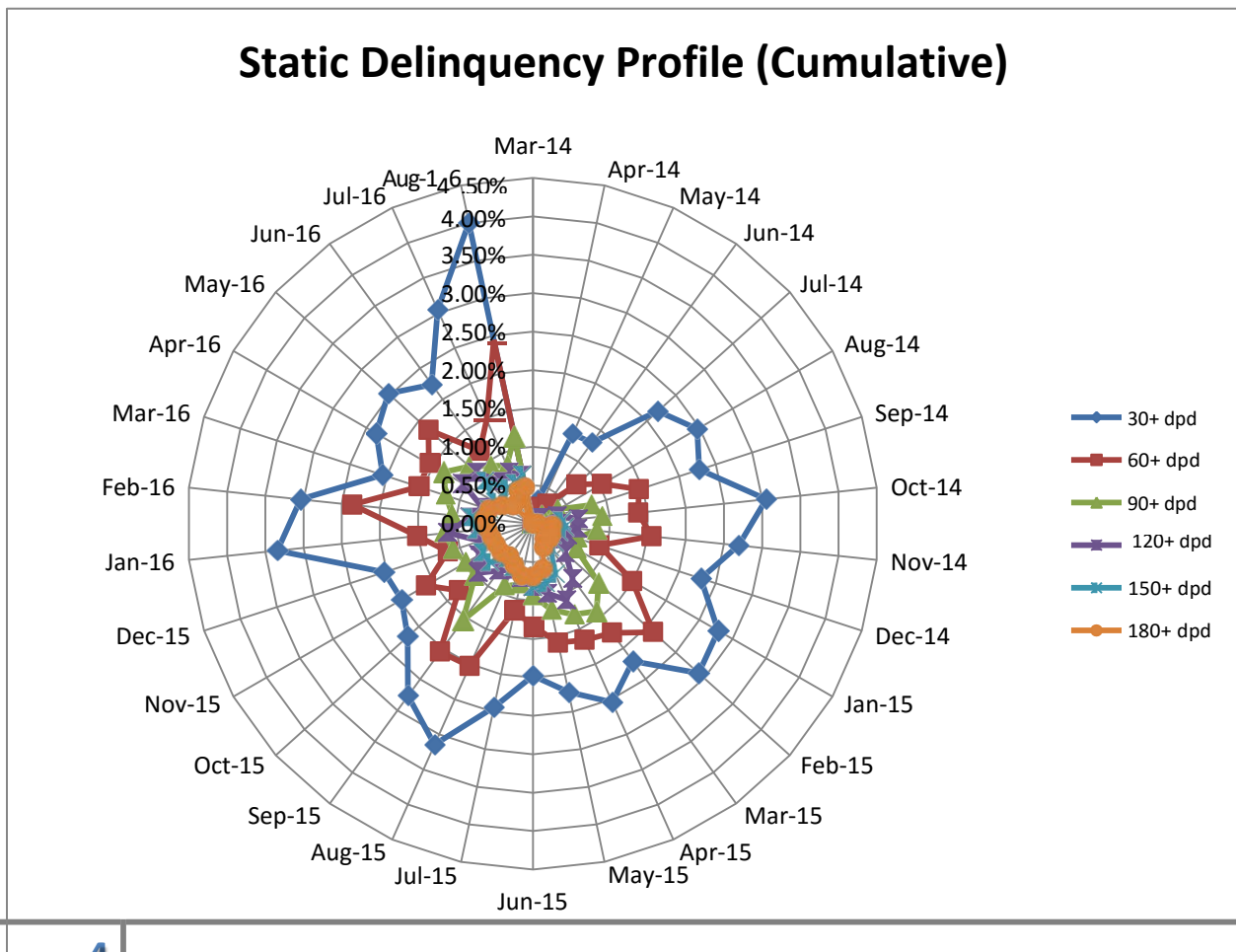
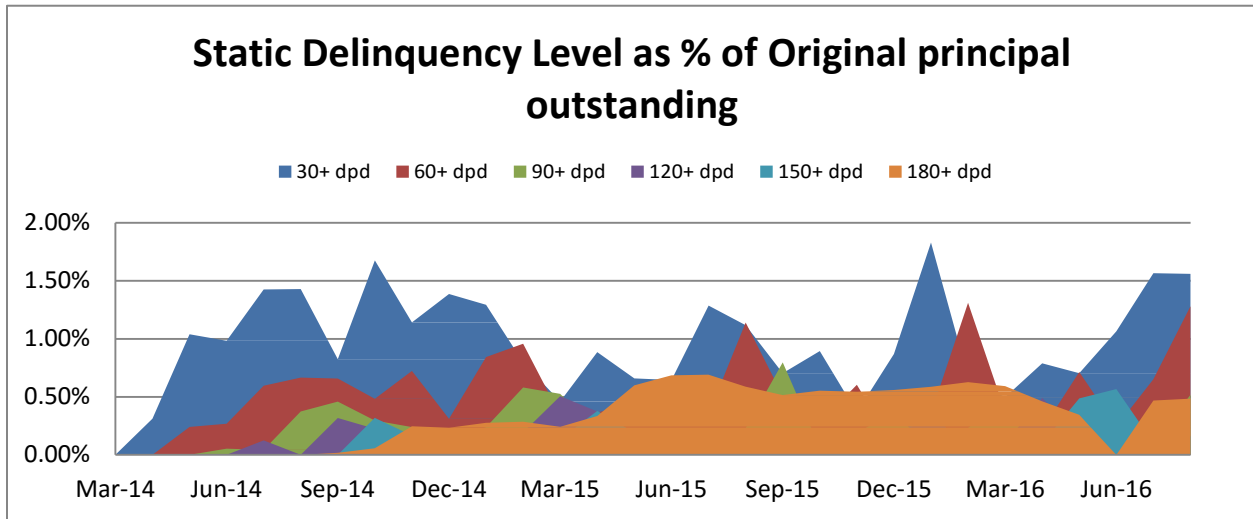
## 1. Prepayment Rates:

The cumulative prepayment rate for August 2016 was at 7.42% of the original principal outstanding. The annual conditional prepayment rate averaged around 7.19% (up from 6.12% in March 2016), with single mortality rates rising over the last few months. The increase in prepayment rates is reflective of the behavior of accounts with a seasoning of 15 months to 30 months and the same has already been considered in the scenario analysis done at the time of initial rating of the pool.



## 2. Delinquency Levels:

Static delinquency levels for the 90+ bucket as of August 2016 stood at 0.52%. Overall delinquency 90+ levels as a % of original principal outstanding stood 1.16%.



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Static delinquency levels have risen for the 30+ and 60+ levels in August 2016, showing both the seasoning of the accounts as well as overall seasonality related to such loans (tractors). Roll over of accounts into the 90+ category has been well within control with recovery efforts concentrated when accounts reach the 60+ buckets. However, roll over of accounts post 90+ dpd has been high and this is reflected in the higher 180+ dpd bucket rate; overall despite this increase, the levels are well within the assumptions used by BWR during the initial rating process.

### **3. Credit Enhancement:**

There has been only one time utilization of the credit enhancement provided by the Originator for the transaction in the month of May 2016. It was, however reinstated at original level within the next two months. Credit Enhancement as a % of the pending investor payouts as of August 2016 stood at 138.64% and as a % of principal outstanding was at 92.01% as of February 2016 (up from 20% of the principal outstanding at the time of securitization).

## Annexure I: Pool Level Information

<b>Trust Name</b>	<b>TVSCSL MARCH 2014</b>
<b>Originator</b>	TVS Credit Services Ltd.
<b>Trustee</b>	IDBI Trusteeship Services Ltd
<b>Asset Class</b>	Tractor Loans
<b>Structure</b>	Par
<b>Pool Cut Off Date</b>	28th February 2014
<b>Pool Securitization Date</b>	31-Mar-14
<b>Original Principal Outstanding (Rs.)</b>	593896074.00
<b>Current Outstanding (Rs.)</b>	85673254.00
<b>Original Rating Assigned</b>	<b>BWR AAA(SO) (Outlook: Stable)</b>

<b>Pool Performance</b>	<b>March 2014(Initial)</b>	<b>March 2015 (Collection Month)</b>	<b>March 2016 (Collection Month)</b>	<b>September 2016 (Collection Month)</b>
Number of Contracts in Pool(beginning of the Period)	2751	2576	2348	2255
Balance Tenure (Months)	52	40	28	22
Pool Amortization	0%	47.93%	73.56%	85.57%
Credit Enhancement (CE) - Cash Collateral Available (Rs.)	118779215	118779215	118779215	118779215
CE as a % of Investor Payouts	17.84%	34.75%	77.19%	125.57%
CE as a % of Principal Outstanding	20%	37.36%	75.65%	138.65%
Cumulative Prepayment as a % of Original Principal Outstanding	NA	3.28%	6.15%	7.42%
Annual Conditional Prepayment Rate	NA	7.39%	7.27%	6.17%

<b>Delinquency Levels (as a % Original POS)</b>	<b>March 2014(Initial)</b>	<b>March 2015</b>	<b>March 2016</b>	<b>August 2016</b>
Normal	100.00%	97.23%	97.01%	94.09%
30+	0.00%	0.50%	0.66%	1.89%
60+	0.00%	0.39%	0.46%	1.87%
90+	0.00%	0.67%	0.72%	0.82%
120+	0.00%	0.68%	0.16%	0.00%
150+	0.00%	0.19%	0.00%	0.28%
180+	0.00%	0.35%	0.99%	1.06%

## **Annexure II: Glossary of Terms Used**

<b>Term</b>	<b>Definition</b>
Originator	The bank or financial institution which is the seller of assets that have been securitized
Pool Cut Off Date	The date on which the contracts were deemed to have been transferred to the investor; this could be a date prior to the date of the transaction
Pool Securitization Date	The date on which the contract is signed between the Trustee, Originator and the Investor
Original Principal Outstanding	The principal outstanding of all the contracts at the time of securitization
Number of contracts	The number of contracts at the beginning of the month for which data is provided
Structure	The structure of the transaction is par if the pool is sold at an amount equal to the principal outstanding at the time of securitization and premium if it is sold at an amount higher the principal outstanding. In case of any other specific feature of the transaction, the same will be highlighted.
Amortization	The principal outstanding at the end of the period as a % of the original principal outstanding
Balance Tenure	The number of months remaining for pool maturity
Current Demand/Dues Collection Efficiency	The percentage of amount collected during the time period based on the amount billed during the time period without considering overdues. This does not include prepayments.
Overdue Collection Efficiency	The percentage of overdue amount collected during the time period to the overdue amount billed during the time period. This does not include prepayments.
Cumulative Collection Efficiency	The percentage of total amount collected to date based on the total amount billed to date. This does not include prepayments.
Cumulative Prepayment Rate	The percentage of total amount prepaid as compared to the Original Principal Outstanding
Annual Conditional Prepayment Rate	<p>The annual conditional prepayment rate is calculated based on the monthly prepayment rates observed as a % of the Principal Outstanding at the beginning of the month.</p> $\text{Annual Conditional Prepayment Rate} = 1 - (1 - \text{Monthly Prepayment Rate})^{12}$
Delinquency Levels	Delinquency levels are calculated based on the sum of the principal outstanding for contracts (based on 30+, 60+, 90+ etc. buckets) to the total principal outstanding. The denominator can be Original Principal Outstanding/Remaining Principal Outstanding at end of the period(also referred to as Dynamic Delinquencies)
Static Delinquency Levels	Static delinquency levels are calculated considering the principal outstanding based on the delinquency bucket. For e.g., if the delinquency rate for 30+ days is considered, the principal outstanding as of 30 days earlier is considered. Similarly, the static delinquency levels for 60+ buckets are calculated based on the principal outstanding as of 60 days earlier.



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