

May 14, 2024

## Can Fin Homes Limited: Ratings withdrawn for matured instruments

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based bank facilities – Long term/Short term	27,750.00	27,750.00	[ICRA]AAA (Stable)/[ICRA]A1+; outstanding
NCD programme	4,573.00	4,573.00	[ICRA]AAA (Stable); outstanding
NCD programme	275.00	0.00	[ICRA]AAA (Stable); withdrawn
Subordinated debt programme	300.00	300.00	[ICRA]AAA (Stable); outstanding
Commercial paper	4,500.00	4,500.00	[ICRA]A1+; outstanding
Fixed deposits	750.00	750.00	[ICRA]AAA (Stable); outstanding
<b>Total</b>	<b>38,148.00</b>	<b>37,873.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the [ICRA]AAA (Stable) rating assigned to Rs. 275.00 crore of non-convertible debenture programme of Can Fin Homes Limited as there are no obligations outstanding against the rated instruments. The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Non-banking Finance Companies</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	The ratings factor in ICRA's expectation 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 is a deposit-taking housing finance company (HFC) registered with National Housing Bank (NHB). Canara Bank holds a 29.99% stake in CFHL. Headquartered in Bengaluru, the company has a presence in 21 states and Union Territories. CFHL reported a loan book of Rs. 32,944 crore as on September 30, 2023. It primarily provides relatively smaller ticket-sized housing loans to salaried & professional and self-employed non-professional (SENP) borrowers. The average ticket size of the loans is less than Rs. 25 lakh with a median tenure of 16 to 20 years and an income-to-installment ratio of less than 65%. CFHL reported a net profit (profit after tax; PAT) of Rs. 341.5 crore in H1 FY2024 on a loan book of Rs. 33,359 crore as on September 30, 2023, against a PAT of Rs. 621.2 crore in FY2023 on a loan book of Rs. 31,563 crore as on March 31, 2023.

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Instrument	Current rating (FY2025)				Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024		Date & rating in FY2023			Date & rating in FY2022		
				May-14-2024	Jan-03-2024	Dec-22-2023	Mar-14-2023	Sep-20-2022	Jun-09-2022	Mar-15-2022	Nov-18-2021 Aug-20-2021	
1	Term loans	Long term	-	-	-	-	-	-	-	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ &
2	Bank lines – ST	Short term	-	-	-	-	-	-	-	[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+	-
5	Long-term/short-term fund-based bank facilities	Long term/ short term	27,750.00	27,750.00	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AAA (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-
6	Sub-debt	Long term	300.00	300.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
7	NCD	Long term	4,573.00	4,573.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
8	Commercial paper	Short term	4,500.00	4,500.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
9	Fixed deposits	Long term	750.0	750.0	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	MAAA (Stable)	MAAA (Stable)

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based bank facilities – Long term/Short term	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 Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based bank facilities – Long term/ Short term	Dec-26-13 to Jan-01-24	NA	Jan-03-24 to Apr-01-34	27,750.0	[ICRA]AAA (Stable)/ [ICRA]A1+
INE477A07290	NCD	Dec-24-20	6.25%	Dec-24-23	275.0	[ICRA]AAA (Stable); withdrawn
INE477A07308	NCD	Nov-10-21	6.10%	Feb-10-25	275.0	[ICRA]AAA (Stable)
INE477A07316	NCD	Feb-25-22	6.70%	Feb-25-25	500.0	[ICRA]AAA (Stable)
INE477A07324	NCD	Mar-10-22	6.80%	Jun-10-25	700.0	[ICRA]AAA (Stable)
INE477A07332	NCD	Mar-25-22	6.80%	Jun-25-25	260.0	[ICRA]AAA (Stable)
INE477A07340	NCD	Mar-30-22	6.85%	Jun-30-25	400.0	[ICRA]AAA (Stable)
INE477A07381	NCD	Feb-23-24	8.25%	May-21-27	1000.0	[ICRA]AAA (Stable)
INE477A08025	NCD	Apr-03-24	8.18%	Apr-03-29	900.0	[ICRA]AAA (Stable)
Proposed	NCD	NA	NA	NA	538.0	[ICRA]AAA (Stable)
INE477A08025	Sub-debt	Dec-03-14	8.94%	Dec-03-24	100.0	[ICRA]AAA (Stable)
Not issued yet	Sub-debt	NA	NA	NA	200.0	[ICRA]AAA (Stable)
INE477A14CV7	CP programme	Mar-22-24	7.70%	Jun-21-24	750.0	[ICRA]A1+
INE477A14CW5	CP programme	Mar-28-24	8.25%	Jun-27-24	400.0	[ICRA]A1+
Proposed	CP programme	NA	NA	NA	3,350.00	[ICRA]A1+
NA	Fixed deposit	-	-	-	750.0	[ICRA]AAA (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis – Not applicable**

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