

July 18, 2025

## Ummeed Housing Finance Private Limited: Rating upgraded for SNs issued under home loan receivables securitisation transactions

### Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Ruby 04 2022	SN Series A1	38.55	15.07	7.27	[ICRA]AAA(SO); upgraded from [ICRA]AA(SO)

\*Instrument details are provided in Annexure I

### Rationale

The securitisation notes (SNs) are backed by a pool of home loan receivables originated by Ummeed Housing Finance Private Limited (UHFPL/Originator; rated [ICRA]A1). The rating for the trust has been upgraded due to the build-up of the credit enhancement (CE) cover over the future SN payouts, on account of the high amortisation of the underlying pool and SNs. The rating also draws comfort from the fact that the breakeven collection efficiency is lower compared to the actual collection level observed in the pool till the June 2025 payout month.

### Pool performance summary

Parameter	Ruby 04 2022
Payout month	June 2025
Months post securitisation	37
Pool amortisation	51.8%
SN amortisation	81.1%
Cumulative collection efficiency <sup>1</sup>	99.9%
Average monthly prepayment rate	1.3%
Loss-cum-30+ days past due (dpd) <sup>2</sup> (% of initial pool)	0.4%
Loss-cum-90+ dpd <sup>3</sup> (% of initial pool)	0.0%
Cumulative CC utilisation	0.0%
Breakeven collection efficiency <sup>4</sup>	12.3%
CC (% of balance pool)	12.1%
Principal subordination (% of balance pool) <sup>5</sup>	64.8%
Excess interest spread (EIS; % of balance pool) <sup>6</sup>	>100.0%

### Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout and principal payout (90% of the pool principal billed). The balance principal (10% of the pool principal billed) is expected to be paid on a monthly basis until the maturity of SN Series A1. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will be used for the prepayment of SN Series A1 principal. Any prepayment in the pool would be used for the prepayment of SN Series A1 principal.

<sup>1</sup> (Cumulative current and overdue collections till date)/Cumulative billing till date

<sup>2</sup> Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

<sup>3</sup> Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

<sup>4</sup> (Balance cash flows payable to investor – CC available)/Balance pool cash flows

<sup>5</sup> (Pool principal – PTC principal) / Pool principal outstanding

<sup>6</sup> (Pool Cash flows – PTC Cash flows – Originator's principal portion) / Pool Principal outstanding

## Key rating drivers and their description

### Credit strengths

**Healthy pool performance** – Performance of the pool has been healthy with cumulative collection efficiency of ~99% and nil 90+ days past due (dpd) as on June 2025 payout month. The break-even collection efficiency is also low as compared to the collection efficiency observed in the pool.

**Substantial credit enhancement available in the structure** – The rating factors in the build-up in the credit enhancement with cash collateral (CC) increasing to ~21% of the balance pool principal as compared to 10% at the time of securitisation. Further, there have been no instances of cash collateral utilisation till date owing to strong collection performance and presence of excess interest spread (EIS) and principal subordination in the transaction.

**Contracts backed by residential properties** – All the contracts in the pool are backed by residential properties. This is expected to support the quality of the pool as it has been observed that borrowers tend to prioritise repayments towards such loans even during financial stress.

**Adequate servicing capability of the UHFPL** – The company 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 contracts originating from only 3 states, viz. Delhi NCR, Rajasthan and Haryana. 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 and basis risk** – The underlying pool has a mix of fixed and floating rate (linked which linked to originator's internal benchmark) loans and the yield on the SN is linked to an external benchmark (investor's MCLR). Hence, the transaction is exposed to interest rate and basis risk and any adverse movement in the benchmark yield is likely to reduce the EIS available in the transaction.

**Risks 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 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 current pools, ICRA has estimated the shortfall in the pool principal collection during its tenure at 2.00% with certain variability around it. The average prepayment rate for both the underlying pools 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 transactions are as follows:

Transaction Name	Ruby 04 2022
Originator	Ummeed Housing Finance Private Limited
Servicer	Ummeed Housing Finance Private Limited
Trustee	Catalyst Trustee Limited
CC bank	ICICI Bank Limited
Collection and payout account bank	ICICI Bank Limited

## Liquidity position: Superior

The liquidity for the SN instrument is superior after factoring in the credit enhancement available to meet the promised payouts to the investors. The total credit enhancement is more than 10 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – The rating could be upgraded if sustained strong collection performance is witnessed in the underlying pools, leading to low delinquency levels and build-up of cover from the credit enhancement (CE) of the balance pool principal.

**Negative factors** – The sustained weak collection performance of the underlying pool, 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 performance of the pools till June 2025 (collection month), the present delinquency levels and the credit enhancement available in the pools, and the performance expected over the balance tenure of these pools.

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 NHB, was incorporated in January 2016 and is based in Gurugram (Haryana). It 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 through home loans (HLs) for the purchase, construction, extension or renovation of houses, as well as non-home loans (NHLs) such as loan against property (LAP; for consumption and personal use), business loans (BLs; for working capital and other business requirements) and small-ticket business loans (STBLs; for short-term loan requirements of shopkeepers).

It had a network of 130 branches across 9 states/UTs (Rajasthan, Haryana, Delhi NCR, Uttar Pradesh, Uttarakhand, Punjab, Madhya Pradesh, Andhra Pradesh and Telangana) as on March 31, 2025. Its AUM stood at Rs. 2,362 crore as on March 31, 2025 with HL accounting for 62% of the overall AUM, followed by LAP (19%), STBL (12%) and BL (7%). The company is promoted by Mr. Ashutosh Sharma, who has over 25 years of experience in banking and financial services. He held an 18.3% stake in the company on a fully-diluted basis as on March 31, 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

UHFPL	FY2023 Audited	FY2024 Audited	FY2025 Provisional
Total income	160	243	324
Profit after tax	35	53	60
Total managed assets	1,242	1,828	2,490
Gross stage 3	0.4%	0.5%	0.7%
CRAR	74.1%	63.0%	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	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years				
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	
				Jul 18, 2025	Jul 25, 2024	Jul 31, 2023	Jul 29, 2022	Apr 28, 2022
Ruby 04 2022	SN Series A1	38.55	7.27	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)

### Complexity level of the rated instruments

Trust Name	Instrument	Complexity Indicator
Ruby 04 2022	SN Series A1	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 Type	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
<b>Ruby 04 2022</b>	SN Series A1	April 29, 2022	10.00%*	April 20, 2043	7.27	[ICRA]AAA(SO)

\*1-year marginal cost of funds-based lending rate (MCLR) + 0.9%

Source: Company

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

Not Applicable

## ANALYST CONTACTS

**Manushree Sagar**  
+91 124 4545 316  
[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sachin Joglekar**  
+91 22 6114 3470  
[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Himanshi Doshi**  
+91 22 6114 3410  
[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

**Mrugesh Trivedi**  
+91 22 6114 3436  
[mrugesh.trivedi@icraindia.com](mailto:mrugesh.trivedi@icraindia.com)

**Ekta Baheti**  
+91 22 6114 3454  
[ekta.baheti@icraindia.com](mailto:ekta.baheti@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. 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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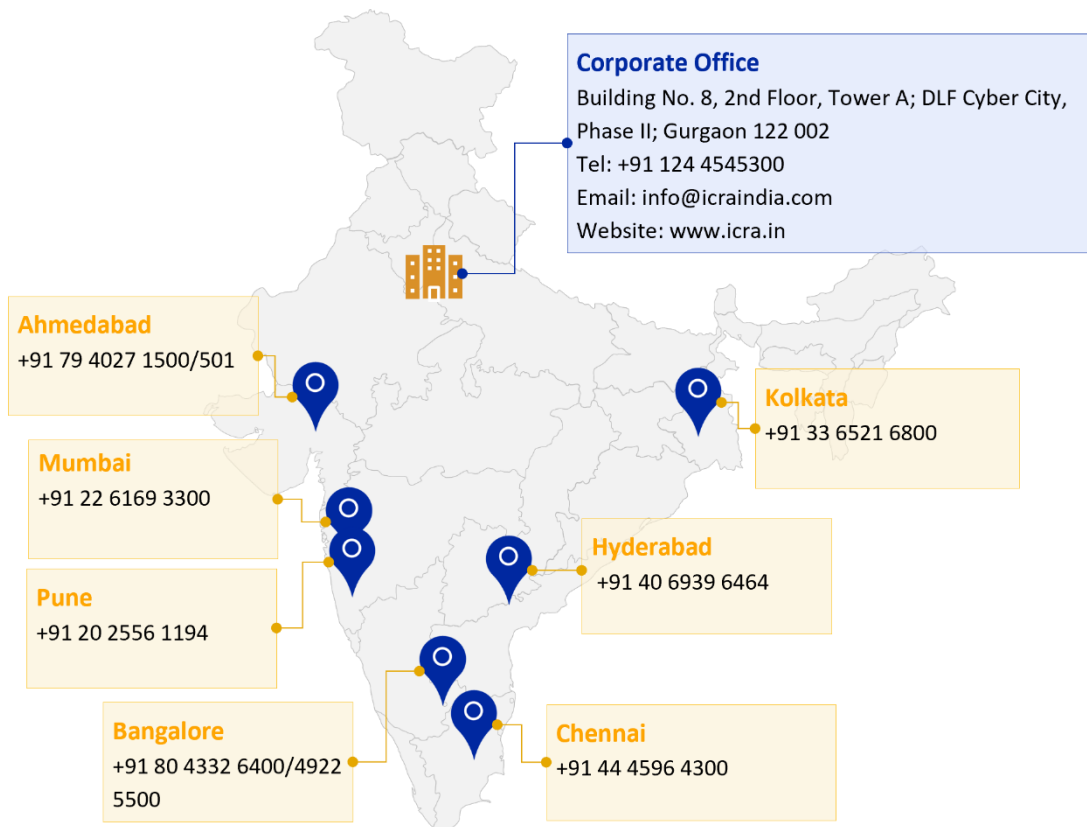


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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