

February 22, 2023

India Shelter Finance Corporation Limited: Rating withdrawn for PTCs under securitisation transaction issued by Northern Arc 2019 AHF Angna, backed by a pool of mortgage loan receivables

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Northern Arc 2019 AHF Angna	PTC Series A2	3.83	3.71	0.00	[ICRA]AA+(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under a mortgage loan receivables transaction originated by India Shelter Finance Corporation Limited (ISFC; rated [ICRA]A+(Stable)), as tabulated above. All the payouts to the investors in the above-mentioned instruments have 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 surveillance 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 originator

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 December 31, 2022, the company had a managed portfolio of Rs. 3,954 crore spread across 15 states/Union Territories (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 (LAP). ISFCL incorporated a 100%-subsidiary in March 2022, India Shelter Capital Finance Limited (ISFCL), to lend as an NBFC to the LAP segment, subject to regulatory approvals.

ISFCL reported a profit of Rs. 103 crore in 9M FY2023 (provision; total comprehensive income (TCI) of Rs. 100 crore) on an AUM of Rs. 3,954 crore as on December 31, 2022 vis-à-vis a profit of Rs. 128 crore in FY2022 (TCI of Rs. 128 crore) on an AUM of Rs. 3,073 crore as on March 31, 2022. The gross and net NPAs stood at 2.29% and 1.79%, respectively, as on December 31, 2022.

Key financial indicators (audited)

	FY2021	FY2022	9M FY2023*
Net interest income (excl. fee income)	168	229	210
Profit after tax	87	128	103
AUM (incl. assigned portfolio; IGAAP valuation)	2,198	3,073	3,954
Gross non-performing assets (NPA)	1.8%	2.1%	2.3%
Net NPA	1.3%	1.6%	1.8%

Source: Company data, ICRA Research; * Provisional numbers; 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

Sr. No.	Trust Name	Instrument	Current Rating (FY2023)		Chronology of Rating History for the Past 3 Years					
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					Feb 22, 2023	July 28, 2022			Nov 22, 2019^	July 04, 2019*
1	Northern Arc 2019 AHF Angna	PTC Series A2	3.83	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]A+(SO)	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)

*Provisional rating assigned

^Final rating assigned

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A2	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 analyzing 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: [Click Here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Northern Arc 2019 AHF Angna	PTC Series A2	June 2019	12.00%	Nov 2028	0.00	[ICRA]AA+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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