

March 15, 2022

Shubham Housing Development Finance Company Limited: Rating withdrawn for PTCs issued under a pool of mortgage loan receivables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
Wardar AHL IFMR Capital 2014	PTC Series A2	0.22	0.20	0.00	[ICRA]AAA(SO); Withdrawn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ICRA has withdrawn the rating for pass through certificates (PTCs) issued under mortgage loan receivables transaction originated by Shubham Housing Development Finance Company 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key rating drivers, liquidity position, rating sensitivities have not been captured as the rated instrument is being withdrawn.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
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Shubham Housing Development Finance Company Limited (Shubham Housing) is a housing finance company (HFC), which provides retail home loans to low-income borrowers. These loans can be used by the borrowers for purchasing a ready property, home improvement, home extension and for the construction of dwelling units on plots owned by the borrowers. The company is promoted by Mr. Sanjay Chaturvedi and Ms. Rupa Basu. It has an experienced senior management team across various functions with extensive knowledge of the mortgage industry.

Four private equity funds, namely Premji Invest, Helion Ventures Partner, Elevar Equity Mauritius and Motilal Oswal Financial Services Limited, are currently invested in the company with Premji Invest holding a 44.94% stake. As on September 30, 2021, Shubham Housing operated out of 101 branches across nine states/Union Territories (UTs), namely Delhi, Gujarat, Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Uttarakhand, and Punjab.

The company reported a profit of Rs. 61 crore in FY2021 on a managed asset base of Rs. 2,519 crore as on March 31, 2021 vis-à-vis a profit of Rs. 35 crore in FY2020 on a managed asset base of Rs. 1,992 crore. It reported a profit of Rs. 11 crore in H1 FY2022 on a managed asset base of Rs. 2,587 crore as on September 30, 2021

Key financial indicators

Shubham Housing Development Finance Company Limited	FY2020	FY2021	H1 FY2022
	Ind AS		
Net Interest income	135.84	156.70	81.67
Profit after tax	34.61	60.75	11.25
AUM	1,685.72	2,074.93	2,225.60
Total Assets	1,941.78	2,379.13	2,453.85
Gross Non-performing Assets (NPA)%	1.77%	2.17%	2.95%
Net NPA%	0.48%	1.21%	1.72%

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

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
				March 15, 2022	May 13, 2021			
1 Wardar AHL IFMR Capital 2014	PTC Series A2	0.22	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]BB+(SO)

Complexity level of the rated instruments

Instrument	Complexity Indicator
PTC Series A2	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, 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
Wardar AHL IFMR Capital 2014	PTC Series A2	March 2014	16.45%	May 2027	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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