

May 24, 2024

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalai Street, Fort,  
Mumbai 400 001

Dear Sir/ Ma'am,

**Sub: Disclosure under Regulation 51 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of Credit Rating- Revision of Credit Rating**

Pursuant to Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Part B of Schedule III of the Listing Regulations, we hereby inform that below mentioned Credit Rating Agencies has revised/reaffirmed the credit ratings and outlook on the Company's long term credit facilities, short term credit facilities and Commercial Papers as follows:

Name of Agency	Facilities/Instrument	Amount (INR in crore)	Revised Rating	Rating Action
Care Ratings Limited	Long Term bank facilities	3,700	CARE AA+; RWN (Double A Plus; Outlook: RWN)	Placed on 'Rating Watch with Negative Implications
	Subordinated Debt	300	CARE AA+; RWN (Double A Plus; Outlook: RWN)	Placed on 'Rating Watch with Negative Implications
	Non-Convertible Debentures (NCDs)	650	CARE AA+; RWN (Double A Plus; Outlook: RWN)	Placed on 'Rating Watch with Negative Implications
	Commercial papers	700	CARE A1+ (A One Plus)	Reaffirmed
CRISIL Limited	Long Term bank facilities	2000	CRISIL AA+/Watch Negative	Placed on 'Rating Watch with Negative Implications
	Non-Convertible Debentures (NCDs)	985	CRISIL AA+/Watch Negative	Placed on 'Rating Watch with Negative Implications
	PP-MLDs	200	CRISIL AA+/Watch Negative	Placed on 'Rating Watch with Negative Implications
	Subordinated Debt	300	CRISIL AA+/Watch Negative	Placed on 'Rating Watch with Negative Implications
India Ratings	Long Term bank facilities	26000	IND AA+/Rating watch with Negative implications	Placed on 'Rating Watch with Negative Implications



and Research Private Limited	Non-Convertible Debentures (NCDs)	6580	IND AA+/Rating watch with Negative implications	Placed on 'Rating Watch with Negative Implications
---------------------------------------	--------------------------------------	------	---	--

The rating rationale issued by the ratings agencies is enclosed herewith.

We request you to kindly take the above information on record.

Yours Faithfully,  
For **Shriram Housing Finance Limited**

**Puja Shah**  
**Company Secretary and Compliance Officer**

Encl.: As Above.



## Shriram Housing Finance Limited

May 23, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	3,700.00	CARE AA+ (RWN)	Placed on Rating Watch with Negative Implications
Commercial paper	700.00	CARE A1+	Reaffirmed
Subordinate debt	300.00	CARE AA+ (RWN)	Placed on Rating Watch with Negative Implications
Non-convertible debentures	650.0	CARE AA+ (RWN)	Placed on Rating Watch with Negative Implications

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to various long term debt instruments of Shriram Housing Finance Ltd (SHFL) have been placed on 'Rating watch with Negative implications' on account of the announcement of stake sale by the parent i.e. Shriram Finance Limited (rated CARE AA+; Stable) as Shriram group's ownership, operational, financial and management support extended by the group to Shriram Housing Finance Limited were amongst the key factors driving the ratings and the ownership will be changing from Shriram group to the (Private Equity) PE investor. Furthermore, on completion of proposed stake sale and resultant change in ownership, the notching up benefit given to the ratings of Shriram Housing Finance Limited due to support expected from parent as per CARE Rating's criteria for notching by factoring linkages in ratings will not be available.

CARE Ratings will continue to monitor the developments in this regard and accordingly take final rating action once the transaction is completed and there is clarity regarding the impact of this event on the business and financial risk profile of the company.

Shriram Housing Finance Limited (SHFL) vide its filing to the stock exchanges dated May 13, 2024, informed that its shareholders viz. Shriram Finance Limited (SFL; rated 'CARE AA+; Stable) holding 84.82% shareholding in SHFL and Valiant Partners LLC (Valiant) holding 14.92% shareholding in SHFL, announced sale of their entire stake to Warburg Pincus LLC. Warburg Pincus will acquire the stake through its affiliate Mango Crest Investment Ltd. Founded in 1966, Warburg Pincus has invested more than \$116 billion in over 1,000 companies globally across its private equity, real estate, and capital solutions strategies. The firm has more than \$84 billion in assets under management. Warburg Pincus has a distinctive financial service practice in India and has been an active investor in the space for more than two decades. The firm has consistently partnered with companies to help them scale from a small base.

Ratings assigned to various instruments and bank facilities of Shriram Housing Finance Limited (SHFL) continue to factor in the strong parentage of Shriram Finance Limited (SFL, rated 'CARE AA+; Stable') and common brand image of the Shriram group. Because of its strong parentage, SHFL also stands to benefit from the group's established track record in lending to the self-employed segment in Tier-II cities and smaller towns, which is the customer profile for SHFL as well.

Ratings take note of the adequate capitalization levels, significant growth in the assets under management (AUM), good asset quality parameters, and improved profitability. CARE Ratings Limited (CARE Ratings) expects the support from the parent, SFL, to continue going forward as well, till the acquisition transaction is completed.

Ratings continue to be constrained by the limited track record in the housing finance business, moderate seasoning of the portfolio, and geographical concentration of the portfolio, though improving.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Improvement in the credit risk profile of the parent.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Negative factors**

- Weakening in the credit risk profile of the parent or any significant dilution in support from the parent.
- Significant deterioration in the asset quality, capitalization, liquidity profile, and profitability levels.
- Sustained increase in the gearing levels.

**Analytical approach: Standalone**

Standalone, along with factoring in the strong linkages with the parent, SFL. In addition to funding support, SFL and SHFL share a common brand name, and SHFL has access to SFL's branch network and customer base.

**Outlook:** Not Applicable

**Detailed description of the key rating drivers:****Key strengths****Strong parentage and benefits derived from being part of the Shriram group**

SHFL is promoted by the Shriram group, with SFL holding of 85.82% stake in the company as on March 31, 2024. The Shriram group has demonstrated its support by extending managerial, operational, and financial support to the company. The company's operations are headed by Mr. Subramanian Jambunathan, the Managing Director and Chief Executive Officer (CEO) of SHFL, having more than two decades of experience in the lending business, is from the Shriram group. The company shares a common brand image and a shared logo with SFL and has access to its branch network and customer base. SHFL receives managerial and operational support in terms of the usage of the branch network of the Shriram group. Any material dilution in shareholding or expected support from the parent will be key sensitivity.

**Significant growth in the AUM with adequate capitalisation levels**

SHFL witnessed significant growth in its AUM over the last three years from ₹3,929 crore as on March 31, 2021 to ₹13,762 crore as on March 31, 2024 clocking a compounded average growth rate (CAGR) of 51.87%. In FY24, AUM increased by 71% from ₹8,047 crore as on March 31, 2023 to ₹13,762 crore as on March 31, 2024.

The AUM in the home loan (HL) segment as on March 31, 2024, stood at ₹8,146 crore, which increased by 49% from ₹5,157 crore as on March 31, 2023. The proportion of the housing and non-housing portfolio stood at 59% and 38%, respectively, of the AUM outstanding as on March 31, 2024. Comparatively, HL is around 62% of the total assets of the company, as SHFL continues to off load its LAP assets through various off-book transactions in the form of Direct Assignment and Co lending.

The company's tangible net worth (TNW) stood at ₹1,924 crore as on March 31, 2024, as against ₹1,299 crore as on March 31, 2023, considering retention of internal accruals and due to issuance of Compulsory convertible debentures (CCD(s)) of ₹400 crore in Q4FY24.

SHFL's current capital levels are adequate with the capital adequacy ratio (CAR) at 24.97% as on March 31, 2024 against 25.48% as on March 31, 2023 with Tier-1 CAR at 16.48% as on March 31, 2024 as against 23.34% as on March 31, 2023. The company's overall gearing stood at 5.02x as on March 31, 2024 as against 4.85x as on March 31, 2023. The Shriram group has demonstrated capital-raising ability from various institutional investors in the past. The company plans to raise equity capital and complete the equity raising process by the end of FY25.

**Comfortable asset quality**

SHFL has maintained stable asset quality and reported gross stage 3 and net stage 3 at 1.03% and 0.79%, respectively, as on March 31, 2024, as compared to 0.93% and 0.69%, respectively (after considering the impact of new Income Recognition, Asset

Classification [IRAC norms], as on March 31, 2023). The 30+ DPD and 60+ DPD as a percentage of the AUM improved from 2.38% and 1.23%, respectively, as on March 31, 2023, to 1.98% and 1.17%, respectively, as on March 31, 2024.

The company's restructured book stood at ₹93.66 crore as on March 31, 2024 (₹124.02 crore as on March 31, 2023), of which ₹17.50 crore has slipped into NPA in FY24. The seasoning of the overall loan portfolio is moderate mainly due to higher tenure of the loans provided by the company, and majority of the book being originated in last three years and asset quality of the newly originated book is a key monitorable.

#### **Lower credit costs aides improved profitability**

The total disbursements grew y-o-y by 83% at ₹7,591 crore in FY24 as against ₹4,146 crore in FY23. In FY24, profit after tax (PAT) stood at ₹217 crore on total income of ₹1,430 crore as against ₹138 crore in FY23 on total income of ₹774 crore in FY23. The net interest margin (NIM) reduced marginally from 4.17% in FY23 to 3.90% in FY24 due to higher increase in the cost of funds as compared to increase in yields in FY24. The other operating and non-operating income stood at around 3.24% of the total assets in FY24 as compared to 1.75% in FY23 due to sharp increase in DA income. In FY24, the income from the gain on the sale of financial assets (DA income) has substantially increased to ₹180 crore as against ₹65 crore in FY23 due to higher DA transactions done in this period at ₹1,435 crore as against ₹773 crore in FY23. The opex/average assets increased marginally at 3.83% as compared to 3.13% in FY23 due to increase in number of employees and opening of new branches in FY24. The credit cost stood low at 0.35% in FY24 as compared to 0.15% in FY23, return on total assets (ROTA) stood at 2.22% in FY24 as against 2.13% in FY23.

#### **Diversified resource profile**

SHFL, being predominantly funded by banks, has a diversified resource profile. The term loans from banks stood at 51% in FY24 as compared to 64% in FY23. The non-convertible debentures (NCDs) stood at 13% in FY24 as compared to 21% in FY23 of the borrowings, external commercial borrowings stood at 9% in FY24 of the borrowings (FY23: Nil), NHB refinance stood at 14% in FY24 as compared to 9% in FY23 of the borrowings, and securitisation stood at 9% in FY24 as compared to 6% in FY23.

#### **Key weaknesses**

##### **Limited track record**

SHFL commenced lending operations in December 2011. However, lending under the newly revamped model began only post-January 2019. This book has a relatively limited track record and seasoning of the loan portfolio. The loan tenure ranges from 12 years to 16 years. SHFL is primarily lending towards the housing finance needs of self-employed customers who are not serviced by the banking sector. About 77.66% of the AUM is financed to the self-employed segment as on March 31, 2024 as compared to 77.97% in FY23. In FY19, the company restructured its operations and business strategies to better leverage the Shriram group's branch network and customer base. The company is currently focussing on lending to borrowers with relatively better credit profiles and credit histories.

##### **High geographical concentration, though improved**

SHFL's branch network is spread across 16 states in India with 155 branches as on March 31, 2024 as compared to 15 states in India with 131 branches as on March 31, 2023, while the business is concentrated towards the western (37%), southern (36%), and northern (25%) regions. The top three states (Gujarat, Maharashtra, and Tamil Nadu) amounts to 53% of the AUM as on March 31, 2024, the same has improved since FY23 where top three states (Gujarat, Maharashtra, and Tamil Nadu) stood at 57%. The geographic concentration is expected to further come down, as the company plans to expand its operations in other geographies.

## Liquidity: Adequate

SHFL's liquidity profile remained adequate, with no negative cumulative mismatches in any of the time buckets for up to one year as on March 31, 2024. Given the cash balances, liquid investments, and monthly collections on the loan portfolio, SHFL is expected to manage its liquidity. As on March 31, 2024, SHFL had cash and bank balance of ₹142 crore, liquid investments and Government Securities/Treasury bills of ₹158 crore. Additionally, the company has unutilised CC lines of ₹181 crore and undrawn sanctions of ₹700 crore to address any mismatches.

## Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Housing Finance Companies](#)

[Short Term Instruments](#)

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Housing Finance Company

SHFL is registered as a non-deposit-taking-housing finance company (HFC) with the National Housing Bank (NHB). The company received its Certificate of Registration in August 2011 and commenced its operations in December 2011. SHFL, a part of the Shriram group, is a subsidiary of SFL (rated 'CARE AA+; Stable/ CARE A1+') (erstwhile named as 'Shriram City Union Finance Limited'). Pursuant to the approval of the Composite Scheme of Arrangement and Amalgamation by the Hon'ble National Company Tribunal, Chennai, vide Common Order dated November 14, 2022, together with Corrigendum Order dated November 17, 2022, SCUF was merged with Shriram Transport Finance Limited (STFL). Also, as part of the Scheme, the name of STFL has changed to "Shriram Finance Limited" on November 30, 2022. Since the company was a subsidiary of SCUF before the merger and in view of the above Order, the company became a subsidiary of SFL, which holds 83.8% of the shareholding, 14.8% is held by Valiant Mauritius Partners FDI Ltd (VMPL) and 1.4% with other individual shareholders as on March 31, 2024. The company shares a common brand image and shared logo with SFL and has access to its branch network and customer base.

SHFL essentially caters to the housing finance needs of the self-employed, belonging to the middle-income group, primarily from Tier-II and Tier-III cities. The company also offers builder loans only for the construction of residential properties. The non-housing loans mainly comprise loan against property (LAP). Housing and non-housing loans constituted 59 and 38%, respectively, of the AUM outstanding as on March 31, 2024. The average tenure of the housing loan is 12 years to 16 years and the average ticket size is about ₹16-18 lakh.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total income	428	549	774	1,430
PAT	62	80	138	217
Total assets	3,825	5,165	7,738	11,858
Net NPA (%)	1.47	1.32	0.69	0.79
ROTA (%)	1.98	1.79	2.13	2.22

A: Audited; UA: Unaudited; Note: 'These are the latest financial results available'.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures	INE432R07018	October 10, 2014	10.30%	October 10, 2024	40	CARE AA+ (RWN)
Debentures-Non-convertible debentures	INE432R07315	August 10, 2022	8.00%	August 09, 2026	58	CARE AA+ (RWN)
Debentures-Non-convertible debentures	INE432R08040	September 30, 2022	8.60%	September 30, 2037	35	CARE AA+ (RWN)
Debentures-Non-convertible debentures	INE432R07364	March 14, 2023	9.00%	March 13, 2026	75	CARE AA+ (RWN)
Debentures-Non-convertible debentures	INE432R07398	October 27, 2023	8.90%	July 05, 2033	25	CARE AA+ (RWN)
Debentures-Non-convertible debentures	INE432R07398	July 05, 2023	8.90%	July 05, 2033	50	CARE AA+ (RWN)
Debentures-Non-convertible debentures	INE432R07406	November 28, 2023	9.25%	November 28, 2033	250	CARE AA+ (RWN)
Debentures-Non-convertible debentures	Proposed	-	-	-	117	CARE AA+ (RWN)
Commercial paper	INE432R14253*	August 30, 2023	8.55%	September 19, 2023	-	Withdrawn
Commercial paper	INE432R14253*	September 05, 2023	8.55%	December 19, 2023	-	Withdrawn
Commercial paper	INE432R14261*	January 12, 2024	8.75%	March 28, 2024	-	Withdrawn
Commercial paper	INE432R14279	February 27, 2024	8.63%	August 28, 2024	155	CARE A1+
Commercial paper	Proposed	-	-	-	545	CARE A1+
Debt-Subordinate debt	INE432R08057	March 01, 2023	9.10%	March 01, 2033	70	CARE AA+ (RWN)
Debt-Subordinate debt	INE432R08065	May 19, 2023	9.10%	May 19, 2033	50	CARE AA+ (RWN)
Debt-Subordinate debt	INE432R08065	September 25, 2023	9.10%	May 19, 2033	25	CARE AA+ (RWN)
Debt-Subordinate debt	Proposed	-	-	-	155	CARE AA+ (RWN)
Fund-based-Long term	-	-	-	August, 2027	3700	CARE AA+ (RWN)

\*Facilities are matured and redeemed



## Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type*	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Debentures-Non Convertible Debentures	LT	40.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May-24)	1)CARE AA+; Stable (19-Mar-24) 2)CARE AA+; Stable (30-Oct-23) 3)CARE AA+; Stable (06-Oct-23) 4)CARE AA+; Stable (31-May-23) 5)CARE AA+; Stable (05-May-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
2	Commercial Paper-Commercial Paper (Standalone)	ST	700.00	CARE A1+	1)CARE A1+ (07-May-24)	1)CARE A1+ (19-Mar-24) 2)CARE A1+ (30-Oct-23) 3)CARE A1+ (06-Oct-23) 4)CARE A1+ (31-May-23) 5)CARE A1+ (05-May-23)	1)CARE A1+ (15-Mar-23) 2)CARE A1+ (22-Feb-23) 3)CARE A1+ (21-Dec-22) 4)CARE A1+ (24-Nov-22)	1)CARE A1+ (17-Dec-21) 2)CARE A1+ (21-Oct-21)
3	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
4	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-May-23)	1)CARE AA+; Stable (15-Mar-23)	1)CARE AA (CW with Positive Implications)



							2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	(17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
5	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (05-May-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
6	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (06-Oct-23) 2)CARE AA+; Stable (31-May-23) 3)CARE AA+; Stable (05-May-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
7	Fund-based-Long Term	LT	3700.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May-24)	1)CARE AA+; Stable (19-Mar-24) 2)CARE AA+; Stable (30-Oct-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)

						3)CARE AA+; Stable (06-Oct-23) 4)CARE AA+; Stable (31-May-23) 5)CARE AA+; Stable (05-May-23)	3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	
8	Debt-Subordinate Debt	LT	50.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May-24)	1)CARE AA+; Stable (19-Mar-24) 2)CARE AA+; Stable (30-Oct-23) 3)CARE AA+; Stable (06-Oct-23) 4)CARE AA+; Stable (31-May-23) 5)CARE AA+; Stable (05-May-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
9	Debentures-Non Convertible Debentures	LT	110.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May-24)	1)CARE AA+; Stable (19-Mar-24) 2)CARE AA+; Stable (30-Oct-23) 3)CARE AA+; Stable (06-Oct-23) 4)CARE AA+; Stable (31-May-23) 5)CARE AA+; Stable (05-May-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)
10	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May-24)	1)CARE AA+; Stable (19-Mar-24) 2)CARE AA+; Stable (30-Oct-23)	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23)	-

						3)CARE AA+; Stable (06-Oct-23)	3)CARE AA+; Stable (21-Dec-22)	
						4)CARE AA+; Stable (31-May-23)		
						5)CARE AA+; Stable (05-May-23)		
11	Debt-Subordinate Debt	LT	50.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May- 24)	1)CARE AA+; Stable (19-Mar-24)  2)CARE AA+; Stable (30-Oct-23)  3)CARE AA+; Stable (06-Oct-23)  4)CARE AA+; Stable (31-May-23)  5)CARE AA+; Stable (05-May-23)	1)CARE AA+; Stable (15-Mar-23)  2)CARE AA+; Stable (22-Feb-23)	-
12	Debt-Subordinate Debt	LT	200.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May- 24)	1)CARE AA+; Stable (19-Mar-24)  2)CARE AA+; Stable (30-Oct-23)  3)CARE AA+; Stable (06-Oct-23)  4)CARE AA+; Stable (31-May-23)  5)CARE AA+; Stable (05-May-23)	-	-
13	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May- 24)	1)CARE AA+; Stable (19-Mar-24)  2)CARE AA+; Stable	-	-

						(30-Oct-23)		
						3)CARE AA+; Stable (06-Oct-23)		
						4)CARE AA+; Stable (31-May-23)		
						5)CARE AA+; Stable (05-May-23)		
14	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+ (RWN)	1)CARE AA+; Stable (07-May- 24)	1)CARE AA+; Stable (19-Mar-24)  2)CARE AA+; Stable (30-Oct-23)  3)CARE AA+; Stable (06-Oct-23)	-	-

\*LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Debt-Subordinate Debt	Simple
4	Fund-based-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Pradeep Kumar V Senior Director <b>CARE Ratings Limited</b> Phone: 91 44 2850 1001 E-mail: <a href="mailto:pradeep.kumar@careedge.in">pradeep.kumar@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Name: Sanjay Agarwal Senior Director <b>CARE Ratings Limited</b> Phone: +91-022- 6754 3500/582 E-mail: <a href="mailto:sanjay.agarwal@careedge.in">sanjay.agarwal@careedge.in</a></p> <p>Sudhakar P Director <b>CARE Ratings Limited</b> Phone: : +91-044-28501003 E-mail: <a href="mailto:p.sudhakar@careedge.in">p.sudhakar@careedge.in</a></p> <p>Aditya R Acharekar Associate Director <b>CARE Ratings Limited</b> Phone: +91-22-67543528 E-mail: <a href="mailto:aditya.acharekar@careedge.in">aditya.acharekar@careedge.in</a></p>
--	---

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)**

## Rating Rationale

May 23, 2024 | Mumbai

### Shriram Housing Finance Limited

Rating placed on 'Watch Negative'

#### Rating Action

Total Bank Loan Facilities Rated	Rs.2000 Crore
Long Term Rating	CRISIL AA+/Watch Negative (Placed on 'Rating Watch with Negative Implications')

Rs.200 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA+/Watch Negative (Placed on 'Rating Watch with Negative Implications')
Rs.500 Crore Non Convertible Debentures	CRISIL AA+/Watch Negative (Placed on 'Rating Watch with Negative Implications')
Non Convertible Debentures Aggregating Rs.485 Crore	CRISIL AA+/Watch Negative (Placed on 'Rating Watch with Negative Implications')
Subordinated Debt Aggregating Rs.300 Crore	CRISIL AA+/Watch Negative (Placed on 'Rating Watch with Negative Implications')

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has placed its 'CRISIL AA+/CRISIL PPMLD AA+' rating on the debt instruments and long-term bank facilities of Shriram Housing Finance Limited (SHFL) on '**Rating Watch with Negative Implications**'.

Consequent to redemption, CRISIL Ratings has withdrawn its rating on debentures of Rs.50 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy. CRISIL Ratings has received independent confirmation that these instruments are fully redeemed.

The rating action follows the announcement made by SHFL on May 13, 2024, wherein the board of SHFL's parent company - Shriram Finance Ltd (SFL) approved the complete stake sale in SHFL to Mango Crest Investments Ltd (an entity affiliated with Warburg Pincus LLC). The proposed transaction will involve a sale and transfer of all equity and convertible instruments held by SFL and Valiant Mauritius Partners, in SHFL, to Warburg Pincus. Warburg Pincus is a global private equity firm, established in 1966 and based out of New York. It had \$81 billion of assets under management and investment, and operational teams across 13 offices globally, as on March 31, 2024. Post consummation of the transaction, Warburg Pincus (via Mango Crest Investments Ltd) will hold 99.76% stake in SHFL, for a purchase consideration of Rs 4,630 crore. Furthermore, Warburg Pincus will infuse an additional Rs 1,000 crore as equity in SHFL to support growth. The transaction is subject to various regulatory approvals and satisfaction of other conditions.

The current analytical approach for SHFL factors in expectation of strong support from the parent, SFL, both on an ongoing basis and in the event of distress given the majority ownership and high strategic importance, the shared brand name and managerial control. However, once the transaction is completed, the analytical approach would not factor in expectation of support from SFL and the rating would reflect an assessment by CRISIL Ratings of the credit risk profile of SHFL and benefits, if any, emanating from its ownership by Warburg Pincus. Consequently, the long-term ratings have been placed on 'Watch with Negative Implications'. CRISIL Ratings will continue to monitor the progress on the transaction and will have discussions with SHFL's management and Warburg Pincus to understand their strategies and business plan going forward and will resolve the negative watch post completion of the transaction and after getting clarity on the above aspects. Nevertheless, CRISIL Ratings understands that SFL will continue to provide any need-based support to SHFL till the transaction is completed and therefore the existing rating will continue to centrally factor in parent support from SFL.

SHFL's rating also continues to factor in its adequate capitalisation metrics, well diversified resource profile and increasing, yet moderate, scale of operations. Assets under management (AUM) as on March 31, 2024, stood at Rs 13,762 crore, growing at a 4-year CAGR of 56%, supported by rise in disbursements. However, these strengths are partially offset by inherent vulnerability of asset quality metrics given the customer segment as well as moderate profitability metrics.

#### Analytical Approach

CRISIL Ratings has evaluated the standalone business and financial risk profiles of SHFL and factored in expectation of strong support from SFL both on an ongoing basis and in the event of distress.

#### Key Rating Drivers & Detailed Description Strengths:

- **Strong support from its parent, SFL**

Until the transaction with Warburg Pincus is completed, SHFL is expected to be supported by its existing parent, SFL, given majority shareholding (84.82% stake as on March 31, 2024) and shared brand name.

Since its inception, SHFL has received strong support from its parent in the form of equity capital, with the latest infusion coming in March 2024, in the form of compulsory convertible debentures (CCDs) amounting to Rs ~400 crore. Over the years, the subsidiary has also benefited from the shared brand name, management oversight and operational synergies with the Shriram group. This allowed SHFL to quickly ramp up the scale and efficiency of its operations.

- **Adequate capitalisation and well-diversified resource profile**

As on March 31, 2024, SHFL's networth and total capital adequacy ratio (per Ind-AS) stood at Rs 1,924 crore and 25%, respectively, benefiting from periodic capital infusion, against Rs 1,299 crore and 25.5%, respectively, as on March 31, 2023. The adjusted gearing (including the off-book securitised portfolio) stood at 6.2 times and reported gearing was 5 times as on March 31, 2024, as against 5.9 times and 4.8 times, respectively, as on March 31, 2023. On a steady-state basis, reported gearing is expected to be 5.5-6 times over the medium term, without incorporating any incremental equity infusion.

The resource profile of SHFL remains well diversified and primarily consisted of bank borrowings (65% including National Housing Bank [NHB] refinance), debt instruments (17%), pass-through certificate (PTC) transactions (9%) and external commercial borrowings (ECB, 9%) as on March 31, 2024.

#### **Weaknesses:**

- **Inherent vulnerability of asset quality metrics given the customer segment**

Of the overall AUM, housing loans and loan against property (LAP) made up 59% and 38%, respectively, as on March 31, 2024, while other offerings included construction finance and corporate loans (1%). Asset quality of SHFL remains vulnerable, given the credit profile of the borrower segment that SHFL caters to under these asset classes.

At the end of fiscal 2024, the asset quality profile of SHFL moderated marginally with gross non-performing assets (GNPAs) and net NPA (NNPA) inching up to 1.0% and 0.8%, respectively, as compared to GNPA and NNPA of 0.9% and 0.7%, respectively, as on March 31, 2023. In addition, the company had standard gross restructured assets of Rs 76 crore (0.7% of the loan book) as on March 31, 2024. Going forward, the ability of SHFL to control its asset quality while growing its loan book remains a key monitorable.

SHFL has put up adequate systems and processes and has employed an experienced team to manage risks in the business, especially in the self-employed segments. The company has also increased its focus on underwriting practices and has heightened its collection efforts to bring asset quality stress under control. It continues to focus on the self-employed sector by targeting borrowers having a bureau score of more than 700. As on March 31, 2024, more than 79% of SHFL's portfolio had a bureau score of over 700.

Nevertheless, the loan portfolio remains susceptible to inherent challenges related to asset quality given the higher susceptibility of self-employed borrowers in the affordable housing segment to economic cycles.

- **Moderate profitability**

SHFL, during fiscal 2024, reported profit after tax (PAT) and total income of Rs 217 crore and Rs 1,430 crore, respectively, as against Rs 138 crore and Rs 794 crore, respectively, during fiscal 2023. However, return on managed assets (RoMA) for the entity remained flat at 1.8% during fiscal 2024 as well as during fiscal 2023. Despite improvement in its top-line growth, RoMA remained moderate on account of elevated operating expenses, which (as a percentage of average managed assets) rose to 3.2% during fiscal 2024, a 30 basis points (bps) rise when compared to that in fiscal 2023. The rise in operating expenses is attributed to increase in the number of employee headcount and branches in line with the management's growth plan. Secondly, credit costs for SHFL, which albeit remaining under control, witnessed marginal moderation as it rose to 0.3% during fiscal 2024 (0.1% in fiscal 2023). Nevertheless, the impact of rise in operating expenses and credit costs was partially offset by rise in share of income from direct-assignment (off-book) transactions executed during fiscal 2024, by 65 bps.

Going forward, the ability of SHFL to ensure improvement in profitability metrics while scaling up its lending operations remains a key rating monitorable.

#### **Liquidity: Strong**

In terms of liquidity, as on March 31, 2024, SHFL was holding unencumbered liquidity of Rs 300 crore (Rs 142 crore of cash and equivalent and Rs 158 crore of liquid investments). Additionally, it was holding undrawn sanctions of Rs 881 crore from multiple lenders. Against this, SHFL had total debt payments of Rs 309 crore over the next three months from April 2024 to June 2024. The asset liability management (ALM) statement as on March 31, 2024, was comfortable with positive cumulative mismatch across all time buckets (the inflows include existing committed bank lines).

#### **Rating Sensitivity Factors**

##### **Upward factors**

- Upward revision in the CRISIL Ratings view on SFL's<sup>[1]</sup> credit risk profile

##### **Downward factors**

- Downward revision in the rating of the parent, SFL<sup>1</sup>, by one or more notches
- Any change in the support philosophy or stance by SFL<sup>1</sup> or change in majority shareholding
- Sharp deterioration in the asset quality of SHFL, impacting profitability

*The rating would be sensitive to change in shareholding upon completion of the Warburg Pincus transaction.*



<sup>1</sup>Till SFL remains the majority shareholder

### About the Company

Incorporated in 2010 under the Companies Act 1956, SHFL started its operations in 2011 after obtaining Certificate of Registration from NHB. The company is a majority owned subsidiary of SFL that owns 84.82% of equity shares. Valiant Mauritius Partners FDI Ltd holds 14.94% of the shareholding and the balance 0.24% is held by individuals.

SHFL was incorporated to provide longer tenure home products to Shriram group of customers and use this entity as a means of cross-selling other products within the Shriram group. Currently, the company provides loans for construction or purchase of residential property and loans against property. The company predominantly caters to self-employed borrowers and informed salaried customers in tier II and tier III cities and the focus has been on the lower income segment with a ticket size of under Rs 20 lakh. Going forward, the company plans to leverage the Shriram group network and build synergies for steady growth. It currently has 155 branches across 16 states in India.

### Key Financial Indicators

As on / For the year ended March 31,	Unit	2024	2023	2022
Assets under management	Rs crore	13,762	8,047	5,355
Total income (net of interest expenses)	Rs crore	699	401	269
Profit after tax	Rs crore	217	138	80
RoMA*	%	1.8	1.8	1.6
Gross NPA (included impact of RBI Nov'21 circular)	%	1.0	0.9	1.7
Adjusted gearing <sup>#</sup>	Times	6.2	5.9	4.0

\*calculated over average total assets, inclusive of off-book DA and co-lending portfolio;

<sup>#</sup>post adjusting reported borrowings for DA portfolio; reported gearing of 5 times as on Mar-24 (4.8 times as on Mar-23)

**Any other information:** Not Applicable

### Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

### Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity level	Rating assigned with Outlook
INE432R07323	Long Term Principal Protected Market Linked Debentures	22-Aug-2022	G-Sec linked	22-Aug-2024	200	Highly Complex	CRISIL PPMLD AA+/Watch Negative
INE432R07257	Debenture	11-Dec-2020	9.60%	11-Dec-2030	17	Simple	CRISIL AA+/Watch Negative
INE432R07265	Debenture	15-Jan-2021	9.42%	15-Jan-2031	21	Simple	CRISIL AA+/Watch Negative
INE432R07273	Debenture	03-May-2021	9.32%	02-May-2031	10	Simple	CRISIL AA+/Watch Negative
INE432R07356	Debenture	09-Feb-2023	9.09%	09-Feb-2033	240	Simple	CRISIL AA+/Watch Negative
INE432R07398	Debenture	05-Jul-2023	8.90%	05-Jul-2033	50	Simple	CRISIL AA+/Watch Negative
INE432R08057	Subordinated Debt	01-Mar-2023	9.10%	01-Mar-2033	70	Complex	CRISIL AA+/Watch Negative
NA	Debenture <sup>^</sup>	NA	NA	NA	197	Simple	CRISIL AA+/Watch Negative
INE432R07406	Debenture	28-Nov-2023	9.25%	28-Nov-2033	250	Simple	CRISIL AA+/Watch Negative
INE432R07414	Debenture	04-Apr-2024	9.25%	04-Oct-2027	150	Simple	CRISIL AA+/Watch Negative

INE432R08065	Subordinated Debt	19-May-2023	9.10%	19-May-2033	50	Complex	CRISIL AA+/Watch Negative
NA	Subordinated Debt <sup>^</sup>	NA	NA	NA	180	Complex	CRISIL AA+/Watch Negative
NA	Term Loan	NA	NA	30-Jun-2030	1357.11	NA	CRISIL AA+/Watch Negative
NA	Term Loan	NA	NA	01-Apr-2034	300	NA	CRISIL AA+/Watch Negative
NA	Term Loan	NA	NA	01-Dec-2030	34.44	NA	CRISIL AA+/Watch Negative
NA	Term Loan	NA	NA	30-Jun-2025	69.37	NA	CRISIL AA+/Watch Negative
NA	Term Loan	NA	NA	15-Jun-2028	200	NA	CRISIL AA+/Watch Negative
NA	Term Loan	NA	NA	30-Sep-2024	10.75	NA	CRISIL AA+/Watch Negative
NA	Proposed Long Term Bank Loan Facility*	NA	NA	NA	28.33	NA	CRISIL AA+/Watch Negative

<sup>^</sup>Yet to be issued

\*Interchangeable with short term facility

#### Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Level	Rating
INE432R07349*	Debenture	28-Dec-2022	8.95%	26-Dec-2025	50	Simple	Withdrawn

\*CRISIL Ratings has received an intimation from the issuer on early redemption of this instrument (INE432R07349). CRISIL Ratings has withdrawn the rating on this instrument upon independent confirmation of the same.

#### Annexure - Rating History for last 3 Years

Instrument	Type	Current		2024 (History)		2023		2022		2021		Start of 2021
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2000.0	CRISIL AA+/Watch Negative	26-04-24	CRISIL AA+/Stable	14-09-23	CRISIL AA+/Stable	31-12-22	CRISIL AA+/Stable	17-12-21	CRISIL AA/Watch Positive	CRISIL AA/Negative
			--	16-01-24	CRISIL AA+/Stable	05-07-23	CRISIL AA+/Stable	14-11-22	CRISIL AA/Watch Positive	15-03-21	CRISIL AA/Stable	--
			--	--	--	05-05-23	CRISIL AA+/Stable	16-08-22	CRISIL AA/Watch Positive	19-01-21	CRISIL AA/Negative	--
			--	--	--	16-03-23	CRISIL AA+/Stable	29-07-22	CRISIL AA/Watch Positive	--	--	--
			--	--	--	20-02-23	CRISIL AA+/Stable	15-06-22	CRISIL AA/Watch Positive	--	--	--
			--	--	--	07-02-23	CRISIL AA+/Stable	--	--	--	--	--
			--	--	--	12-01-23	CRISIL AA+/Stable	--	--	--	--	--
Non Convertible Debentures	LT	985.0	CRISIL AA+/Watch Negative	26-04-24	CRISIL AA+/Stable	14-09-23	CRISIL AA+/Stable	31-12-22	CRISIL AA+/Stable	17-12-21	CRISIL AA/Watch Positive	CRISIL AA/Negative
			--	16-01-24	CRISIL AA+/Stable	05-07-23	CRISIL AA+/Stable	14-11-22	CRISIL AA/Watch Positive	15-03-21	CRISIL AA/Stable	--
			--	--	--	05-05-23	CRISIL AA+/Stable	16-08-22	CRISIL AA/Watch Positive	19-01-21	CRISIL AA/Negative	--
			--	--	--	16-03-23	CRISIL AA+/Stable	29-07-22	CRISIL AA/Watch Positive	--	--	--
			--	--	--	20-02-23	CRISIL AA+/Stable	15-06-22	CRISIL AA/Watch Positive	--	--	--
			--	--	--	07-02-23	CRISIL AA+/Stable	--	--	--	--	--
			--	--	--	12-01-23	CRISIL AA+/Stable	--	--	--	--	--

			--		--	07-02-23	CRISIL AA+/Stable		--		--	--
			--		--	12-01-23	CRISIL AA+/Stable		--		--	--
<b>Subordinated Debt</b>	LT	300.0	CRISIL AA+/Watch Negative	26-04-24	CRISIL AA+/Stable	14-09-23	CRISIL AA+/Stable		--		--	--
			--	16-01-24	CRISIL AA+/Stable	05-07-23	CRISIL AA+/Stable		--		--	--
			--		--	05-05-23	CRISIL AA+/Stable		--		--	--
			--		--	16-03-23	CRISIL AA+/Stable		--		--	--
			--		--	20-02-23	CRISIL AA+/Stable		--		--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	200.0	CRISIL PPMLD AA+/Watch Negative	26-04-24	CRISIL PPMLD AA+/Stable	14-09-23	CRISIL PPMLD AA+/Stable	31-12-22	CRISIL PPMLD AA+ r /Stable		--	--
			--	16-01-24	CRISIL PPMLD AA+/Stable	05-07-23	CRISIL PPMLD AA+/Stable	14-11-22	CRISIL PPMLD AA r /Watch Positive		--	--
			--		--	05-05-23	CRISIL PPMLD AA+/Stable	16-08-22	CRISIL PPMLD AA r /Watch Positive		--	--
			--		--	16-03-23	CRISIL PPMLD AA+/Stable		--		--	--
			--		--	20-02-23	CRISIL PPMLD AA+/Stable		--		--	--
			--		--	07-02-23	CRISIL PPMLD AA+/Stable		--		--	--
			--		--	12-01-23	CRISIL PPMLD AA+ r /Stable		--		--	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
<b>Proposed Long Term Bank Loan Facility*</b>	<b>28.33</b>	<b>Not Applicable</b>	<b>CRISIL AA+/Watch Negative</b>
<b>Term Loan</b>	<b>1357.11</b>	<b>National Housing Bank</b>	<b>CRISIL AA+/Watch Negative</b>
<b>Term Loan</b>	<b>300</b>	<b>National Housing Bank</b>	<b>CRISIL AA+/Watch Negative</b>
<b>Term Loan</b>	<b>34.44</b>	<b>LIC Housing Finance Limited</b>	<b>CRISIL AA+/Watch Negative</b>
<b>Term Loan</b>	<b>69.37</b>	<b>Bank of India</b>	<b>CRISIL AA+/Watch Negative</b>
<b>Term Loan</b>	<b>200</b>	<b>Bank of India</b>	<b>CRISIL AA+/Watch Negative</b>
<b>Term Loan</b>	<b>10.75</b>	<b>Bank of India</b>	<b>CRISIL AA+/Watch Negative</b>

\*Interchangeable with short term facility

#### Criteria Details

##### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[Rating criteria for hybrid debt instruments of NBFCs/HFCs](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<b>Aveek Datta</b> Media Relations <b>CRISIL Limited</b> M: +91 99204 93912 B: +91 22 3342 3000 <a href="mailto:AVEEK.DATTA@crisil.com">AVEEK.DATTA@crisil.com</a>	Ajit Velonie Senior Director <b>CRISIL Ratings Limited</b> B:+91 22 3342 3000 <a href="mailto:ajit.velonie@crisil.com">ajit.velonie@crisil.com</a>  Malvika Bhotika	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301  For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a>  For Analytical queries:

<p><b>Prakruti Jani</b> Media Relations <b>CRISIL Limited</b> M: +91 98678 68976 B: +91 22 3342 3000 <a href="mailto:PRAKRUTI.JANI@crisil.com">PRAKRUTI.JANI@crisil.com</a></p> <p><b>Rutuja Gaikwad</b> Media Relations <b>CRISIL Limited</b> B: +91 22 3342 3000 <a href="mailto:Rutuja.Gaikwad@ext-crisil.com">Rutuja.Gaikwad@ext-crisil.com</a></p>	<p>Director <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:malvika.bhotika@crisil.com">malvika.bhotika@crisil.com</a></p> <p>AKSHAY DILIP JEEVNANI Manager <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:AKSHAY.JEEVNANI@crisil.com">AKSHAY.JEEVNANI@crisil.com</a></p>	<p><a href="mailto:ratingsinvestordes@crisil.com">ratingsinvestordes@crisil.com</a></p>
---	--	---



**Note for Media:**

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

**About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)**

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit [www.crisilratings.com](http://www.crisilratings.com)

**About CRISIL Limited**

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit [www.crisil.com](http://www.crisil.com)

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

---

**CRISIL PRIVACY NOTICE**

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit [www.crisil.com](http://www.crisil.com).

**DISCLAIMER**

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting

on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, [www.crisilratings.com](http://www.crisilratings.com) (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: [www.crisilratings.com](http://www.crisilratings.com).

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, [www.crisilratings.com](http://www.crisilratings.com). For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at [crisilratingdesk@crisil.com](mailto:crisilratingdesk@crisil.com), or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>



# India Ratings Places Shriram Housing Finance's NCDs and Bank Loans on Rating Watch with Negative Implications

May 23, 2024 | Housing Finance Company

India Ratings and Research (Ind-Ra) has taken the following rating action on Shriram Housing Finance Limited's (SHFL) debt instruments:

## Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures*	-	-	-	INR6,580	IND AA+/Rating Watch with Negative implications	Placed on Rating Watch with Negative implications
Bank loans	-	-	-	INR26,000	IND AA+/Rating Watch with Negative implications	Placed on Rating Watch with Negative implications

\*Details in Annexure

## Analytical Approach

Ind-Ra continues to factor into the ratings the support SHFL receives from its 83.8% parent, Shriram Finance Limited (SFL; ['IND AA+/Stable'](#)), as well as SFL's credit strength. SHFL provides housing loans across segments and leverages the Shriram group's ecosystem.

## Detailed Rationale of the Rating Action

Ind-Ra has placed the ratings on Rating Watch with Negative Implications considering SFL and Valiant Partner L.P. announcement that they will sell 83.8% and 14.7% of their stake in SHFL to Mango Crest Investment Ltd, an affiliate company of the private equity investor Warbug Pincus. The completion of the transaction is subject to the receipt of requisite regulatory approvals, including that of the Reserve Bank of India. Ind-Ra believes the regulators might consider many steps and developments before approving the acquisition. The Rating Watch with Negative Implications will be resolved after the completion of the transaction.

## List of Key Rating Drivers

## Strengths

- Support from parent
- Sizeable player within affordable housing finance space
- Experienced and stable management team
- Diversified lender base with availability of long dated funding

## Weaknesses

- Continuous need of capital to maintain portfolio growth
- Asset quality susceptible to volatility, given customer segment being largely self-employed category and low seasoning in the portfolio

## Detailed Description of Key Rating Drivers

**Support from The Parent:** SHFL is part of the larger Shriram group which has more than five decades of experience in commercial vehicle financing, small and medium enterprises loans, among others. Its flagship company, SFL, is one of the largest private sector non-bank finance company in India with standalone assets under management (AUM) of INR2,249 billion at end-March 2024 and 3,082 branches across India. SFL held 83.8% stake in SHFL as of end-March 2024. The erstwhile parent, Shriram City Union Finance Ltd, infused equity of INR5 billion during FY22 in SHFL. Ind-Ra expects the transaction of Mango Crest acquiring stake in SHFL to receive the requisite approvals over the next six-to-eight months. In the meanwhile, the support from SFL (capital and liquidity) would continue. The proceeds from the sale would provide SFL with additional capital buffer that may be consumed over the medium term. Furthermore, SHFL will receive an infusion of growth capital of INR10 billion to 12 billion upon completion of the transaction.

**Sizeable Player within Affordable Housing Finance Space:** SHFL is a significant player in the affordable housing finance space with AUM of INR138 billion at FYE24 (FY23: INR80.5 billion, FY22: INR53.6 billion). The company has developed a well-entrenched franchisee on a pan-India level. Furthermore, SHFL has a sizeable branch network diversified across the geography. At end-FY2024, the company had a network of 155 branches and offices spread across 16 states and union territories. Major industrial states Gujarat, Maharashtra and Tamil Nadu account for 18.1%, 19.1% and 16.2% of the AUM, respectively. The company focusses on borrowers from middle-income group and low-income groups, mostly residing in the urban and semi-urban geography and have an average loan book ticket size of INR1.8 million, which is significantly higher than other affordable housing peers. A larger proportion of SHFL's borrowers are self-employed (78%) operating in a formal sector.

**Experienced and Stable Management Team:** SHFL has an operating track record of 14 years and has established its presence as a key player in the affordable housing finance market. Its top management consists of experienced professionals, with a relevant experience of more than 25 years on an average basis. Also, most of the senior leadership has been with the entity for the past five years. The company has a strong focus on technology, building digital capabilities and management information systems. SHFL's board of directors consists of five members, comprising two independent directors. The managing director and chief executive officer of SFL is also a member of the board.

**Diversified Lender Base with Availability of Long Dated Funding:** SHFL has mobilised funds from 29 financiers, including term loan from banks (49.7% of total borrowings at FYE24) and a large non-banking finance company (1.4%), external commercial borrowing (8.9%), and capital market borrowings such as non-NCDs (13.1%) and commercial paper (3.3%). It also has refinance lines from the National Housing Bank ('IND AAA'/Stable), which stood at 14.0% at FYE24 (FYE23: 9%). The increase in the share of NHB refinancing has also helped SHFL lower its incremental cost of borrowings to 8.6% from its overall borrowing of 8.7%.

Furthermore, SHFL has banking relationships with some of the largest public, private, and foreign banks. A significant portion of its loan book qualifies for priority sector lending; therefore, securitisation/assignment is an additional source of fundraising. The company also has a co-lending arrangement with two banks, which helps the company grow with minimum capital utilisation. The share of co-lending stood at 4.5% of the total AUM at FYE24, which the company intends to increase over the medium term. Subsequently, the share of total off-book AUM will also increase from the current level of 21.2% over the medium term. Ind-Ra does not foresee any major challenge for the company in incrementally raising debt funds to meet its growth plans over FY25.

**Continuous Need of Capital to Maintain Portfolio Growth:** SHFL's leverage decreased to 5.0x at end-FY24 (9MFY24: 6.3x; FY22: 4.8x), following the injection of INR4.0 billion through compulsory convertible debt. Additionally, the company expects the new promoter, pending regulatory approval, to inject INR10-12 billion in capital after the completion of the transaction. That being said, the capital consumption would remain high, given the strong growth momentum, and as it plans to scale up its AUM to INR180 billion-190 billion by FY25 (FY24: INR130 billion; FY23: INR80 billion). Ind-Ra believes the capital raise will suffice to support growth over the near to medium term, but SHFL will continue to raise capital to sustain the current momentum over the medium term.

**Asset Quality Susceptible to Volatility, given Customer Segment Being Self-employed Category and Low Seasoning in Portfolio:** SHFL's borrower mix is skewed to self-employed customers, accounting for 77.7% of the total AUM at FYE24. The segment is susceptible to income volatility, which can accentuate during an economic downturn. The company's underwriting remains stringent as borrowers with 700 and above bureau score accounted for 79.2% of the total AUM at FYE24. Additionally, nearly 58% of the exposure has loan-to-value of below 60%. Ind-Ra believes conservative underwriting standard are crucial to performance of the portfolio, especially when the company is increasingly focusing on low ticket size affordable segment.

SHFL's gross stage-3 assets saw a marginal uptick to 1.03% in FY24 (FY23:0.93%; FY22: 1.72%). Furthermore, 1+ days past due (dpd) improved to 3.3% in FY24 (FY23: 4.1%; FY22: 5.4%). Bounce rate has largely remained steady and is hovering around 13% level, while the bounce rate in portfolio originated post January 2019 has consistently outperformed the overall bounce rate, signifying newer originations that have been subjected to the new risk and pricing frameworks may fare better. In addition, the company's restructured portfolio declined to 0.68% of the AUM at end-FY24 (around 19% of this is already in stage 3), with a provision coverage of 20.6%.

The company's stage 3 provision stood at 22.7% in FY24 (FY23: 25.4%; FY22: 23.4%) while the total provision coverage on the loan portfolio was 0.7% (0.78%; 1.15%). Additionally, 75.9% of the AUM in FY24 consisted of disbursements in the past seven quarters (55.2% in the past four quarters), which have remained unseasoned. SHFL plans to increase its AUM to INR180 billion - 190 billion by end-FY25, making the asset quality a key area to monitor.

## Liquidity

**Adequate:** The behavioural asset-liability management for March 2024 showed a positive cumulative gap in the up to one-year bucket. At end-March 2024, SHFL had cash and cash equivalents of INR5.6 billion and unutilised bank lines of INR8.8 billion. The debt outflows (principal and interest) stood at INR11.2 billion during April-September 2024. As per the management, the company plans to maintain minimum liquidity to meet one a half months of disbursements. Given borrower cashflows in the affordable housing segment are more susceptible to shocks and even persistent inflationary pressures, Ind-Ra expects the company to maintain above-average liquidity buffers on an ongoing basis. Furthermore, it expects support from SFL in times of stress.

## Rating Sensitivities

The Rating Watch with Negative Implications indicates that the ratings may be either downgraded or affirmed. The agency will continue to monitor the transaction and will resolve the Rating Watch with Negative Implications post the completion of the transaction.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on SHFL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

## About the Company

SHFL was registered as a housing finance company with NHB in August 2011 and started lending operations in December 2011. SHFL is promoted by SFL, a flagship company of the Shriram Group. The company has a network of 149 branches across 17 states and union territories.

### KEY FINANCIAL INDICATORS

Particulars	FY24	FY23
Total assets (INR billion)	118.6	77.4
Total equity (INR billion)	19.2	12.9
Net income (INR billion)	2.1	1.3
Return on average assets (%)	2.2	2.4
Tier 1 capital (%)	16.5	23.3
Source: SHFL, Ind-Ra		

### Status of Non-Cooperation with previous rating agency

Not applicable

### Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook								
	Rating Type	Rated Limits (million)	Rating	14 March 2024	15 March 2023	1 March 2023	10 January 2023	2 January 2023	13 December 2022	20 July, 2022	20 December 2021	3 December 2021
Bank loan	Long-term	INR26,000	IND AA+/Rating watch with Negative implication	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA/Positive	IND AA/Positive	IND AA/Positive	IND AA/Stable
Non-convertible debentures	Long-term	INR6,580	IND AA+/Rating watch with Negative implication	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA/Positive	IND AA/Positive	IND AA/Positive	IND AA/Stable
PP-MLDs	Long-term	INR2,000	-		-	WD	IND PP-MLD AA+emr/Stable	IND PP-MLD AA+emr/Stable	IND PP-MLD AAemr/Positive	-	-	-

### Bank wise Facilities Details

[Click here to see the details](#)

### Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loans	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue
Non-convertible debentures	INE432R07257	11 December 2020	9.60	11 December 2030	INR17
Non-convertible debentures	INE432R07265	15 January 2021	9.42	15 January 2031	INR27
Non-convertible debentures	INE432R07273	3 May 2021	9.32	2 May 2031	INR10
Non-convertible debentures	INE432R07299	4 March 2022	3-month T-bill + 375bp	4 March 2025	INR1,0
Non-convertible debentures	INE432R08040	30 September 2022	8.60	30 September 2037	INR35
Non-convertible debentures	INE432R07356	9 February 2023	9.09	9 February 2033	INR2,4
Non-convertible debentures	INE432R07364	14 March 2023	8.95	13 March 2026	INR75
Non-convertible debentures	INE432R07380	1 June 2023	8.8	1 December 2026	INR50
Non-convertible debentures		Total utilised			INR5,4
Non-convertible debentures		Unutilised			INR1,1
		<b>Total</b>			<b>INR6,5</b>

Source: NSDL, Company

## APPLICABLE CRITERIA

### Rating FI Subsidiaries and Holding Companies

### Non-Bank Finance Companies Criteria

### Evaluating Corporate Governance

### Policy for Placing Ratings on Rating Watch

### Financial Institutions Rating Criteria

## Contact

### Primary Analyst

Vivek Singh

Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40001756

For queries, please contact: [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

**Secondary Analyst**

Pankaj Naik

Director

+91 22 40001723

**Media Relation**

Ameya Bodkhe

Marketing Manager

+91 22 40356121

**About India Ratings and Research:** India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit [www.indiaratings.co.in](http://www.indiaratings.co.in).

**Solicitation Disclosures**

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

**DISCLAIMER**

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website [www.indiaratings.co.in](http://www.indiaratings.co.in). Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.