December 26, 2024

Sammaan Capital Limited: Rating reaffirmed for PTCs issued under mortgage loan securitisation transactions

Summary of rating action

Trust Name	Instrument*	Initial Amount (Rs. crore)	Amount O/s after Previous Rating Exercise (Rs. crore)	Amount O/s after Nov-24 Payout (Rs. crore)	Rating Action
Innovation Trust XXVIII Jun 2017	PTC Series A	329.96	65.08	60.44	[ICRA]AAA(SO); reaffirmed
Innovation Trust XXIX Sept 2017	PTC Series A	609.69	149.91	137.28	[ICRA]AAA(SO); reaffirmed
Innovation Trust XXIX Dec-19	PTC Series A	185.27	43.30	31.30	[ICRA]AAA(SO); reaffirmed
Innovation Trust XXXII Dec19	Assignee payouts	492.60	184.98	176.40	[ICRA]AAA(SO); reaffirmed
Innovation Trust XXVIII Sep 19	PTC Series A	28.56	24.83	21.40	[ICRA]AAA(SO); reaffirmed

**Instrument details are provided in Annexure I*

Rationale

The pass-through certificates (PTCs) and assignee payouts (APs) are backed by mortgage loan receivables originated by Sammaan Capital Limited {Sammaan; rated [ICRA]AA (Stable)}. Sammaan is the servicer for the rated transactions.

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The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts and APs on account of the high amortisation and healthy performance of all the pools. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed in the pools till the November 2024 payout month.

Pool performance summary

A summary of the performance of the pools till the October 2024 collection month has been tabulated below.

Parameter	Innovation Trust XXVIII Jun 2017	Innovation Trust XXIX Sept 2017	Innovation Trust XXIX Dec-19	Innovation Trust XXXII Dec19	Innovation Trust XXVIII Sep 19
Payout month	Nov-24	Nov-24	Nov-24	Nov-24	Nov-24
Months post securitisation	88	85	58	58	61^
Pool amortisation	81.68%	77.48%	83.10%	64.19%	80.93%
PTC amortisation	81.68%	77.48%	83.10%	64.19%	80.93%
Cumulative collection efficiency[1]	99.41%	99.53%	100.66%	101.12%	99.68%
Loss-cum-90+ (% of initial pool principal)[2]	0.00%	0.00%	0.00%	0.00%	0.00%
Loss-cum-180+ (% of initial pool principal)[3]	0.00%	0.00%	0.00%	0.00%	0.00%
Breakeven collection efficiency[4]	55.89%	59.85%	51.41%	67.14%	53.48%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.00%	0.00%	0.00%	0.00%	0.00%
CC available (as % of balance pool principal)	57.33%	42.20%	76.67%	25.15%	62.93%
EIS over balance tenure (as % of balance pool)	85.31%	82.33%	65.56%	85.08%	44.09%

^22 months post rating by ICRA

[1] Cumulative collections till date / Cumulative billings till date + Opening overdues

[2] POS on contracts aged 90+ dpd + Overdues / Initial POS on the pool

[3] POS on contracts aged 180+ dpd + Overdues / Initial POS on the pool

[4] It is the minimum collection efficiency required over the balance tenure to ensure all investor payouts are met: (Balance cash flows payable to investor – CC available) / Balance pool cash flows

Transaction structure

As per the transaction structure for all the pools, the monthly cash flow schedule comprises the promised interest payout and principal payout (100% of the pool principal billed). Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTCs and APs.

Key rating drivers and their description

Credit strengths

Substantial credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement cover for all the pools with the cash collateral exceeding 50% for Innovation Trust XXVIII Jun-17, Innovation Trust XXIX Dec-19 and Innovation Trust XXVIII Sep 19 and standing at around 42% for Innovation Trust XXIX Sep-17 and 25% for Innovation Trust XXXII Dec19 of the balance pool principal compared to 9-11% at the time of securitisation. Internal credit support is also available through the scheduled EIS.

Healthy pool performance – The performance of all the pools has been strong with a cumulative collection efficiency of ~99% till the November 2024 payout month, leading to nil 90+ days past due (dpd) and 180+ dpd delinquencies. The breakeven collection efficiency is in the range of 50-60% for all the pools except Innovation Trust XXXII Dec19, which had a breakeven collection efficiency of around 68%. Further, there have been no instances of cash collateral utilisation in any of the pools till date owing to the strong collection performance and the presence of EIS in the transactions.

Adequate servicing capability of originator – Sammaan has adequate processes for servicing the loan accounts in the securitised pools. It has a demonstrated track record of regular collections and recoveries across multiple geographies.

Credit challenges

Exposed to basis rate risk – All the transactions are exposed to interest rate risk as the PTC/assignee yield is linked to an external benchmark while the pool yield is linked to the Originator's internal benchmark rate, which leads to basis rate risk in the structure.

Risks associated with lending business – The pools' performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pools, ICRA has estimated the shortfall in the pool principal collection and prepayments during the tenure as provided in the following table.

S. No	Transaction Name	Estimated shortfall (% of initial pool principal)	Prepayment
1	**Innovation Trust XXVIII Jun 2017**	0.5%	15-18% p.a.
2	**Innovation Trust XXIX Sept 2017**	0.5%	15-18% p.a.
3	**Innovation Trust XXIX Dec-19**	0.5%	15-18% p.a.
4	**Innovation Trust XXXII Dec19**	1.0%	15-18% p.a.

5	**Innovation Trust XXVIII Sep 19**	0.5%	15-18% p.a.

Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instruments.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction Name	Innovation Trust XXVIII Jun 2017	Innovation Trust XXIX Sept 2017	Innovation Trust XXIX Dec-19	Innovation Trust XXXII Dec19	Innovation Trust XXVIII Sep 19
Originator	Sammaan Capital Limited	Sammaan Capital Limited	Sammaan Capital Limited	Sammaan Capital Limited	Sammaan Capital Limited
Servicer	Sammaan Capital Limited	Sammaan Capital Limited	Sammaan Capital Limited	Sammaan Capital Limited	Sammaan Capital Limited
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited^	IDBI Trusteeship Services Limited
CC holding bank	IDFC Bank Limited	IDFC Bank Limited	IDBI Bank Limited	Central Bank of India	IDBI Bank Limited
Collection and payout account bank	IDFC Bank Limited	IDFC Bank Limited	IDBI Bank Limited	Central Bank of India	IDBI Bank Limited

^ Assignee representative

Liquidity position: Superior

The liquidity for the PTC instruments and the APs is superior for all the pools after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be greater than 10 times the estimated loss for all the pools.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A rating downgrade could occur on the sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and credit enhancement. Weakening in the credit profile of the servicer (Sammaan) could also exert pressure on the rating.

Analytical approach

The rating action is based on the performance of the pools till October 2024 (collection month), the present delinquency profile of the pools, the credit enhancement available in the pools, and the performance expected over the balance tenure of the pools.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Sammaan Capital Limited was incorporated in 2005. Previously known as Indiabulls Housing Finance Limited (IBHFL), it operated as a housing finance company (HFC) registered with National Housing Bank (NHB). In June 2024, it received a new certificate of registration (CoR) as a non-banking financial company-investment and credit company (NBFC-ICC) from the Reserve Bank of India (RBI). Sammaan provides home loans (HLs) and loan against property (LAP)/micro, small & medium enterprise (MSME) loans. As on September 30, 2024, its consolidated assets under management (AUM) stood at Rs. 65,261 crore comprising HLs (73%), LAP (17%) and commercial credit (CC; 9%). The off-balance sheet book stood at Rs. 12,777 crore as of September 2024.

Over the last few years, the company shifted its focus towards an asset-light business model. It had co-lending partnerships with 10 banks as on September 30, 2024 and has plans to increase the same to 12 banks by March 2025. These partnerships would largely be with mid-sized public and private sector banks. The company has a presence in major Indian states/Union Territories (especially Maharashtra, Delhi and Uttar Pradesh) with over 200 branches. The erstwhile promoter – Mr. Sameer Gehlaut, had sold his majority stake in Sammaan in December 2021 and resigned from the board in March 2022. He was reclassified as a public shareholder, following receipt of approval from the stock exchanges.

Key financial indicators (audited; consolidated)

Sammaan	FY2023	FY2024	H1 FY2025*
Total income	8,725.8	8,624.8	4,661.4
Profit after tax	1,127.7	1,217.0	(2,434.0)
Total managed assets	88,868.8	85,310.9	83,362.0
Gross stage 3	3.5%	3.3%	2.4%
CRAR	31.2%	33.3%	34.0%

*Source: Company, CRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; * Limited review numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Trust Name	Instrument	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years			
			Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
					Dec 26, 2024	Dec 19, 2023	Dec 16, 2022	Sep 29, 2022	Sep 27, 2021
1	Innovation Trust XXVIII Jun 2017	PTC Series A	329.96	60.44	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)

	Trust Name	Instrument	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years			
			Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
					Dec 26, 2024	Dec 19, 2023	Dec 16, 2022	Sep 29, 2022	Sep 27, 2021
2	Innovation Trust XXIX Sept 2017	PTC Series A	609.69	137.28	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)

	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
					Dec 26, 2024	Dec 19, 2023	Dec 16, 2022	Sep 29, 2022	Sep 27, 2021
3	Innovation Trust XXIX Dec-19	PTC Series A	185.27	31.30	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)

	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
					Dec 26, 2024	Dec 19, 2023	Dec 16, 2022	Sep 29, 2022	Sep 27, 2021
4	Innovation Trust XXXII Dec19	Assignee payouts	492.60	176.40	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AA+(SO)

	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
			Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
					Dec 26, 2024	Dec 19, 2023	Feb 14, 2023	-
5	Innovation Trust XXVIII Sep 19	PTC Series A	28.56	21.40	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	-

Complexity level of the rated instrument

Name	Instrument	Complexity Indicator
Innovation Trust XXVIII Jun 2017	PTC Series A	Moderately Complex
Innovation Trust XXIX Sept 2017	PTC Series A	Moderately Complex
Innovation Trust XXIX Dec-19	PTC Series A	Moderately Complex
Innovation Trust XXXII Dec19	Assignee payouts	Moderately Complex
Innovation Trust XXVIII Sep 19	PTC Series A	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 are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Trust Name	Instrument Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Innovation Trust XXVIII Jun 2017**	PTC Series A	June 29, 2017	8.66%*	June 15, 2058	60.44	[ICRA]AAA(SO)
NA	**Innovation Trust XXIX Sept 2017**	PTC Series A	September 27, 2017	8.66%*	March 15, 2059	137.28	[ICRA]AAA(SO)
NA	**Innovation Trust XXIX Dec-19**	PTC Series A	December 30, 2019	9.50%	March 15, 2058	31.30	[ICRA]AAA(SO)
NA	**Innovation Trust XXXII Dec19**	Assignee payouts	January 14, 2020	9.80%*	April 10, 2058	176.40	[ICRA]AAA(SO)
NA	**Innovation Trust XXVIII Sep 19**	PTC Series A	November 25, 2019	9.45%*	January 15, 2058	21.40	[ICRA]AAA(SO)

*Source: Company; * Floating rate linked to investor MCLR*

Annexure II: List of entities considered for consolidated analysis

Not applicable

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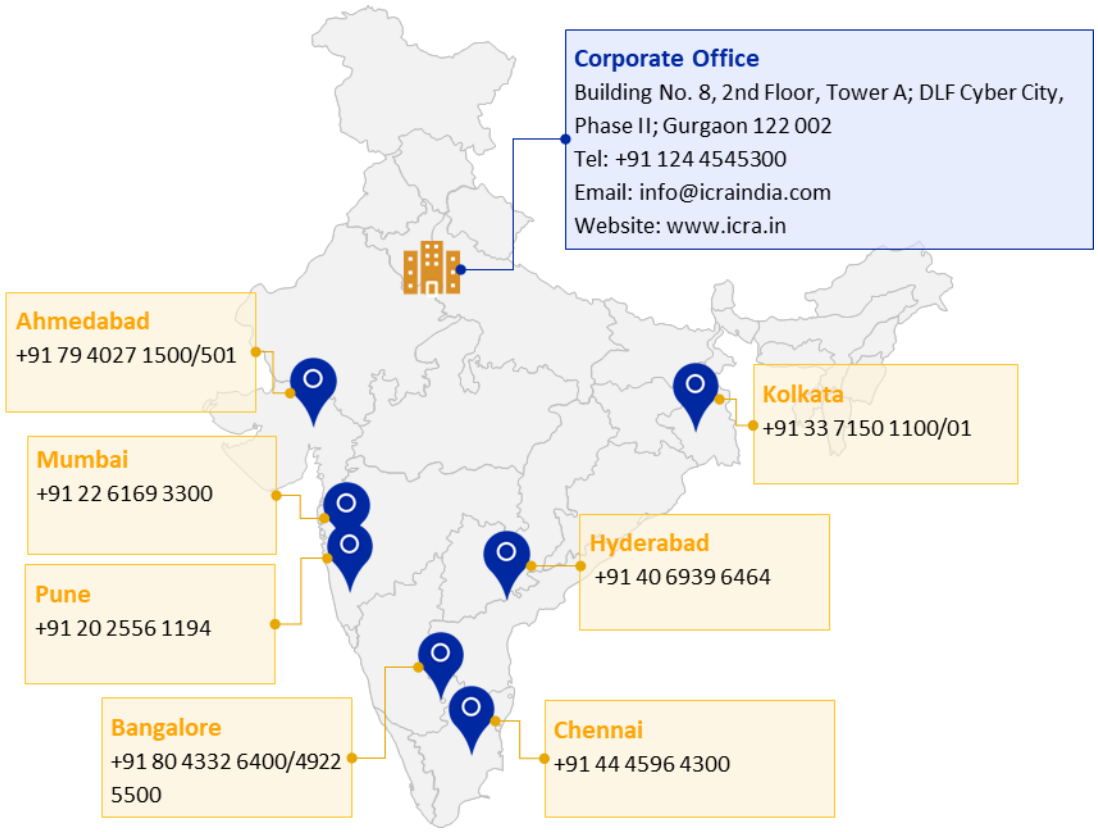

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