Early Warning System

IFC-47404

DCM STFC Sec III

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Voting Date	2022-12-16
Borrower	STFC SEC III SPV
Sectors	Finance, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 300.00 million
Loan Amount (USD)	$ 300.00 million

Project Description

According to IFC, the proposed project envisages a rupee denominated investment into securitized assets of Shriram Transport Finance Company Limited (STFC) 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. Through this project, IFC will provide liquidity to the extremely important MSME segment through NBFCs, and enable resilient business recovery.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

STFC is one of the largest asset-financing NBFCs in India with assets under management (AUM) of USD 16.5 billion (INR 1.35 trillion) as on 30 September 2022, with a very strong distribution network that caters to over 2.19 million customers through 1,854 branch offices and 758 rural centres across India. STFC 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.

STFC is listed on the Bombay Stock Exchange and National Stock Exchange and has a market capitalization of USD 4.0 billion as of 01 November 2022. As of 30 September 2022, 29.37 percent of STFC's shares were held by the promoter & promoter group, 50.73 percent were held by foreign portfolio investors and foreign institutional investors, 14.19 percent were held by FIs (including insurance companies, banks and mutual funds), 5.35 percent were held by public shareholders, and 0.37 percent were held by others.

STFC is headquartered in Mumbai, Maharashtra and has 1,854 branches across India.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Shriram Transport Finance Company Limited	Client	Transport

Contact Information

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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 You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org