

September 20, 2022^{Revised}

Can Fin Homes Limited: Rating withdrawn for Rs. 722-crore NCD programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Bank facilities – Long term (Fund based-TL)^	11,900	-	-
Bank facilities – Short term (Fund based-CC)^	2,600	-	-
Long term/ short term fund based (Fund based-CC)^	500	-	-
Short term loan (Fund based-STL)^	(500)@	-	-
Bank facilities – Long term/ Short term (Fund based-Others)^	-	15,000	[ICRA]AA+ (Stable) / [ICRA]A1+; outstanding
NCD programme	722	-	[ICRA]AA+ (Stable); withdrawn
NCD programme	3,098	3,098	[ICRA]AA+ (Stable); outstanding
Subordinated debt programme	300	300	[ICRA]AA+ (Stable); outstanding
Commercial paper	4,500	4,500	[ICRA]A1+; outstanding
Fixed deposits	-	-	[ICRA]AA+ (Stable); outstanding
Total	23,620	22,898	

*Instrument details are provided in Annexure-I

^Change in limits

@Sub limit of Long term/ short term fund based

Rationale

The rating on the Rs. 722-crore non-convertible debenture (NCD) programme of Can Fin Homes Limited (CFHL) has been withdrawn in accordance with ICRA's policy on the withdrawal and suspension of credit ratings and as requested by the company. The rated instrument had no amount outstanding against the same.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's policy of withdrawal of credit ratings Rating Methodology for NBFCs Rating approach – Implicit support from parent/ group
Parent/Group support	The ratings factor in ICRA's expectations that Canara Bank would be willing to extend support to CFHL, if needed, given its importance as well as the shared brand name
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company.

About the company

CFHL – promoted by Canara Bank, HDFC Limited and UTI in 1987 – is a deposit-taking HFC registered with NHB. Headquartered in Bengaluru, the company has a presence in 21 states and Union Territories. CFHL reported a loan book of Rs. 27,538 crore as on June 30, 2022. It primarily operates in the affordable housing category. The average ticket size of the incremental loans is Rs. 21 lakh on housing loans and Rs. 9 lakh on non-housing loans with a median tenure of 16 to 20 years and a fixed obligation to income ratio (FOIR) of less than 50%. The Salaried and Professional segment constitutes 74% of the outstanding loan book as on June 30, 2022.

CFHL reported a net profit (profit after tax; PAT) of Rs. 471 crore in FY2022 on a loan book of Rs. 26,711 crore as on March 31, 2022 against a PAT of Rs. 456 crore in FY2021 on a loan book of Rs. 22,105 crore as on March 31, 2021. In Q1 FY2023, CFHL reported a net profit of Rs. 162 crore on a loan book of Rs. 27,538 crore as on June 30, 2022.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years							
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022			Date & Rating in FY2021		Date & Rating in FY2020	
					Sep-20-2022	Jun-09-2022	Mar-15-2022	Nov-18-2021	Aug-20-2021	Nov-20-2020	Oct-22-2020	Sep-27-2019	May-6-2019
1	Term loans	Long term	-	-	-	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ &	[ICRA]AA+ &	[ICRA]AA+ (Stable)
2	Bank lines – ST	Short term	-	-	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Long-term/ short-term fund based	Long term/ short term	-	-	-	[ICRA]AA+ (Stable)/ [ICRA] A1+	[ICRA]AA+ (Stable)/ [ICRA] A1+						
4	Short-term loan	Short term	-	-	-	[ICRA]A1+	[ICRA]A1+						
3	Long-term/ short-term fund based (others)	Long term/ short term	15,000	13,983.15	[ICRA]AA+ (Stable)/ [ICRA] A1+								
5	Sub-debt	Long term	300	100	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ &	[ICRA]AA+ &	[ICRA]AA+ (Stable)
6	NCD	Long term	722	-	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ &	[ICRA]AA+ &	[ICRA]AA+ (Stable)
6	NCD	Long term	3,098	2,660	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ &	[ICRA]AA+ &	[ICRA]AA+ (Stable)
7	Commercial papers	Short term	4,500	2,800	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8	Fixed deposits	Long term	-	-	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA &	MAAA &	MAAA (Stable)

& - Rating under Watch with Developing Implications
Amount outstanding as on August 17, 2022

Complexity level of the rated instruments

Instrument	Complexity Indicator
Bank facilities – Long term/ Short term (Fund based-Others)	Simple
NCD programme	Simple
Subordinated debt programme	Simple
Commercial paper	Very Simple
Fixed deposits	Very 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument	Date of sanction/ issuance	Coupon Rate	Maturity Date	Amount	Current rating
NA	Term Loan – I	Aug-21-17	6.70%	10 years	750.00	[ICRA] AA+(Stable)
NA	Term Loan – II	Apr-12-16	6.14%	10 years	324.24	[ICRA] AA+(Stable)
NA	Term Loan – III	Apr-23-18	6.30%	10 years	674.87	[ICRA] AA+(Stable)
NA	Term Loan – IV	Dec-31-18	6.09%	10 years	649.93	[ICRA] AA+(Stable)
NA	Term Loan – V	Sep-13-19	6.14% and 6.65%	10 years	724.93	[ICRA] AA+(Stable)
NA	Term Loan – VI	Mar-09-21	6.65%	10 years	448.66	[ICRA] AA+(Stable)
NA	Term Loan – VII	Jan-21-22	NA	10 years	974.89	[ICRA] AA+(Stable)
NA	Term Loan – VIII	Jan-20-18	5.65%	7 years	107.14	[ICRA] AA+(Stable)
NA	Term Loan – IX	May-16-18	4.46%	7 years	109.29	[ICRA] AA+(Stable)
NA	Term Loan – X	Mar-22-19	5.50%	6 Years	222.22	[ICRA] AA+(Stable)
NA	Term Loan – XI	Nov-29-19	5.5% & 5.25%	6 Years	668.57	[ICRA] AA+(Stable)
NA	Term Loan – XII	Jul-27-20	5.70% & 5.75%	4 years	541.87	[ICRA] AA+(Stable)
NA	Term Loan – XII	Jan-12-21	NA	5 years	552.32	[ICRA] AA+(Stable)
NA	Term Loan – XIV	Feb-8-18	5.99%	7 years	98.19	[ICRA] AA+(Stable)
NA	Term Loan – XV	Feb-8-18	5.99%	7 years	98.19	[ICRA] AA+(Stable)
NA	Term Loan – XVI	Jun-11-19	5.99%	7 years	142.84	[ICRA] AA+(Stable)
NA	Term Loan – XVII	Jul-20-19	5.99%	7 years	48.56	[ICRA] AA+(Stable)
NA	Term Loan – XVIII	Dec-27-19	5.99%	7 years	64.28	[ICRA] AA+(Stable)
NA	Term Loan – XIX	Sep-21-20	5.99%	7 years	187.49	[ICRA] AA+(Stable)
NA	Term Loan – XX	Sep-19-20	5.55%	3 years	160.41	[ICRA] AA+(Stable)
NA	Term Loan – XXI	Sep-19-20	5.55%	10 years	612.49	[ICRA] AA+(Stable)
NA	Term Loan – XXII	Dec-07-21	NA	7 years	255.00	[ICRA] AA+(Stable)
NA	Term Loan – XXIII	Feb-10-22	NA	9.75 Years	996.77	[ICRA] AA+(Stable)
NA	Term Loan – XXIV	Jul-20-22	6.60%	5 years	200.00	[ICRA] AA+(Stable)
NA	CC/ WDCL – I	Dec-2021	MCLR + 5 bps	1 year	500	[ICRA] AA+(Stable)/ [ICRA] A1+

ISIN	Instrument	Date of sanction/ issuance	Coupon Rate	Maturity Date	Amount	Current rating
NA	STL – I	Dec-2021	MCLR + 5 bps	1 year	(500) ¹	[ICRA] A1+
NA	STL – II	Nov-2021	To be decided at availment	1 year	1,000	[ICRA] A1+
NA	OD /WCDL- I	Aug-29-18	6.90%, 6.20%	NA	1,000.00	[ICRA] A1+
NA	OD - I	NA	7.05%	NA	100.00	[ICRA] A1+
NA	STL – III	Mar-5-21	6.00%	4-Mar-36 ²	500.00	[ICRA] A1+
NA	OD - II	NA	NA	NA	270.00	[ICRA] A1+
NA	<i>Unallocated</i>				2,016.85	[ICRA] AA+(Stable)/ [ICRA]A1+
INE477A07217	NCD	Nov-15-16	7.77%	Nov-15-21	122	[ICRA] AA+(Stable); withdrawn
INE477A07241	NCD	May-18-17	7.89%	May-18-22	600	[ICRA] AA+(Stable); withdrawn
INE477A07282	NCD	Feb-27-20	7.85%	May-27-23	250	[ICRA] AA+(Stable)
INE477A07290	NCD	Dec-24-20	6.25%	Dec-24-23	275	[ICRA] AA+(Stable)
INE477A07308	NCD	Nov-10-21	6.10%	Feb-10-25	275	[ICRA] AA+(Stable)
INE477A07316	NCD	Feb-25-22	6.70%	Feb-25-25	500	[ICRA] AA+(Stable)
INE477A07324	NCD	Mar-10-22	6.80%	Jun-10-25	700	[ICRA] AA+(Stable)
INE477A07332	NCD	Mar-25-22	6.80%	Jun-25-25	260	[ICRA] AA+(Stable)
INE477A07340	NCD	Mar-30-22	6.85%	Jun-30-25	400	[ICRA] AA+(Stable)
Unallocated	NCD	NA	NA	NA	438	[ICRA] AA+(Stable)
INE477A08025	Sub-debt	Mar-12-14	8.94%	Mar-12-24	100	[ICRA] AA+(Stable)
Unallocated	Sub-debt	NA	NA	NA	200	[ICRA] AA+(Stable)
INE477A14B04	CP programme	Oct-1-21	4.77%	Sep-27-22	500	[ICRA] A1+
INE477A14BP1	CP programme	Nov-23-21	4.86%	Aug-31-22	250	[ICRA] A1+
INE477A14BT3	CP programme	Feb-8-22	5.20%	Oct-27-22	500	[ICRA] A1+
INE477A14BV9	CP programme	Apr-7-22	5.10%	Mar-8-23	500	[ICRA] A1+
INE477A14BU1	CP programme	Apr-7-22	4.99%	Jan-10-23	500	[ICRA] A1+
INE477A14BW7	CP programme	Jul-27-22	6.28%	Nov-28-22	550	[ICRA] A1+
Not issued	CP programme	NA	NA	NA	1,700	[ICRA] A1+
NA	Fixed deposit	-	-	-	-	[ICRA]AA+ (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis: NA

¹ Sub limit of CC/WCDL%

² Payable within 1 year from date of disbursement

Corrigendum

Document dated September 20, 2022 has been corrected with revision as detailed below:

Page 2 – Link to ICRA’s methodology for “Rating approach – Implicit support from parent/ group” has been added

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Sachin Sachdeva
+91 124 4545 307
sachin.sachdeva@icraindia.com

Jatin Arora
+91 124 4545 864
jatin.arora@icraindia.com

Arpit Agarwal
+91 124 4545 330
arpit.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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