

August 04, 2025

Goldman Sachs (India) Finance Private Limited: [ICRA]AAA (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	[ICRA]AAA (Stable); assigned
Long-term fund-based bank lines – Others	200.0	[ICRA]AAA (Stable); assigned
Non-convertible debentures (NCD) programme	800.0	[ICRA]AAA (Stable); assigned
Total	1,000.0	

*Instrument details are provided in Annexure I

Rationale

The assigned rating reflects the strong parentage of Goldman Sachs (India) Finance Private Limited (GSF), which is a step-down subsidiary of Goldman Sachs Group, Inc. (hereafter referred to as Goldman Sachs or the Group; rated A2 Stable by Moody's). Goldman Sachs is a global systemically important banking group operating through a number of material subsidiaries. It has a presence of more than two decades in India. GSF represents the Group's wholesale and corporate lending operations in India and is likely to benefit from Goldman Sachs' well-established presence in India, to source business opportunities.

GSF commenced its current operations, as a part of Goldman Sachs' Global Banking and Markets Division, in January 2024¹ and is in a nascent stage with an evolving product mix and a limited performance track record. The loan-cum-investment book stood at Rs. 1,590 crore as on May 15, 2025, comprising investment in senior tranches of pass-through certificates (PTCs; 83%), with unsecured retail and micro, small and medium enterprise (MSME) loans as the underlying loans, and corporate loans (17%). Going forward, the company plans to foray into infrastructure asset financing, bridge financing, real estate financing and mergers & acquisitions (M&A) financing.

With a sizeable net worth of Rs. 2,108 crore and nil leverage as on March 31, 2025, the company plans to commence its borrowing programme with a steady-state leverage of 4 times and assets under management (AUM) of Rs. 8,000 crore by March 2027. GSF's ability to generate an adequate profitability trajectory over the medium and long term is yet to be demonstrated. Its ability to borrow competitively and keep good control on credit costs while scaling up the operations will be imperative.

The Stable outlook reflects ICRA's expectation that the company will benefit from its access to an established franchise and the oversight of its parent. Goldman Sachs' established position in investment banking and GSF's complementary lending business will enable it to scale up its operations. The adoption of underwriting/risk management policies vetted by the Group, in line with the global standards set by the parent, also augers well for the overall credit profile.

Key rating drivers and their description

Credit strengths

Strong parentage – GSF is a step-down subsidiary of Goldman Sachs (rated A2 Stable by Moody's), a global systemically important banking group operating through a number of material subsidiaries. It is the fifth largest securities and banking group in the US. The Group has a presence of more than two decades in India. Its technology hubs in Bengaluru and Hyderabad

¹ It was previously engaged in special situation lending segment through Goldman Sachs' Asset Management Division

collectively employ approximately 8,000 professionals, making India its second largest global presence. The Group plans to conduct its wholesale and corporate lending operations in India through GSF.

Leveraging Goldman Sachs' well-established presence in India, GSF is well-positioned to source business opportunities, particularly in corporate, promoter, and bridge financing. Its strategic importance to the Group is underscored by its ownership structure and the use of the shared brand name. This is expected to enable GSF to raise debt regularly at competitive rates. ICRA also expects timely support from the Group in the event of any exigencies.

Comfortable capitalisation – GSF's comfortable capitalisation is marked by a sizeable net worth of Rs. 2,108 crore and nil leverage as on March 31, 2025. Its capital-to-risk weighted assets ratio was 102% as of March 2025. However, incremental growth in assets will be debt funded, which would lead to an uptick in the financial leverage in the near and medium term. Nevertheless, the current net worth provides adequate headroom for the targeted AUM, i.e. Rs. 8,000 crore by March 2027. Herein, it is noted that the assets largely comprise senior tranches of PTCs with unsecured retail and MSME loans as the underlying loans, but these are credit enhanced by cash collateral and subordinated tranches, thereby limiting the ultimate loss for GSF. The management intends to gradually diversify these PTCs with secured loans as the underlying loans and operate with a prudent leverage (gearing of up to 4 times) in the medium term.

Credit challenges

Nascent stage of operations with evolving product mix – GSF commenced its current operations, as a part of Goldman Sachs' Global Banking and Market Division, in January 2024² and its product mix is still evolving. The loan-cum-investment book, as on May 15, 2025, stood at Rs. 1,590 crore comprising corporate loans (17%) and investment in senior tranches of PTCs (83%). Going forward, GSF plans to scale up the operations while targeting a 60:40 mix of corporate loans and investment in senior tranches of PTCs. In its corporate loan segment, the company plans to foray into infrastructure asset financing, bridge financing, real estate financing and M&A financing. Hence, the steady-state loan book is expected to be wholesale-oriented, leading to exposure to concentration risk. As on May 31, 2025, the investment in PTCs was concentrated among four originators with the top originator accounting for 33% of the loan-cum-investment book. Herein, the company intends to diversify its PTC investments to include more originators as well as secured asset classes (e.g. used commercial vehicles and loan against property). Diversifying investments across PTCs from a broader set of originators will mitigate the concentration risk associated with a limited number of originators, lowering the risk of temporary cash flow mismatches in the event of failure until a replacement is appointed for the servicer.

Apart from the risk associated with the underlying accounts in the PTCs, GSF's ability to generate an adequate profitability trajectory over the medium and long term is yet to be demonstrated. Moreover, its ability to borrow competitively and keep good control on credit costs while scaling up its operations will be imperative.

Liquidity position: Adequate

GSF's liquidity profile is characterised by a cash and bank balance of Rs. 452.5 crore and nil borrowings as on March 15, 2025. However, as it begins to leverage debt for growth, its ability to contract sufficiently longer-tenure debt to match the expected cash flows from assets will be the determinant of its liquidity profile. Currently, the PTCs have a weighted average residual tenor of 3.5-5.25 years. In case of contingencies, support from Group companies is expected to provide an additional cushion.

Rating sensitivities

Positive factors – Not applicable

² It was previously engaged in special situation lending segment through Goldman Sachs' Asset Management Division

Negative factors – A deterioration in the credit profile of the ultimate parent or any weakening in the likelihood of support from the parent group will be a credit negative. A significant and sustained deterioration in GSF’s financial profile with an uptick in stressed assets will also be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology – Non-banking Finance Companies (NBFCs)
Parent/Group support	Goldman Sachs Group, Inc. GSF is a step-down subsidiary of Goldman Sachs. The strong parentage and shared brand name strengthen ICRA’s expectation that GSF will receive timely and adequate support from Goldman Sachs, if required.
Consolidation/Standalone	Standalone

About the company

Goldman Sachs (India) Finance Private Limited (GSF) was incorporated in October 1991 as Pratham Investments and Trading Private Limited. In June 2009, the Goldman Sachs Group acquired a 100% stake in Pratham Investments and Trading Private Limited and rechristened it Goldman Sachs (India) Finance Private Limited. GSF is the lending arm of the Goldman Sachs Group in India. The company was previously managed by the Group’s Asset Management Division, whereby it focused on the special situation lending businesses. This legacy operation was wound down in Q2 FY2024 and the company was taken over in Q3 FY2024 by the Global Banking and Markets Division of the Group. Accordingly, the primary operation was changed to performing wholesale lending and investments. The loan-cum-investment book stood at Rs. 1,590 crore as on May 15, 2025, comprising investment in pass-through certificates (PTCs) and corporate loans. Going forward, the company plans to foray into infrastructure asset financing, bridge financing, real estate financing and mergers and acquisitions (M&A) financing.

In FY2025, GSF reported a net profit of Rs. 113 crore on total income of Rs. 180 crore. The capitalisation profile, as on March 31, 2025, was characterised by a net worth of Rs. 2,108 crore.

Key financial indicators (audited)

GSF – Standalone	FY2025
Total income	180.2
Profit after tax	112.6
Reported total assets	2,145.6
Return on average assets*	5.4%
Gross gearing (times)	Nil
Gross NPA	0.0%
CRAR	101.6%

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; *Based on gross assets

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Aug 04, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	-	[ICRA]AAA (Stable)	-	-	-	-	-	-
Fund-based bank lines – Others	Long term	200.0	[ICRA]AAA (Stable)	-	-	-	-	-	-
NCD Programme	Long term	800.0	[ICRA]AAA (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	NA
Fund-based bank lines – Others	Very Simple
NCD Programme	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 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate (%)	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer Rating	-	-	-	-	[ICRA]AAA (Stable)
NA	Fund-based bank lines – Others	-	-	-	200.0	[ICRA]AAA (Stable)
NA	NCD Programme*	-	-	-	800.0	[ICRA]AAA (Stable)

Source: Company; *Yet to be placed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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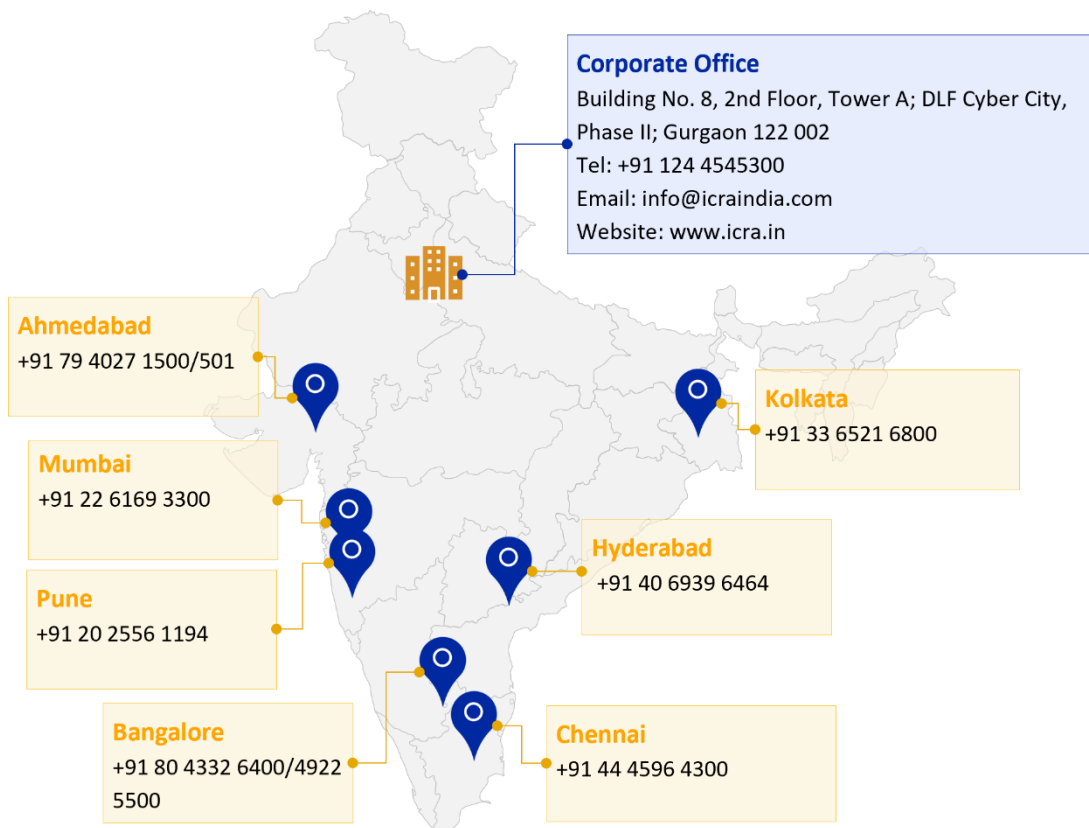
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