

February 05, 2026

## Niwas Housing Finance Private Limited (erstwhile Indostar Home Finance Private Limited): Rating confirmed as final for Series A1 PTCs backed by home loan receivables issued by STAR HFC Trust Sep 2025

### Summary of rating action

Trust name	Instrument*	Rated amount (Rs. crore)	Rating action
Star HFC Trust Sep 2025	Series A1 PTCs	155.71	[ICRA]AAA(SO); provisional rating confirmed as final

\*Instrument details are provided in Annexure I

### Rationale

ICRA had assigned a provisional rating to the pass-through certificate (PTCs) issued by Star HFC Trust Sep 2025 under a securitisation transaction originated by Niwas Housing Finance Private Limited (erstwhile Indostar Home Finance Private Limited) (NHFPL/Originator). The PTCs are backed by a pool of home loan (HL) receivables with an aggregate principal outstanding of Rs.163.90 crore (pool receivables of Rs. 363.73 crore). NHFPL is also the servicer for the rated 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 rating has now been confirmed as final.

### Pool performance summary

Parameter	Star HFC Trust Sep 2025
Payout month	December 2025
Months post securitisation	3
Pool amortisation	4.0%
PTC Series A amortisation (as % of initial PTC Series A principal)	7.6%
Cumulative collection efficiency (%) <sup>1</sup>	99.9%
Breakeven collection efficiency (%) <sup>2</sup>	52.7%
Loss-cum-30+ days past due (dpd) (% of initial pool principal) <sup>3</sup>	0.0%
Loss-cum-90+ dpd (% of initial pool principal) <sup>4</sup>	0.0%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.0%
CC available (as % of balance pool principal)	3.1%
Subordination available (as % of balance pool principal)	7.1%
Excess interest spread (EIS; as % of balance pool principal)	93.2%

<sup>1</sup> Cumulative collections till date / Cumulative billings till date + Opening overdue

<sup>2</sup> (Balance cash flows payable to investor – CC available) / Balance pool cash flows

<sup>3</sup> POS on contracts aged 30+ dpd + Overdue / Initial POS on the pool

<sup>4</sup> POS on contracts aged 90+ dpd + Overdue / Initial POS on the pool

## 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 (100% 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 Series A1 PTC principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 3.00% of the initial pool principal, amounting to Rs. 4.92 crore, provided by the Originator, (ii) principal subordination of 5.00% of the initial pool principal for Series A1 PTCs, and (iii) the excess interest spread (EIS) of 92.52% of the initial pool principal for Series A1 PTCs.

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** - The pool is granular, consisting of 1,779 contracts, with top 10 borrowers forming ~2% share in the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and 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 were no overdue contracts as on the cut-off date. Further, none of the contracts in the pool have ever been delinquent since disbursement, which is a credit positive.

**Contracts backed by self-occupied residential properties** – All the contracts in the pool are backed by self-occupied 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 originator** - The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of ~5 years of regular collections and recovery across a wide geography.

### Credit challenges

**Exposed to interest rate risk** – The transaction is exposed to interest rate risk as the yield for majority (~99%) of the pool is floating and linked to originator's internal benchmark rate whereas the yield on the PTCs is fixed.

**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 the rating of securitisation transactions involves the simulation of potential losses, delinquencies and prepayment 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 its tenure at 4.00% 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 follows:

Transaction name	Star HFC Trust Sep 2025
Originator	Niwas Housing Finance Private Limited
Servicer	Niwas Housing Finance Private Limited
Trustee	Catalyst Trusteeship Limited
Cash Collateral holding Bank	IndusInd Bank Limited
Collection and payout account Bank	IndusInd Bank Limited

### Liquidity position: Superior

The liquidity for Series A1 PTCs is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be greater than 10 times the estimated loss in the pool.

### 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 (NHFPL) 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

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.

Niwas offers housing loans with a focus on the affordable housing segment, with ticket sizes ranging from Rs. 5 lakh to Rs. 30 lakh for home loan and Rs 3-15 lakh for LAP with tenures of upto 20 years. The company operates through a network of 147 branches, though its presence remains concentrated in southern states such as Tamil Nadu, Andhra Pradesh, and Maharashtra, which collectively account for 75% of AUM as of June 2025. The majority of its AUM is driven by older branches (5+ years), indicating maturity and deeper market penetration in key states. The customer profile is largely having an even split between self-employed (54%) and salaried segments (46%). Herein the company has presence through direct and indirect channels.

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 (standalone)

NHFPL	FY2024 (audited)	FY2025 (audited)	Q1 FY2026 (unaudited)
<b>Total revenue</b>	290	409	114
<b>PAT</b>	44	68	10
<b>Gross loan book</b>	2,269	3,091	3,289
<b>Gross stage 3</b>	1.1%	1.35%	1.56%
<b>CRAR</b>	57.4%	49.94%	44.1%

Source: Company data; Amount in Rs. crore

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

**Any other information: None**

### Rating history for past three years

S. no.	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 FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
					Feb 05, 2025	Oct 06, 2025	-	-	-
1	Star HFC Trust Sep 2025	Series A1 PTCs	155.71	155.71	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-	-

### Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 PTCs	Highly 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	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
NA	Star HFC Trust Sep 2025	Series A1 PTCs	September 29, 2025	7.65%*	January 27, 2045	155.71	[ICRA]AAA(SO)

Source: Company; \*yield as per executed transaction documents is 7.25% p.a.p.m.

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

Not applicable

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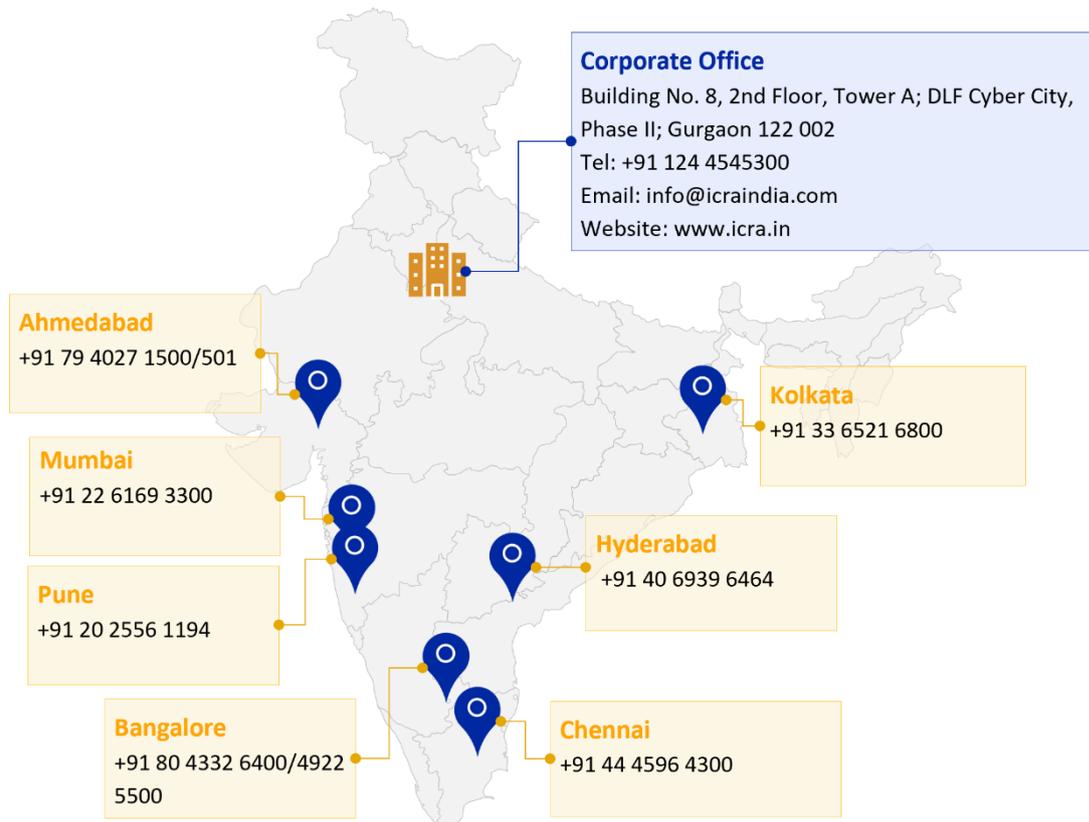
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