

May 16, 2025

## Ummeed Housing Finance Private Limited: Rating confirmed as final for PTCs backed by home loan receivables issued by Mulberry 12 2024 Trust

### Summary of rating action

| Trust Name             | Instrument*   | Current Rated Amount (Rs. crore) | Rating Action  |
|------------------------|---------------|----------------------------------|--|
| Mulberry 12 2024 Trust | Series A1 PTC | 60.35                            | [ICRA]AAA(SO); provisional rating confirmed as final |

\*Instrument details are provided in Annexure I

### Rationales

ICRA had assigned provisional rating to Series A1 PTC issued by Mulberry 12 2024 Trust under a securitisation transaction originated by Ummeed Housing Finance Private Limited {UHFPL/Originator; rated [ICRA]A1}. The PTCs are backed by a pool of home loan receivables originated by UHFPL with an aggregate principal outstanding of Rs. 67.06 crore (pool receivables of Rs. 157.39 crore). UHFPL is also the servicer for the transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said ratings have now been confirmed as final.

### Pool performance summary:

| Parameter   | Mulberry 12 2024 Trust |
|---|------------------------|
| Payout month  | April 2025             |
| Months post securitisation  | 4                      |
| Pool amortisation   | 6.1%                   |
| Series A1 PTC Amortisation  | 6.8%                   |
| Monthly Collection Efficiency   | 100.0%                 |
| Cumulative collection efficiency (including advance collections) <sup>1</sup> | 100.0%                 |
| Cumulative Prepayment rate  | 3.7%                   |
| Loss-cum-0+ days past due (dpd) <sup>2</sup>                                  | 0.1%                   |
| Loss-cum-30+ dpd <sup>3</sup>   | 0.0%                   |
| Loss-cum-90+ dpd <sup>4</sup>   | 0.0%                   |
| Cumulative cash collateral (CC) utilisation                                   | 0.0%                   |

### Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (90% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, will be used for the prepayment of Series A1 PTC principal. Any prepayment in the pool would be used for the prepayment of the Series A1 PTC principal.

<sup>1</sup> Cumulative current and overdue collections/ Cumulative billings

<sup>2</sup> Pool principal outstanding including overdue on contracts aged 0+ dpd / Pool principal outstanding at the time of securitisation

<sup>3</sup> Pool principal outstanding including overdue on contracts aged 30+ dpd / Pool principal outstanding at the time of securitisation

<sup>4</sup> Pool principal outstanding including overdue on contracts aged 90+ dpd / Pool principal outstanding at the time of securitisation

The credit enhancement available in the structure is in the form of (i) a Cash Collateral (CC) of 5.00% of the initial pool principal amounting to Rs. 3.35 crore provided by the Originator, (ii) subordination of 10.00% of the initial pool principal for Series A1 PTC, and (iii) the Excess Interest Spread (EIS) of 93.92% of the initial pool principal for Series A1 PTC

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement:** The pool is granular, consisting of 525 contracts, with top 10 contracts forming only less than 8% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of subordination, cash collateral (CC) and excess interest spread (EIS) would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

**No overdue contracts in the pool:** The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Further, none of the contracts in the pool have ever been delinquent, which is a credit positive.

**Healthy bureau score of borrowers:** In the pool, all the borrowers have a CIBIL score above 700, which reflects their relatively better credit profile.

**Contracts backed by self-occupied residential properties:** The pool is backed by residential properties wherein borrowers tend to prioritise repayments towards such loans even during periods of financial stress.

**Adequate servicing capability of UHFPL** – UHFPL has an established track record in the lending business with adequate underwriting policies and collection procedures across a wide geography. The company has adequate processes for servicing the loan accounts in the securitised pool.

### Credit challenges

**High geographical concentration:** The pool has high geographical concentration with the top 3 states, viz. Rajasthan, Uttar Pradesh, Uttarakhand, contributing ~78% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

**Exposed to interest rate risk:** The transaction is exposed to interest rate risk as majority (~69%) of the contracts in the pool are fixed rate loans and balance are floating rate (linked to originator's benchmark rate), whereas yield on PTCs is floating rate (linked in external benchmark).

**Risk associated with lending business** – The pools' performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans.

## Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered based on the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.00% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 6.0% to 20.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

## Details of key counterparties

The key counterparties in the rated transaction are as mentioned below:

| Transaction Name                   | Mulberry 12 2024 Trust                 |
|------------------------------------|--|
| Originator                         | Ummeed Housing Finance Private Limited |
| Servicer                           | Ummeed Housing Finance Private Limited |
| Trustee                            | Axis Trustee Services Limited          |
| CC holding bank                    | ICICI Bank Limited                     |
| Collection and payout account Bank | ICICI Bank Limited                     |

## Liquidity position: Superior

The liquidity for the PTC instrument is superior after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be greater than 10 times the estimated loss in the pools.

## Rating sensitivities

**Positive factors** – Not Applicable

**Negative factors** – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

## Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

| Analytical Approach             | Comments                                    |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">Securitisation Transactions</a> |
| Parent/Group support            | Not Applicable                              |
| Consolidation/Standalone        | Not Applicable                              |

## About the originator

UHFPL, a non-deposit-accepting affordable housing finance company registered with National Housing Bank (NHB), was incorporated in January 2016 and is based in Gurugram (Haryana). The company is promoted by Mr. Ashutosh Sharma, who has over 25 years of experience in banking and financial services. UHFPL commenced operations in August 2016 and is focussed on providing finance to underbanked customers with informal income and limited or no credit history in tier II/III/IV cities. It primarily operates in northern and western India through a network of 142 branches across nine states/Union Territories (Rajasthan, Haryana, Delhi NCR, Telangana, Andhra Pradesh, Uttar Pradesh, Uttarakhand, Punjab, Madhya Pradesh) as on March 31, 2025.

Following the recent equity infusion of Rs. 300 crore, Mr. Sharma held an 18.3% stake in the company on a fully-diluted basis as of March 2025. Other key investors include Norwest Capital (23.5%), Morgan Stanley (19.0%), A91 Partners (15.5%), Thyme Private Limited (10.8%) and others (12.9%).

### Key financial indicators

| Ummeed Housing Finance Private Limited | Audited | Audited | Provisional |
|--|---------|---------|-------------|
|  | FY2023  | FY2024  | FY2025      |
| Total income                           | 160.5   | 242.7   | 323.5       |
| Profit after tax                       | 34.6    | 52.7    | 59.6        |
| Total managed assets                   | 1,241.5 | 1,828.3 | 2,362.4     |
| Gross stage 3                          | 0.4%    | 0.5%    | 0.7%        |
| CRAR                                   | 74.1%   | 62.9%   | 70.5%       |

Source: Company, ICRA Research; 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 (FY2026) |                                  |                                  |                         | Chronology of Rating History for the Past 3 Years |                         |                         |
|------------------------|-------------------------|----------------------------------|----------------------------------|-------------------------|---|-------------------------|-------------------------|
|                        | Instrument              | Initial Amount Rated (Rs. crore) | Current Amount Rated (Rs. crore) | Date & Rating in FY2026 | Date & Rating in FY2025                           | Date & Rating in FY2024 | Date & Rating in FY2023 |
|                        |                         |                                  |                                  | May 16, 2025            | Jan 06, 2025                                      | -                       | -                       |
| Mulberry 12 2024 Trust | Series A1 PTC           | 60.35                            | 60.35                            | [ICRA]AAA(SO)           | Provisional [ICRA]AAA(SO)                         | -                       | -                       |

### Complexity level of the rated instrument

| Instrument    | Complexity Indicator |
|---------------|----------------------|
| Series A1 PTC | 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 are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

| Trust Name                    | Instrument    | Date of Issuance / Sanction | Coupon Rate (p.a.p.m.) | Maturity Date    | Amount Rated (Rs. crore) | Current Rating |
|-------------------------------|---------------|-----------------------------|------------------------|------------------|--------------------------|----------------|
| <b>Mulberry 12 2024 Trust</b> | Series A1 PTC | December 27, 2024           | 9.15%*                 | October 17, 2047 | 60.35                    | [ICRA]AAA(SO)  |

Source: Company, \*Linked to external benchmark

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

Not Applicable

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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