

December 02, 2021

India Shelter Finance Corporation Limited: Rating withdrawn for PTCs issued under pool of mortgage loan receivables

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Sinnan IFMR Capital 2014	PTC Series A2	0.52	0.48	0.00	[ICRA]AAA(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under one mortgage loan receivables transaction originated by India Shelter Finance Corporation Limited. as tabulated above. All the payouts to the investors in the above-mentioned instrument has been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach`

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating Rating Methodology for Securitisation Transactions
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

India Shelter Finance Corporation Limited (ISFC) is a housing finance company incorporated in 1998 as Satyaprakash Housing Finance. The company was acquired by the current investors in September 2009. ISFC is focused on the low-cost and affordable housing segment, targeting self-employed customers in the informal low-middle income segment. The company was operating from 115 branches and had a managed portfolio of Rs. 2,198 crore as on March 31, 2021. At present, the company operates in 15 states, namely Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Chhattisgarh, Uttar Pradesh, Punjab, Uttarakhand, Odisha, Karnataka, Tamil Nadu and Haryana, Delhi, Andhra Pradesh, Telangana. ISFC offers loans to customers for home improvement, home extension, construction of dwelling units on an owned plot of land, home purchase and top up loan linked with HL (defined as loan against property as per company's product definition)

The company reported a profit of Rs.87.39 crore on a managed asset base of Rs. 2,200 crores in FY2021 vis-à-vis a profit of a profit of Rs. 46.91 crore on a managed asset base of Rs. 1,520 crores in FY2020. The company's gross and net NPAs stood at 1.78% and 1.23%, respectively, as on March 31, 2021.

Key financial indicators

India Shelter Finance Corporation Limited (ISFC)	FY2020	FY2021	H1 FY2022*
Total income	230	321	138
Profit after tax	47	87	38
Net worth	848	937	982
Gross AUM	1,520	2,199	2,516
Gross NPA (%)	1.29%	1.78%	2.68%

Source: Company, ICRA research; All values (in Rs. crore) and ratios are as per ICRA calculations, * provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Trust Name	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					Dec 02, 2021	Jul 27, 2021			
1	Sinnan IFMR Capital 2014	PTC Series A2	0.52	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA(SO);	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA-(SO)

Complexity level of the rated instruments

Instrument	Complexity Indicator
PTC Series A2	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Sinnan IFMR Capital 2014	PTC Series A2	Oct 2014	17.00%	Aug 2028	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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