

## Shriram Housing Finance' Credit Rating Upgraded to AA+/Stable by CRISIL, India Ratings and CARE

**Mumbai, January 5, 2023:** Shriram Housing Finance Limited, a leading affordable housing finance company, announced today that the Company's credit rating has been upgraded to AA+ with a Stable Outlook by Crisil, India Ratings and Care Ratings. The long-term rating has been upgraded from AA and removed from rating watch with positive implications.

The rating action follows the consummation of the merger of Shriram City Union Finance Limited with Shriram Transport Finance Company Limited to form Shriram Finance Ltd. Shriram Housing Finance will now operate as a subsidiary of Shriram Finance which holds 85.02% stake in the same.

**Crisil Rating Report Highlighted:** "Shriram Housing's strategic importance has been consistently growing within the Shriram eco system, since it widens the product offerings in the financial services space while simultaneously adding scale and granularity into its already retail oriented lending book. Also, conducting the home loan business through a housing finance company allows more efficient use of capital. In addition to their revamped business model, SHFL has been improving its sourcing profile and collection efforts. 90% of the current outstanding loan book of SHFL has been sourced after January 2019, which has 90+ DPD of 0.38%. The GNPA and NNPA have improved to 1.0% and 0.7% respectively as on September 30, 2022 from 2.8% and 2.2% respectively as on March 31, 2019. Furthermore, Shriram Finance has the financial flexibility to infuse capital into the company to support its growth."

**India Ratings Report Highlighted:** "The key rating drivers are 1) Support-driven rating as part of the larger Shriram Group, 2) Comfortable Capitalisation and leverage at 4.1x as on September 30, 2022, supported by equity infusion of Rs. 500 Cr. by the parent in FY22, 3) Diverse Resource Portfolio and Low dependence on capital market borrowings, 4) Adequate Liquidity and 5) Improved asset quality"

**Care Rating Report Highlighted:** "By virtue of the strong parentage, SHFL also stands to benefit from the established track record of the group in lending to the self-employed segment in Tier-II and smaller towns, which is the customer profile for SHFL as well. The ratings take note of the significant growth in AUM over the last 3.5 years from below Rs. 2000 Crs. in Mar-19 to more than Rs. 6500 Cr. in Sep-22."



**Shriram Housing Finance Ltd.**

Level 3, Wockhardt Towers, East Wing, C-2, G Block, Bandra Kurla Complex, Mumbai - 400051.

Regd Office: No. 123, Angappa Naicken Street, Chennai - 600 001.

CIN : U65929TN2010PLC078004

### About Shriram Housing Finance Limited

Shriram Housing Finance Limited, a Housing Finance Company registered with the National Housing Bank (NHB) and promoted by Shriram City Union Finance Ltd. The Company commenced operations in December 2011. Shriram Housing Finance Limited is amongst the fastest growing, profitable Affordable Housing Finance Company with a network of 94 branches, Assets Under Management (AUM) of INR 65.46 Bn as of September 2022. Shriram Housing Finance is **A Great Place to Work-Certified™** organisation.

### About Shriram Group

Shriram Group is India's leading financial conglomerate with a dominant presence in commercial vehicle (CV) financing, retail financing, chit fund, equipment financing, housing finance, life insurance, general insurance, stockbroking, distribution of financial products, and wealth advisory services. The Group focuses on serving the underserved and is driven by its Financial Inclusion agenda of bringing finance to low-income families and small businesses. Shriram Capital Limited is the promoter company for the Financial Services (Shriram City Union Finance Limited & Shriram Transport Finance Limited) and holding company of Insurance entities (Shriram General Insurance Company Limited & Shriram Life Insurance Company Limited) of the Shriram Group. Shriram Housing Finance Limited is a subsidiary of Shriram City Union Finance Limited. The lending and insurance companies were created with the primary objective of optimizing the synergies across the Group entities.

Shriram Group together has an overall customer base of over 22.5 Million, with around 79,100 employees across 4,000 branches. Net profit of INR 53.6 billion with Assets Under Management (AUM) of over INR 2.16 trillion (as of Mar-22).

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