

August 30, 2022

Sundaram Home Finance Limited: Rating withdrawn for Purchaser Payouts backed by mortgage loan receivables

Summary of rating action

Trust Name	Instrument*	Initial Amount Rated (Rs. crore)	Amount outstanding after last surveillance (Rs. crore)	Current Amount Outstanding (Rs. crore)	Rating Action
SBPHFL Mortgage Loan Pool D.A. Feb-12	Purchaser Payouts	197.79	6.64	0.00	[ICRA]AAA(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for Purchaser Payouts issued under mortgage loan securitisation transaction originated by Sundaram Home Finance Limited (rated [ICRA]AAA(Stable)/[ICRA]A1+), 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of previous rating 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

Incorporated in 1999, Sundaram Home Finance Limited (SHFL) is a medium-sized housing finance company. It primarily provides housing loans and loan against property. SHFL is a wholly-owned subsidiary of Sundaram Finance Limited (SFL). As an operational strategy, SHFL is focussed largely on the five southern states where SFL has a strong retail customer base. As on March 2022, SHFL had 105 branch offices.

Key financial indicators (IndAS)

SHFL - Standalone	FY2020	FY2021	FY2022
Total income (Rs. crore)	1,079	1,039	957
Profit after tax (Rs. crore)	158 [#]	191	168
Net worth (Rs. crore)	1,421	1,559	1,655
Total managed portfolio (Rs. crore)	9,548	9,041	9,495
Total managed assets (Rs. crore)	10,186	9,915	10,308
Return on managed assets %	1.6% [#]	1.8%	1.7%
Return on net worth %	11.8% [#]	12.9%	10.4%
Gearing (reported; times)	6.1	5.3	5.2
Gearing (managed; times)	6.1	5.3	5.2
Gross stage 3 %	4.8%	4.5%	3.0%

SHFL - Standalone	FY2020	FY2021	FY2022
Net stage 3 %	1.6%	1.1%	1.6%
CRAR%	23.0%	24.9%	25.7%

Source: Company, ICRA Research; All ratios as per ICRA's calculations;

* Excluding exceptional gain due to reversal of deferred tax liability on special reserve in FY2020; 90+ dpd stood at 3.4% as of March 2021 and 2.5% as of March 2022

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. 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	Date & Rating in FY2022	Date & Rating In FY2021	Date & Rating in FY2020	
					August 30, 2022	January 31, 2022	January 21, 2021	January 31, 2020	April 04, 2019
1	SBPHFL Mortgage Loan Pool D.A. Feb-12	Purchaser Payouts	197.79	0.00	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)

Complexity level of the rated instrument

Trust Name	Instrument*	Complexity Indicator
SBPHFL Mortgage Loan Pool D.A. Feb-12	Purchaser Payouts	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-I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
SBPHFL Mortgage Loan Pool D.A. Feb-12	Purchaser Payouts	Feb-12	9.55%	Jul-36	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Annexure-II: List of entities considered for consolidated analysis

Not Applicable

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