

June 30, 2025

## Grihum Housing Finance Limited: Ratings reaffirmed for PTCs and SLF issued under home loan securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial Amount (Rs. crore)	Amount o/s after last surveillance (Rs. crore)	Amount O/s after May-25 Payout (Rs. crore)	Rating Action
MHFL SECURITISATION TRUST I	PTC Series A1	48.06	14.58	11.46	[ICRA]AAA(SO); Reaffirmed
	PTC Series A2	1.74	0.53	0.42	[ICRA]AAA(SO); Reaffirmed
	Second Loss Facility	2.99	2.99	2.99	[ICRA]A-(SO); Reaffirmed

\*Instrument details are provided in Annexure I

### Rationale

The pass-through certificates (PTCs) are backed by a pool of home loan receivables originated by Grihum Housing Finance Limited (GHFL/Originator; rated [ICRA]A1+). GHFL is also the servicer for the transaction. The ratings have been reaffirmed on account of the healthy collection efficiency and high pool amortisation, which has led to the build-up of the credit enhancement cover over the future PTC payouts. The ratings draw comfort from the fact that the breakeven collection efficiency is comfortable compared to the actual collection level observed in the pool till the May 2025 payout month.

### Pool performance summary

Parameter	MHFL SECURITISATION TRUST I
Payout month	May-25
Months post securitisation	75
Pool amortisation	75.38%
PTC amortisation	76.16%
Cumulative collection efficiency <sup>1</sup>	99.40%
Loss-cum-90+ dpd (days past due) (% of initial pool principal) <sup>2</sup>	2.30%
Loss-cum-180+ dpd (% of initial pool principal) <sup>3</sup>	2.25%
Breakeven collection efficiency <sup>4</sup> for PTCs	32.64%
Cumulative credit collateral (CC) utilisation (% of initial CC)	0.00%
CC available (as % of balance pool principal)	50.78%
Excess interest spread (EIS) over balance tenure (as % of balance pool principal)	132.60%
Cumulative prepayment rate <sup>5</sup>	61.67%

<sup>1</sup> Cumulative collections till date (including advance collections) / Cumulative billings till date + Opening overdues

<sup>2</sup> POS on contracts aged 90+ dpd + Overdues / Initial POS on the pool

<sup>3</sup> POS on contracts aged 180+ dpd + Overdues / Initial POS on the pool

<sup>4</sup> It is the minimum collection efficiency required over the balance tenure to ensure all investor payouts are met: (Balance cash flows payable to investor – Credit collateral available) / Balance pool cash flows

<sup>5</sup> POS at the time of prepayment of contracts prepaid till date / Initial pool principal

## Reset of credit enhancement

At the request of GHFL for reset of credit enhancement, ICRA has analysed the transaction at a CC of 15.3% of the balance pool principal (i.e. Rs 1.87 crore) as against current available CC of 50.8% (after May 2025 payouts). Based on the pool performance, ratings will remain unchanged even after the reset of the CC amount. The CC reset shall be subject to the approval of the PTC investors. However, as per the regulatory guidelines, the amount of CC that can be released would be restricted to 60% of the difference between the current CC amount and the revised CC amount allowed by ICRA.

## Transaction structure

As per the transaction structure, the trust has issued two series of PTCs. The promised cashflows consist of the monthly interest to PTC Series A1 and 100% of the monthly principal (to be split between PTC Series A1 and PTC Series A2, basis their share). PTC Series A2 does not have any promised yield. All prepayments would be passed on to the PTC investors (to be split between PTC Series A1 and PTC Series A2, basis their share). The excess interest spread (EIS) would be passed on to the PTC Series A2 investor as the residual yield. The credit collateral (CC) for the transaction would be split into an unrated first loss facility (FLF) and a rated second loss facility (SLF)

## Key rating drivers and their description

### Credit strengths

**Substantial credit enhancement available in the structure** – The rating factors in the buildup in the credit enhancement with CC increasing to 50.8% of the balance pool principal. Internal credit support is also available in the form of excess interest spread (EIS) of 132.6% of the balance pool principal.

**Healthy pool performance** – Performance of the pool has been strong with cumulative collection efficiency of ~99% till May 2025 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) of 2.3%. Further, there has been no instance of CC utilisation for the pool till date owing to strong collection performance and presence of EIS.

**Adequate servicing capability of the originator** – The company has adequate processes for the servicing of the loan accounts in the securitised pool. It has a demonstrated track record of regular collections and recoveries and has presence in multiple geographies

### Credit challenges

**Exposed to basis risk** – The transaction is exposed to basis risk as the underlying pool has floating rate loans linked to GHFL's lending rate, whereas yield on PTCs is floating and linked to an external benchmark.

**Risks associated with lending business** – The pool's 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 on the basis of 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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 2.0% of the initial pool principal with certain variability. The average prepayment rate for the underlying pool is modelled in the range of 5% to 18% 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 ratings for the instruments.

## Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction Name	MHFL SECURITISATION TRUST I
Originator	GHFL
Servicer	GHFL
Trustee	Catalyst Trusteeship Limited
FLF holding bank	IDFC First Bank Limited
SLF holding bank	IDFC First Bank Limited
Collection and payout account bank	ICICI Bank

## Liquidity position: Superior

The liquidity for PTCs is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. For SLF, the liquidity is superior after factoring in the FLF (first loss facility) available for top up of SLF, if needed, as per the defined waterfall mechanism. The total credit enhancement would be greater than 10 times the estimated loss for the pool.

## Rating sensitivities

**Positive factors for PTCs** - Not applicable

**Positive factors for SLF** - Sustained strong collection performance of the underlying pool of contracts, leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement could result in a ratings upgrade

**Negative factors for both PTCs & SLF** - The sustained weak collection performance of the underlying pool, leading to higher-than-expected delinquency levels and credit enhancement utilisation levels, would be a negative factor. Weakening in the credit profile of the servicer (GHFL) could also exert pressure on the ratings

## Analytical approach

The rating action is based on the performance of the pool till May 2025 (payout month), the present delinquency profile of the pool, the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

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

## About the Originator

Grihum Housing Finance Limited is a housing finance company registered with the Reserve Bank of India (RBI). The company provides home loans and loan against property in the affordable housing finance segment. It had a presence in 18 states/UTs in India through a network of more than 200 branches as on December 31, 2024. The company reported assets under management (AUM) of Rs. 9,206 crore as on December 31, 2024 while catering to more than 80,000 customers with an average ticket size of Rs. 10 lakhs.

TPG, through Perseus SG Pte Ltd. (Perseus), had acquired a 99.02% stake in the company on July 26, 2023. TPG is a global investment firm with ~\$229 billion in AUM as of March 31, 2024. Perseus is advised and managed by TPG Capital (S) Pte. Ltd., which holds a capital markets services licence issued by the regulatory authority – the Monetary Authority of Singapore (MAS). TPG Asia Fund VIII ultimately holds the entire equity interest in Perseus. TPG Asia Fund VIII is one the several funds advised or managed by TPG and has a current fund size of \$8 billion and a fund life of 10 years.

## Key financial indicators (audited)

	FY2023	FY2024	9MFY2025
<b>Total income</b>	716	1,046	943
<b>PAT</b>	115	140	150
<b>Total managed assets</b>	6,289	8,277	9,206
<b>Gross NPA</b>	0.8%	1.0%	1.5%
<b>CRAR</b>	34.8%	47.3%	48.5%

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore

PAT – Profit after tax; CRAR – Capital to risk-weighted assets ratio

## 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	
				Jun 30, 2025	Jun 28, 2024	Jun 27, 2023	Jun 20, 2022	
MHFL SECURITISATION TRUST I	PTC Series A1	48.06	11.46	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	
	PTC Series A2	1.74	0.42	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	
	Second Loss Facility	2.99	2.99	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]BBB-(SO)	[ICRA]BBB-(SO)	

## Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
<b>MHFL SECURITISATION TRUST I</b>	PTC Series A1	Moderately Complex
	PTC Series A2	Moderately Complex
	Second Loss Facility	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 are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Trust Name	Instrument Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	MHFL SECURITISATION TRUST I	PTC Series A1	March 06, 2019	Floating; Linked to 1-year MCLR of investor	July 26, 2041	11.46	[ICRA]AAA(SO)
		PTC Series A2		Residual		0.42	[ICRA]AAA(SO)
		Second Loss Facility		-		2.99	[ICRA]A-(SO)

Source: Company

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

Not applicable

## ANALYST CONTACTS

**Manushree Sagar**

+91 124 454 5316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Gaurav Mashalkar**

+91 22 6114 3431

[gaurav.mashalkar@icraindia.com](mailto:gaurav.mashalkar@icraindia.com)

**Pratik Vora**

+91 22 6114 3438

[pratik.vora@icraindia.com](mailto:pratik.vora@icraindia.com)

**Mrugesh Trivedi**

+91 22 6114 3436

[mrugesh.trivedi@icraindia.com](mailto:mrugesh.trivedi@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto: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



### Branches



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