November 10, 2022

India Shelter Finance Corporation Limited: Rating withdrawn for PTCs under securitisation transaction issued by Northern Arc 2019 AHF Angna, backed by a pool of mortgage loan receivables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
Northern Arc 2019 AHF Angna	PTC Series A1	41.59	2.81	0.00	[ICRA]AAA(SO); Withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under a mortgage loan receivables transaction originated by India Shelter Finance Corporation Limited (ISFC; rated [ICRA]A+(Stable)), as tabulated above. All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link: Click here

Analytical approach

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

About the company

ISFC is a housing finance company incorporated in 1998 as Satyaprakash Housing Finance. The company was acquired by the current investors in September 2009. It is focused on the low-cost and affordable housing segment, targeting self-employed customers in the informal low-and-middle-income segment. As on March 31, 2022, ISFC had a managed portfolio of Rs. 3,073 crore spread across 15 states/Union Territories. It offers loans to customers for home improvement, home extension, construction of dwelling units on an owned plot of land, home purchase and loan against property.

ISFC reported a profit of Rs. 128 crore in FY2022 on assets under management (AUM) of Rs. 3,073 crore as on March 31, 2022 vis-à-vis a profit of Rs. 87 crore in FY2021 on AUM of Rs. 2,198 crore as on March 31, 2021. The gross and net non-performing assets (NPAs) stood at 2.1% and 1.6%, respectively, as on March 31, 2022.

Key financial indicators (audited)

ISFC	FY2020	FY2021	FY2022
	Ind AS	Ind AS	Ind AS
Net interest income	145	178	245
Profit after tax	47	87	128
Assets under management (including assigned portfolio; IGAAP valuation)	1,520	2,198	3,073
Gross non-performing assets (GNPA)	1.2%	1.8%	2.1%
Net NPA	0.9%	1.3%	1.6%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2023)					Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					Nov 10, 2022	July 28, 2022	July 27, 2021	August 31, 2020	Nov 22, 2019^	July 04, 2019*
1	Northern Arc 2019 AHF Angna	PTC Series A1	41.59	0.00	**[ICRA]AAA(SO); Withdrawn**	**[ICRA]AAA(SO)**	**[ICRA]AA+ (SO)**	**[ICRA]AA+ (SO)**	**[ICRA]AA+ (SO)**	**Provisional [ICRA]AA+ (SO)**

**Provisional rating assigned*

^Final rating assigned

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A1	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 analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: Click Here

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Northern Arc 2019 AHF Angna	PTC Series A1	June 2019	10.50%	Nov 2028	0.00	[ICRA]AAA(SO); Withdrawn

Source: *Company*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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