

November 14, 2025

Niwas Housing Finance Private Limited (erstwhile Indostar Home Finance Private Limited): Rating reaffirmed for PTCs issued under mortgage loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Amount (Rs. crore)	Previous Rate Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Star HFC Trust Dec21	PTC Series A	115.33	53.39	45.52	[ICRA]AAA(SO); reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by pool of HL and LAP receivables originated by Niwas Housing Finance Private Limited (NHFPL/Originator). NHFPL is acting as the servicer for the transaction.

The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of high amortisation and healthy pool performance. 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 October 2025 payout month.

Pool performance summary

Parameter	Star HFC Trust Dec21
Payout month	October 2025
Months post securitisation	46
Pool amortisation	61.8%
PTC amortisation	61.8%
Cumulative collection efficiency ¹	99.7%
Cumulative prepayment rate	53.9%
Loss-cum-30+ days past due (dpd) ² (% of initial pool principal)	1.1%
Loss-cum-90+ dpd ³ (% of initial pool principal)	0.5%
Cumulative cash collateral (CC) utilisation	0.0%
CC available (as % of balance pool principal)	20.1%
Excess interest spread (EIS) ⁴ (as % of balance pool principal)	46.2%
Breakeven collection efficiency ⁵	69.5%

¹ (Cumulative Current and Overdue Collections till date)/(Cumulative Billing till date + Opening Overdues at the start of the transaction)

² Inclusive of Unbilled and Overdue Principal portion of Delinquent contracts overdue by more than 30 days, as a % of Initial Pool Principal

³ Inclusive of Unbilled and Overdue Principal portion of Delinquent contracts overdue by more than 90 days, as a % of Initial Pool Principal

⁴ (Pool Cash flows – Cash flows to PTC investors – Originator's residual share)/Pool Principal outstanding

⁵ (Balance Cash flows payable to investor – CC available)/Balance Pool Cash flows

Transaction structure

As per the transaction structure, the monthly flow schedule comprises the promised interest payout and principal payout. (100% of the pool principal billed). Any surplus excess interest spread (EIS), after meeting the promised payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of PTC Series A principal.

Key rating drivers and their description

Credit strengths

Credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with cash collateral increasing to 20.96% of the balance pool principal for STAR HFC TRUST DEC21 compared to 8% at time of securitisation. Internal credit support is also available through scheduled EIS of ~46% for the transaction.

Healthy pool performance – Performance of the pool has been strong with cumulative collection efficiency of ~99% as on October 2025 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) below 1%. The break-even collection efficiency has also declined to ~70%. Further, there have been no instances of cash collateral utilisation for the pool till date owing to strong collection performance and the presence of EIS.

Adequate servicing capability of the originator - The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of ~8 years of regular collections and recovery across a wide geography.

Credit challenges

Exposed to basis risk – The transaction is exposed to basis rate risk as the underlying pool comprise loans with floating interest rate linked to the originator's lending rate whereas yield on the PTC is linked to external benchmark rate (investor's MCLR).

Risks associated with lending business – The pool 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 pool, ICRA has estimated the shortfall in the pool principal collection during their tenure at 2.00% of initial pool principal with certain variability around it. The average prepayment rate for the pool is modelled in the range of 4.8% to 18.0% 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 is as follows:

Transaction Name	Star HFC Trust Dec21
Originator	Niwas Housing Finance Private Limited
Servicer	Niwas Housing Finance Private Limited
Trustee	IDBI Trusteeship Services Limited
CC holding bank	Kotak Mahindra Bank
Collection and payout account bank	ICICI Bank

Liquidity position – Superior

The liquidity for PTC Series A is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is more than 10 times the estimated loss for the pool.

Rating sensitivities

Positive factors – Not Applicable.

Negative factors – The rating could be downgraded based on sustained weak collection performance of the underlying pool leading to higher-than-expected delinquency levels and credit enhancement utilisation levels. Weakening in the credit profile of the servicer (NHFPL) could also exert pressure on the rating.

Analytical approach

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

Analytical Approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Niwas Housing Finance Private Limited (Niwas) (formerly known as ‘Indostar Home Finance Private Limited’) is a housing finance company incorporated in 2017 as a wholly owned subsidiary of IndoStar Capital Finance Limited (Indostar). In FY2025, WITKOPEEND B.V., an affiliate of BPEA EQT Mid-Market Growth Partnership (EQT) – global private equity investor acquired 100% stake in Niwas for Rs. 1,750 crore. Niwas ceases to be a subsidiary of IndoStar.

As of June 30, 2025, Niwas Housing’s AUM stood at Rs. 3,289 crore (Rs. 2,270 crore in March 2024). In FY2025, the company reported a net profit of Rs. 68 crore on total managed asset base of about Rs. 3,546 crore compared to a net profit of Rs. 44 crore on total managed asset base of Rs. 2,646 crore.

Key financial indicators

NHFPL	FY2024 (audited)	FY2025 (audited)	Q1 FY2026 (unaudited)
Total income	290	409	114
PAT	44	69	10
Total managed assets	2,269	3,091	3,289
Gross stage 3	1.1%	1.35%	1.56%
CRAR	57.4%	49.94%	44.1%

Source: Company data, 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	
				Nov 14, 2025	Dec 31, 2024	Dec 22, 2023	Feb 28, 2023	
Star HFC Trust Dec21	PTC Series A	115.33	45.52	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A	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

Trust Name	Instrument Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Star HFC Trust Dec21	PTC Series A	Jan 03, 2022	9.13%*	May 13, 2046	45.52	[ICRA]AAA(SO)

Source: Company; * Floating yield and linked to investor's MCLR rate

Annexure II: List of entities considered for consolidated analysis

Not applicable

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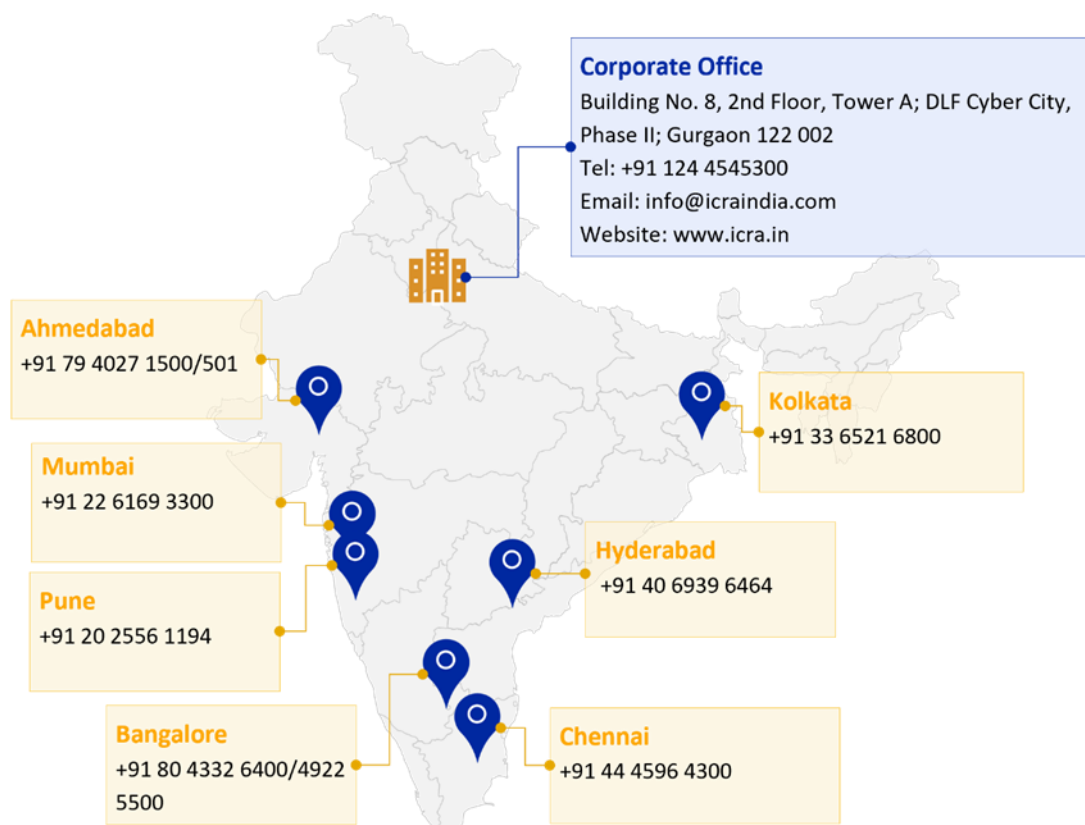


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