

 Early Warning System

IFC-43916

SHTF Sec II



## Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	F1
<b>Voting Date</b>	2022-05-07
<b>Borrower</b>	Shriram Transport Finance Company Limited
<b>Sectors</b>	Finance, Transport
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 149.00 million
<b>Loan Amount (USD)</b>	\$ 149.00 million



---

## Project Description

According to IFC, the proposed project envisages a rupee denominated investment into securitized assets of Shriram Transport Finance Company Limited (SHTF) through Pass Through Certificates (PTCs) of up to USD 300 million equivalent (of which up to USD150 million will be through IFC's own account and remaining through mobilization). The proposed project supports vehicle financing for micro, small and medium enterprises (MSME), particularly the micro segment, with a focus on the low-income states (LIS) and rural regions of India. The Covid-19 pandemic has aggravated the already weak economic environment for this segment since they are less resilient to exogenous shocks. Thus, this investment is part of IFC's systematic effort to infuse confidence back into the market through innovative capital market instruments such as securitizations. These instruments will provide liquidity to the extremely important MSME segment through NBFCs, and enable resilient business recovery.



---

## Investment Description

- International Finance Corporation (IFC)

According to the IFC, the proposed project envisages a rupee denominated investment into securitized assets of SHTF through Pass Through Certificates of up to USD 300 million equivalent (of which up to USD150 million will be through IFC's own account and remaining through mobilization).

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Shriram Transport Finance Company Limited](#) (Financial Intermediary)



## Private Actors Description

According to the IFC, the SHTF is one of the largest asset-financing NBFCs in India with assets under management (AUM) of USD 16.6 billion (INR 1.24 trillion) as on 31 December 2021, with a very strong distribution network that caters to over 2.10 million customers through 1,834 branch offices and 792 rural centres across India. The company primarily lends to MSME clients in the transportation sector that are economically weak, have limited credit history and therefore are unable to raise funds from commercial banks. SHTF is listed on the Bombay Stock Exchange and National Stock Exchange and has a market capitalization of USD 4.1 billion as of 31 March 2022. As of 31 December 2021, 26.06 percent of SHTF's shares were held by the promoter & promoter group, 53.25 percent were held by foreign portfolio investors and foreign institutional investors, 14.69 percent were held by FIs (including insurance companies, banks and mutual funds), 5.69 percent were held by public shareholders, and 0.31 percent were held by others

SHTF is listed on the Bombay Stock Exchange and National Stock Exchange and has a market capitalization of USD 4.1 billion as of 31 March 2022. As of 31 December 2021, 26.06 percent of SHTF's shares were held by the promoter & promoter group, 53.25 percent were held by foreign portfolio investors and foreign institutional investors, 14.69 percent were held by FIs (including insurance companies, banks and mutual funds), 5.69 percent were held by public shareholders, and 0.31 percent were held by others.



---

## Contact Information

Shriram Transport Finance Company Limited  
Sandeep Balagopalan  
DGM – Corporate Finance and Treasury  
Fax: +91 22 40959596  
sandeep@stfc.in  
G Block, BKC, Bandra East, Mumbai 400051, Maharashtra, India  
<https://www.stfc.in/>

General IFC Inquiries  
IFC Communications  
2121 Pennsylvania Avenue, NW  
Washington DC 20433  
Telephone: 202-473-3800  
Fax: 202-974-4384

## ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

## ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



---

**Campaign Documents**

- [Business and Human Rights Resource Center: Shriram Transport Finance Company Limited](#)