January 17, 2024

India Shelter Finance Corporation Limited: PP-MLD [ICRA]AAA(CE) (Stable) rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Principal protected market linked debentures (PP-MLDs)	50.00	0.00	PP-MLD [ICRA]AAA(CE) (Stable); withdrawn
Long-term fund based – Term loan	2,000.00	2,000.00	[ICRA]A+ (Stable); outstanding
NCD programme	200.00	200.00	[ICRA]A+ (Stable); outstanding
Total	**2,250.00**	**2,200.00**	

Rating Without Explicit Credit Enhancement	[ICRA]A+

**Instrument details are provided in Annexure-I*

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

Rationale

The rating of PP-MLD [ICRA]AAA(CE) (Stable) assigned to the Rs. 50.00-crore PP-MLDs of India Shelter Finance Corporation Limited (ISFCL) has been withdrawn at the request of the company as there is no amount outstanding against the rated PP-MLDs and in accordance with ICRA's policy on withdrawal of credit rating. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. 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Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instrument is being withdrawn.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	Policy on withdrawal of credit ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

ISFCL 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, 2023, the company had a managed portfolio of Rs. 4,359 crore spread across 15 states/UTs. 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. ISFCL has incorporated a 100%-subsidiary in March 2022 – India Shelter Finance Corporation Limited (ISFCL) for the purpose of lending as an NBFC catering to LAP segment, subject to regulatory approvals.

ISFCL reported a profit of Rs. 155 crore in FY2023 (total comprehensive income (TCI) of Rs. 154 crore) on an AUM of Rs. 4,359 crore as on March 31, 2023 vis-à-vis a profit of Rs. 128 crore in FY2022 (TCI of Rs. 128 crore) on an AUM of Rs. 3,073 as on March 31, 2022. The gross and net NPAs stood at 1.1% and 0.9%, respectively, as on March 31, 2023.

ISFCL reported a profit of Rs. 107 crore in H1 FY2024 (on an AUM of Rs. 5,182 as on September 30, 2023. The gross and net NPAs stood at 1.0% and 0.7%, respectively, as on September 30, 2023.

Key financial indicators (standalone)

India Shelter Finance Corporation Limited	FY2022	FY2023	H1FY2024*
Net interest income	229	292	180
PAT	128	155	107
Gross AUM	3,073	4,359	5,182
Gross NPA	2.1%	1.1%	1.0%
Net NPA	1.6%	0.9%	0.7%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Sr. No.	Instrument	Type	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years				
					Date & Rating in FY2024			Date & Rating in FY2023	Date & Rating in FY2022			Date & Rating in FY2021
					Jan 17, 2024	Oct 13, 2023	June 22, 2023	June 24, 2022	September 24, 2021	September 06, 2021	June 28, 2021	June 15, 2021	-
1	**PP-MLD**	Long Term	50.00	0.00	**PP-MLD [ICRA]AAA(CE) (Stable); withdrawn**	**PP-MLD [ICRA]AAA(CE) (Stable)**	**PP-MLD [ICRA]AAA(CE) (Stable)**	**PP-MLD [ICRA]AAA(CE) (Stable)**	**PP-MLD [ICRA]AAA(CE) (Stable)**	**PP-MLD [ICRA]AAA(CE) (Stable)**	**PP-MLD [ICRA]AAA(CE) (Stable)**	**Provisional PP-MLD [ICRA]AAA(CE) (Stable)**	
2	**NCD**	Long Term	35.00	0.00	-	**[ICRA]AAA (CE) (Stable); Withdrawn**	**[ICRA]AAA (CE) (Stable)**	**[ICRA]AAA (CE) (Stable)**	**[ICRA]AAA (CE) (Stable)**	**Provisional [ICRA]AAA(CE) (Stable)**	-	-	-

For details on other ICRA-rated instruments of the company, refer to the rationale here

Complexity level of the rated instrument

Transaction Name	Instrument	Complexity Indicator
CredAvenue Casa Trust 2021	Principal Protected Market Linked Debentures (PP-MLD)	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 are available on ICRA's website: Click Here

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE922K07062	PP-MLD	June 2021	8.68%**	December 2023	50.00	PP-MLD [ICRA]AAA(CE) (Stable); withdrawn

***XIRR; Promised yield of 10.00% and expected yield of 15.18% applicable from date of issuance in case of trigger event*

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.

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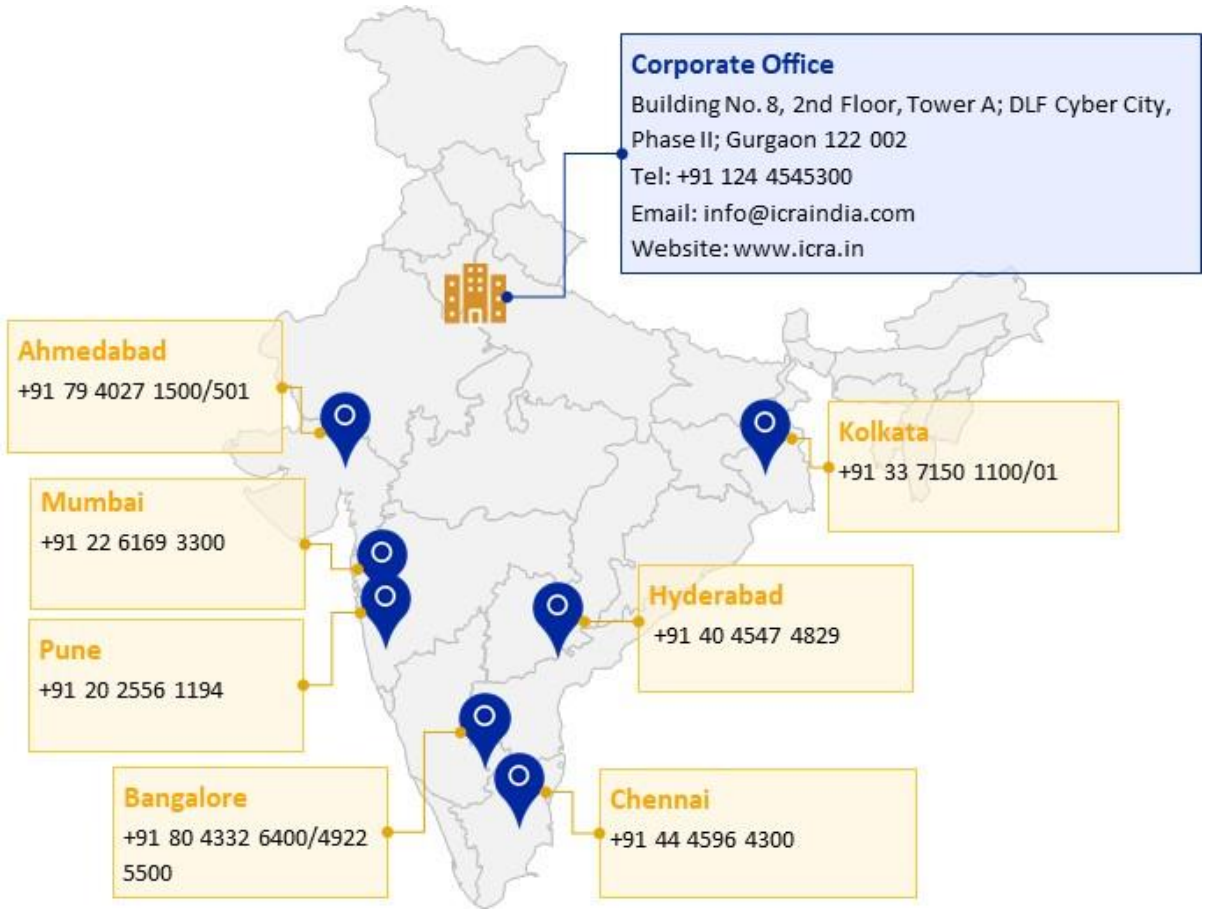

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