

December 20, 2024

## Shriram Finance Limited: Rating withdrawn for PTCs issued under vehicle loan securitisation transactions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Sansar Trust Dec 2021 IV	PTC Series A	372.86	50.99	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	11.19	11.19	0.00	[ICRA]AA+(SO); Withdrawn
Sansar Trust Feb 2022 II	PTC Series A1 (c)	36.74	16.32	0.00	[ICRA]AAA(SO); Withdrawn
	PTC Series A1 (d)	5.80	5.80	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility	4.61	4.61	0.00	[ICRA]AA+(SO); Withdrawn

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under the vehicle loan receivables transaction originated by Shriram Finance Limited {SFL; rated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liquidity position and rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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 this [link](#).

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
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 an upper layer non-banking financial company. Based on the National Company Law Tribunal order dated November 14, 2022, the operations of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) were merged with STFC, which was rechristened Shriram Finance Limited on November 30, 2022.

SFL enjoys a leadership position in preowned commercial vehicle finance and has a pan-India presence with 3,700+ branches and other offices. As on September 30, 2024, its assets under management (standalone) stood at Rs. 2.43 lakh crore comprising commercial vehicle finance (46%), passenger vehicle finance (20%), small and medium-sized enterprise (SME) lending (13%), construction equipment and farm equipment finance (9%), two-wheeler loans (5%), personal loans (3%), and gold loans (3%).

### Key financial indicators

SFL	FY2023*	FY2024^	H1 FY2025^
	Audited	Audited	Limited Review
Total income	30,508	36,413	19,694
Profit after tax	6,011	7,391	4,179
Total managed assets#	2,23,769	2,66,453	2,84,652
Gross stage 3	6.0%	5.2%	5.4%
Capital-to-risk weighted assets ratio	22.6%	20.3%	NA

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

With the scheme of arrangement and amalgamation of STFC, SCUF and SCL becoming effective, figures for the year ended March 31, 2023 are not comparable with the figures for the year ended March 31, 2022

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

#Total managed assets = Total assets + Impairment allowance + Direct assignment – Goodwill

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

S. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating Dec 20, 2024	Date and Rating in FY2024 Mar 08, 2024	Date and Rating in FY2023 Mar 17, 2023	Date and Rating in FY2022 Mar 31, 2022 Dec 31, 2021^	
1	Sansar Trust Dec 2021 IV	PTC Series A	372.86	0.00	[ICRA] AAA(SO); withdrawn	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)
		Second Loss Facility	11.19	0.00	[ICRA]AA+(SO); withdrawn	[ICRA] AA+(SO)	[ICRA] BBB+(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)

^Initial rating assigned

S. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years					
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating Dec 20, 2024	Date and Rating in FY2024 Mar 08, 2024	Mar 17, 2023	Jun 20, 2022	Apr 06, 2022	Date and Rating in FY2022 Mar 19, 2022^
2	Sansar Trust Feb 2022 II	PTC Series A1 (c)	36.74	0.00	[ICRA] AAA(SO); withdrawn	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	Provisional [ICRA]AAA(SO); reaffirmed	Provisional [ICRA]AAA(SO)
		PTC Series A1 (d)	5.80	0.00	[ICRA] AAA(SO); withdrawn	[ICRA] AAA(SO)	[ICRA] AAA(SO)	[ICRA] AAA(SO)	Provisional [ICRA]AAA(SO); reaffirmed	Provisional [ICRA]AAA(SO)
		Second Loss Facility	4.61	0.00	[ICRA]AA+; withdrawn	[ICRA] AA+(SO)	[ICRA] BBB+(SO)	[ICRA] BBB+(SO)	Provisional [ICRA]BBB+(SO); reaffirmed	Provisional [ICRA]BBB+(SO)

^Initial rating assigned

### Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Sansar Trust Dec 2021 IV	PTC Series A	Simple
	Second Loss Facility	Simple
Sansar Trust Feb 2022 II	PTC Series A1 (c)	Simple
	PTC Series A1 (d)	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](http://www.icra.in)

**Annexure I: Instrument details**

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date*	Amount Rated (Rs. Crore)	Current Rating
<b>Sansar Trust Dec 2021 IV</b>	PTC Series A	December 31, 2021	6.85%	November 14, 2026	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility		-	N.A.	0.00	[ICRA]AA+(SO); Withdrawn
<b>Sansar Trust Feb 2022 II</b>	PTC Series A1 (c)	March 31, 2022	5.95%	March 15, 2026	0.00	[ICRA]AAA(SO); Withdrawn
	PTC Series A1 (d)		5.95%	September 15, 2026	0.00	[ICRA]AAA(SO); Withdrawn
	Second Loss Facility		-	N.A.	0.00	[ICRA]AA+(SO); Withdrawn

\*Scheduled PTC maturity date at transaction initiation

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not Applicable

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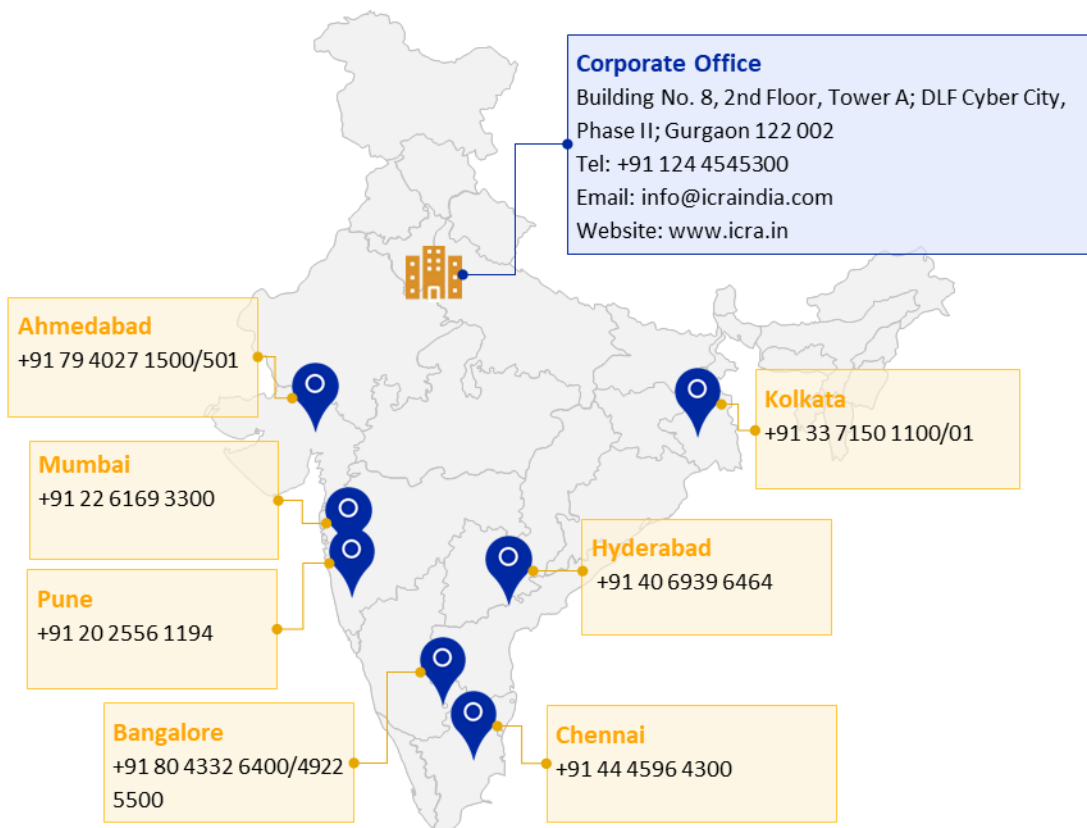
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