

October 17, 2023

Shriram Finance Limited: Rating withdrawn for PTCs issued under vehicle loan securitisation transaction

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Sansar Trust June 2023 V	PTC Series A	574.60	574.60	0.00	Provisional [ICRA]AAA(SO); Withdrawn
	Second Loss Facility	27.29	27.29	0.00	Provisional [ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under vehicle loan receivables transaction originated by Shriram Finance Limited (SFL; rated [ICRA]AA+(Stable)), as tabulated above. The rating has been withdrawn following intimation from SFL that the transaction had not been placed.

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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the Originator

Shriram Finance Limited [SFL; erstwhile Shriram Transport Finance Company Limited (STFC)], incorporated in 1979, is a part of the Shriram Group of companies and is a top-layer non-banking financial company (NBFC). As per the National Company Law Tribunal (NCLT) order of November 14, 2022, the operations of Shriram City Union Finance Company Limited (SCUF) and Shriram Capital Limited (SCL) were merged with STFC, and the resultant entity was renamed Shriram Finance Limited on November 30, 2022.

SFL enjoys a leadership position in pre-owned commercial vehicle finance and has a pan-India presence with 2,922 branches. As of March 31, 2023, SFL had consolidated assets under management (AUM) of Rs. 1.9 lakh crore comprising pre-owned commercial vehicle finance (50%), passenger vehicle loans (18%), construction equipment (8%), farm equipment (2%), small and medium-sized enterprise (SME) lending (10%), personal loans (4%), gold loans (2%) and two-wheeler loans (6%).

On a standalone level, the company reported a profit after tax (PAT) of Rs. 5,979 crore on AUM of Rs. 1,85,683 crore.

Key financial indicators (SFL)

Particulars	FY2021*	FY2022*	FY2023^
	Audited	Audited	Audited
Net worth	21,568	25,932	43,306
Profit after tax	2,487	2,708	5,979
Assets under management (AUM)	1,17,243	1,27,041	1,85,683
Gross stage 3	7.1%	7.1%	6.2%
Net stage 3	4.2%	3.7%	3.2%

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

*For SFL, prior to the merger with SCUF and SCL; ^Consolidated, post-merger

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the Past 3 Years				
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating in FY2024		Date and Rating in FY2023	Date and Rating in FY2022	Date and Rating in FY2021
				Oct 17, 2023	Jul 26, 2023			
1 Sansar Trust June 2023 V	PTC Series A	574.60	0.00	Provisional [ICRA]AAA(SO); withdrawn	Provisional [ICRA]AAA(SO)	-	-	-
	Second Loss Facility	27.29	0.00	Provisional [ICRA]A-(SO); withdrawn	Provisional [ICRA]A-(SO)	-	-	-

Complexity level of the rated instrument

Sr. No.	Trust Name	Instrument	Complexity Indicator
1	Sansar Trust June 2023 V	PTC Series A	Moderately Complex
		Second Loss Facility	Moderately Complex

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 analysing 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: [Click Here](#)

Annexure I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Sansar Trust June 2023 V	PTC Series A	July 2023	8.00%	July 2028	0.00	Provisional [ICRA]AAA(SO); withdrawn
	Second Loss Facility		Residual	July 2028	0.00	Provisional [ICRA]A-(SO); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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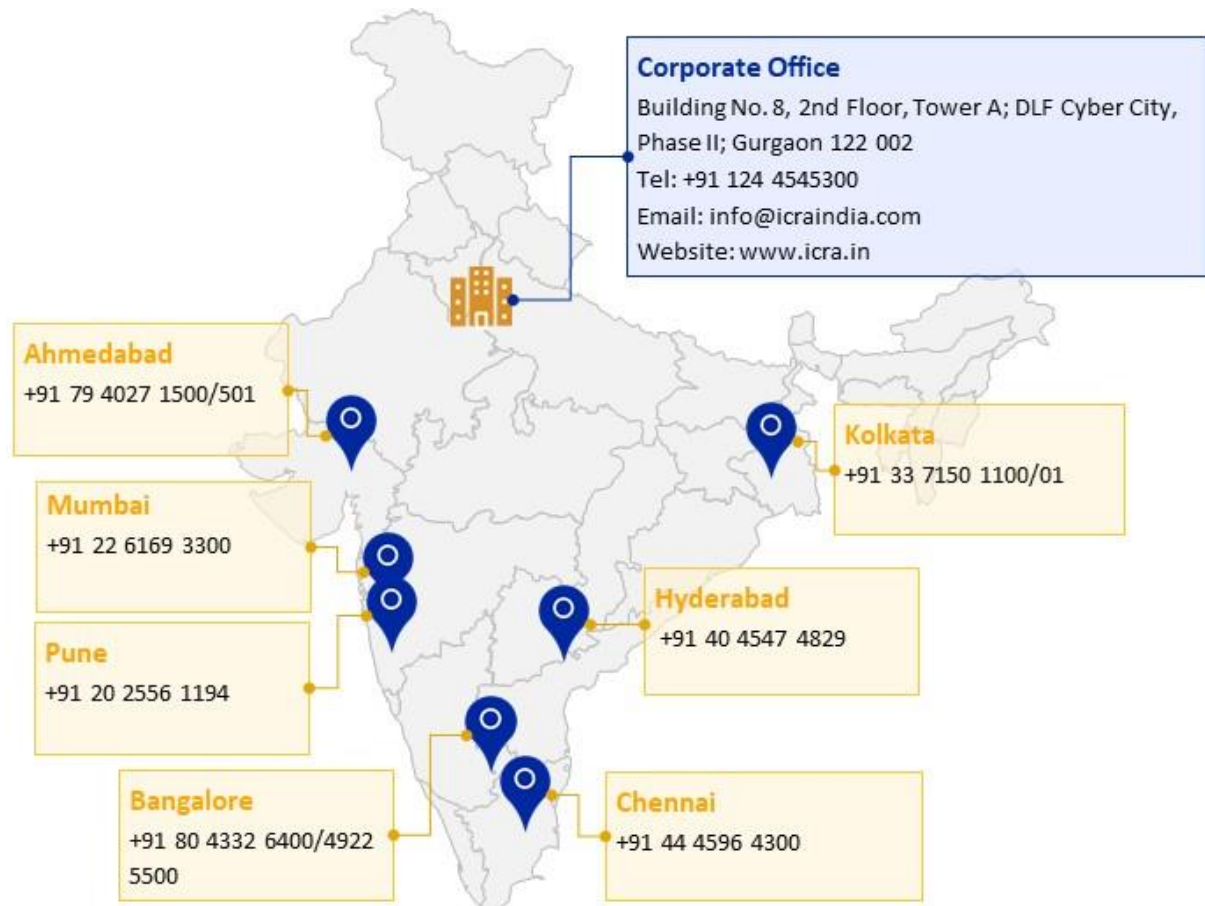
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