

September 23, 2022

Shriram Transport Finance Company Limited: Ratings withdrawn for PTCs and second loss facility issued under three vehicle loan securitisation transactions

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Sansar Trust Mar 2018	PTC Series A	800.39	29.01	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	36.02	36.02	0.00	[ICRA]AA(SO); Withdrawn
Sansar Trust September 2018 III	PTC Series A	494.61	67.17	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	19.78	19.78	0.00	[ICRA]AA(SO); Withdrawn
Sansar Trust Oct 2018	PTC Series A	850.97	73.48	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	44.68	44.68	0.00	[ICRA]AA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) and second loss facility (SLF) issued under three vehicle loan receivables transactions originated by Shriram Transport Finance Company Limited (STFC; rated [ICRA]AA+(Stable)), as tabulated above. All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Shriram Transport Finance Company Limited (STFC), incorporated in 1979 and a part of the Shriram Group of companies, is a deposit-accepting non-banking financial company (NBFC). It is the market leader in pre-owned CV financing with a pan-India presence encompassing 1,854 branch offices and 770 rural centres as on June 30, 2022. STFC primarily provides financing for vehicles such as CVs (both pre-owned and new), tractors, and PVs.

On December 13, 2021, the board of directors of STFC, SCUF and SCL (promoter entity) approved the merger of SCL and SCUF with STFC, subject to receipt of requisite statutory and regulatory approvals. The transaction would be entirely through a stock

swap arrangement. Following the completion of merger, the promoter group's shareholding in the amalgamated entity is expected to be 20.11%.

Key financial indicators (audited)

	FY2021	FY2022	Q1 FY2023
	Audited	Audited	Provisional
Net worth	21,568	25,932	26,815
Profit after tax	2,487	2,708	965.3
Assets under management (AUM)	1,17,243	1,27,041	1,30,689
Gross stage 3 (%)	7.1%	7.1%	7.0%
Net stage 3 (%)	4.2%	3.7%	3.5%

Source: STFC, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore

Amount is Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2023)		Chronology of Rating History for the Past 3 Years			
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating in FY2023	Date and Rating in FY2022	Date and Rating in FY2021	Date and Rating in FY2020
				Sep 23, 2022	Mar 17, 2022	Mar 23, 2021	Feb-07-2020
1 Sansar Trust Mar 2018	PTC Series A	800.39	0.00	[ICRA] AAA(SO); withdrawn	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)
	Second Loss Facility	36.02	0.00	[ICRA] AA(SO); withdrawn	[ICRA] AA(SO)	[ICRA] A-(SO)	[ICRA] A-(SO)

Trust Name	Instrument	Current Rating (FY2023)		Chronology of Rating History for the Past 3 Years			
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating in FY2023	Date and Rating in FY2022	Date and Rating in FY2021	Date and Rating in FY2020
				Sep 23, 2022	Mar 17, 2022	Mar 23, 2021	Feb-07-2020
2 Sansar Trust September 2018 III	PTC Series A	494.61	0.00	[ICRA] AAA(SO); withdrawn	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)
	Second Loss Facility	19.78	0.00	[ICRA] AA(SO); withdrawn	[ICRA] AA(SO)	[ICRA] A-(SO)	[ICRA] BBB+(SO)

Trust Name	Instrument	Current Rating (FY2023)		Chronology of Rating History for the Past 3 Years			
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating in FY2023	Date and Rating in FY2022	Date and Rating in FY2021	Date and Rating in FY2020
				Sep 23, 2022	Mar 17, 2022	Mar 23, 2021	Feb-07-2020
3 Sansar Trust Oct 2018	PTC Series A	850.97	0.00	[ICRA]	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)

				AAA(SO); withdrawn			
	Second Loss Facility	44.68	0.00	[ICRA] AA(SO); withdrawn	[ICRA] AA(SO)	[ICRA] A-(SO)	[ICRA] BBB+(SO)

Complexity level of the rated instrument

Sr. No.	Trust Name	Instrument	Complexity Indicator
1	Sansar Trust Mar 2018	PTC Series A	Moderately Complex
		Second Loss Facility	Moderately Complex
2	Sansar Trust September 2018 III	PTC Series A	Moderately Complex
		Second Loss Facility	Moderately Complex
3	Sansar Trust Oct 2018	PTC Series A	Simple
		Second Loss Facility	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Sansar Trust Mar 2018	PTC Series A	March 2018	6.97%*	September 2022	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	March 2018	NA	September 2022	0.00	[ICRA]AA(SO); Withdrawn
Sansar Trust September 2018 III	PTC Series A	September 2018	8.17%	April 2023	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	September 2018	NA	April 2023	0.00	[ICRA]AA(SO); Withdrawn
Sansar Trust Oct 2018	PTC Series A	October 2018	8.65%	November 2023	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	October 2018	NA	November 2023	0.00	[ICRA]AA(SO); Withdrawn

*Variable; Linked to one-year MCLR with a floor and cap of 6.97% and 7.47% respectively (per annum payable monthly)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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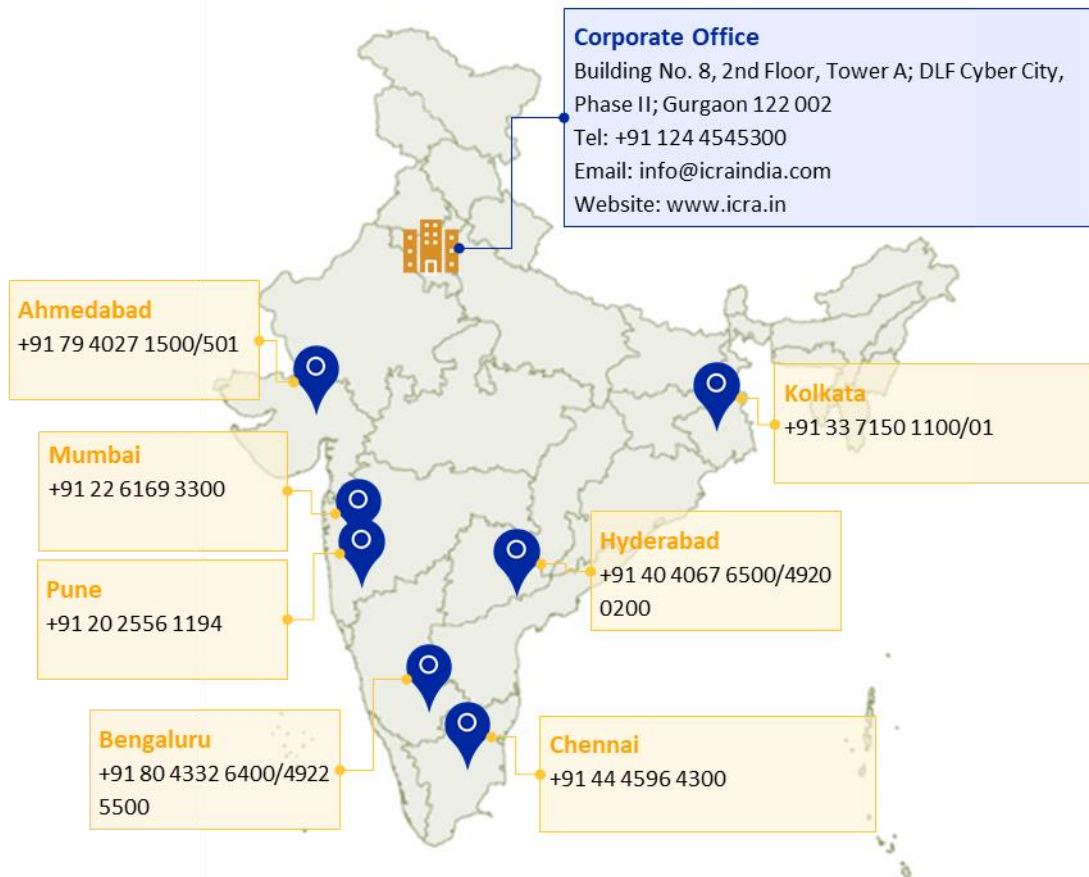
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