

February 26, 2026

Niwas Housing Finance Private Limited: Ratings reaffirmed for PTCs issued backed by a pool of HL and LAP securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs Crore)	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Star HFC PTC Trust Jan 2023	Series A1 PTC	58.15	23.34	11.23	[ICRA]AAA(SO); Reaffirmed
Star HFC PTC Trust Jun 2023	Series A1 PTCs	77.14	28.37	21.23	[ICRA]AAA(SO); Reaffirmed
STAR HFC TRUST SEPT 2024	Series A1 PTCs	100.01	100.01	66.56	[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 January 2026 payout month.

Pool performance summary

Parameter	Star HFC Trust Jan 2023	Star HFC Trust Jun 2023	STAR HFC TRUST SEPT 2024
Payout month	January 2026	January 2026	January 2026
Months post securitisation	34	31	16
Pool amortisation	48.60%	42.96%	22.89%
PTC amortisation: Series A1 PTC	80.70%	72.48%	33.44%
Cumulative collection efficiency ^[1]	99.33%	98.94%	98.73%
Loss-cum-90+ (% of initial pool principal) ^[2]	0.96%	1.53%	1.28%
Loss-cum-180+ (% of initial pool principal) ^[3]	0.53%	1.24%	0.83%
Cumulative prepayment rate	35.49%	28.26%	17.46%
Breakeven collection efficiency ^[4] for Series A1 PTC	13.84%	20.93%	53.91%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.0%	0.0%	0.0%
Cash collateral (CC) available (as % of balance pool principal)	4.14%	3.90%	3.89%
Excess interest spread over balance tenure (as % of balance pool) for Series A1 PTC	105.20%	97.40%	79.82%

^[1] Cumulative collections till date / Cumulative billings till date + Opening overdue

^[2] POS on contracts aged 90+ dpd + Overdue / Initial POS on the pool

^[3] POS on contracts aged 180+ dpd + Overdue / Initial POS on the pool

^[4] Breakeven collection efficiency = Balance PTC A1 cash flows + PTC A2 interest – Cash collateral available / Balance pool cash flows

Transaction structure

For STAR HFC TRUST SEPT 2024

As per the transaction structure, the monthly 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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will be used for the prepayment of Series A1 PTC principal on a monthly basis. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

For Star HFC PTC Trust Jan 2023

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For Star HFC PTC Trust Jun 2023

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Reset of credit enhancement

At the Originator's request for resetting the credit enhancement, ICRA has analysed the pools, basis the cash collateral (CC) mentioned in the table provided below. Based on the pools' performance, the current rating for the SNs will remain unchanged even after the CC amount is reset. The CC reset shall be subject to the approval of the SNs investors. However, as per 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 Name	Current Outstanding [A]	CC ICRA Required as per Maintaining Present Rating [B]	for CC that can be Released [C]= 60%*(A - B)	Revised CC Limit [D] = (A - C)
Star HFC PTC Trust Jan 2023	2.03	1.04	0.59	1.44
Star HFC PTC Trust Jun 2023	2.63	1.50	0.68	1.95

Amount in Rs. crore

Key rating drivers and their description

Credit strengths

For STAR HFC TRUST SEPT 2024

Credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with cash collateral increasing to 5.26% of the balance pool principal for Star HFC Trust Jun 2023 compared to 3% at time of securitisation and from ~4.8% at the time of previous surveillance. Internal credit support is also available through scheduled EIS of ~97% for the transaction.

Healthy pool performance –Performance of the pool has been strong with cumulative collection efficiency of ~98% as on January 2026 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) below 3%. The break-even collection efficiency has also declined to ~20%. 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 in the housing finance business with regular collections and recovery across a wide geography.

For Star HFC PTC Trust Jan 2023

Credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with cash collateral increasing to 5.9% of the balance pool principal for Star HFC Trust Jan 2023 compared to 3% at time of securitisation and from ~4.7% at the time of previous surveillance. Internal credit support is also available through scheduled EIS of ~105% for the transaction.

Healthy pool performance –Performance of the pool has been strong with cumulative collection efficiency of ~99% as on January 2026 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) below 2%. The break-even collection efficiency has also declined to ~14%. 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 in the housing finance business with regular collections and recovery across a wide geography.

For Star HFC PTC Trust Jun 2023

Credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with cash collateral increasing to 5.3% of the balance pool principal for Star HFC Trust Jun 2023 compared to 3% at time of securitisation and from ~4.8% at the time of previous surveillance. Internal credit support is also available through scheduled EIS of ~97% for the transaction.

Healthy pool performance –Performance of the pool has been strong with cumulative collection efficiency of ~98% as on January 2026 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) below 3%. The break-even collection efficiency has also declined to ~20%. 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 in the housing finance business with regular collections and recovery across a wide geography.

Credit challenges

For STAR HFC TRUST SEPT 2024

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 EBLR).

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.

For Star HFC PTC Trust Jan 2023

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Key rating assumptions

For Star HFC PTC Trust Jan 2023 , Star HFC PTC Trust Jun 2023 and STAR HFC TRUST SEPT 2024

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 3.50% of initial pool principal with certain variability around it. The average prepayment rate for the 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 is as follows:

Particulars	Star HFC PTC Trust Jan 2023	Star HFC PTC Trust Jun 2023	STAR HFC TRUST SEPT 2024
Originator	Niwas Housing Finance Private Limited		
Servicer	Niwas Housing Finance Private Limited		
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited	Vardhman Trusteeship Private Limited
CC holding bank	DCB Bank	DCB Bank	IndusInd Bank
Collection and payout account bank	ICICI Bank	ICICI Bank	IndusInd Bank

Liquidity position: Superior

For STAR HFC TRUST SEPT 2024

Liquidity position: Superior

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

For Star HFC PTC Trust Jan 2023

Liquidity position: Superior

The liquidity for Series A1 PTC 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.

For Star HFC PTC Trust Jun 2023

Liquidity position: Superior

The liquidity for Series A1 PTC 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

For STAR HFC TRUST SEPT 2024

Positive factors – Not Applicable.

Negative factors – The ratings 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 could also exert pressure on the rating.

For Star HFC PTC Trust Jan 2023

Positive factors – Not Applicable.

Negative factors – The ratings 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 could also exert pressure on the rating.

For Star HFC PTC Trust Jun 2023

Positive factors – Not Applicable.

Negative factors – The ratings 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 could also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/group Support	Not Applicable
Consolidation/standalone	Not Applicable

The rating action is based on the performance of the pool till the September 2025 payout month (August 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

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 (audited)

Particular	FY2024	FY2025	Q1 FY2026 (unaudited)

	(audited)	(audited)	
Total revenue (Rs. Cr)	290.0	409.0	114.0
PAT (Rs. Cr.)	44.0	69.0	10.0
Gross Loan Book (Rs. Cr.)	2,269	3,091	3,289
Gross Stage 3	1.1%	1.4%	1.6%
CRAR	57.4%	49.9%	44.1%

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.

Status of non-cooperation with previous CRA

NA

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
				Feb 26, 2026	May 26, 2025		May 24, 2024	May 10, 2023	
Star HFC PTC Trust Jan 2023	Series A1 PTCs	58.15	11.23	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-

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
				Feb 26, 2026	Sep 25, 2025		Sep 23, 2024	Sep 18, 2023	
Star HFC PTC Trust Jun 2023	Series A1 PTCs	77.14	21.23	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-

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
				Feb 26, 2026	Feb 20, 2025	Oct 01,2024	-
STAR HFC TRUST SEPT 2024	Series A1 PTCs	100.01	66.56	[ICRA]AAA(SO)	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Series A1 PTC	Highly Complex
Series A1 PTCs	Highly Complex
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

Trust name	ISIN	Instrument name	Date of issuance / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
Star HFC Trust Jan 2023	-	Series A1 PTC	March 23,2023	8.39%*	May 17,2042	11.23	[ICRA]AAA(SO)
Star HFC Trust Jun 2023	-	Series A1 PTCs	June 22,2023	8.49%**	December 17,2037	21.23	[ICRA]AAA(SO)
STAR HFC TRUST SEPT 2024	-	Series A1 PTCs	September 27, 2024	8.35%	April 21, 2052	66.56	[ICRA]AAA(SO)

Source: Company, *Linked to DCB, i.e. investor's EBLR rate; **Floating, Linked to investor's EBLR minus 159 bps

Annexure II: List of entities considered for consolidated analysis: Not applicable

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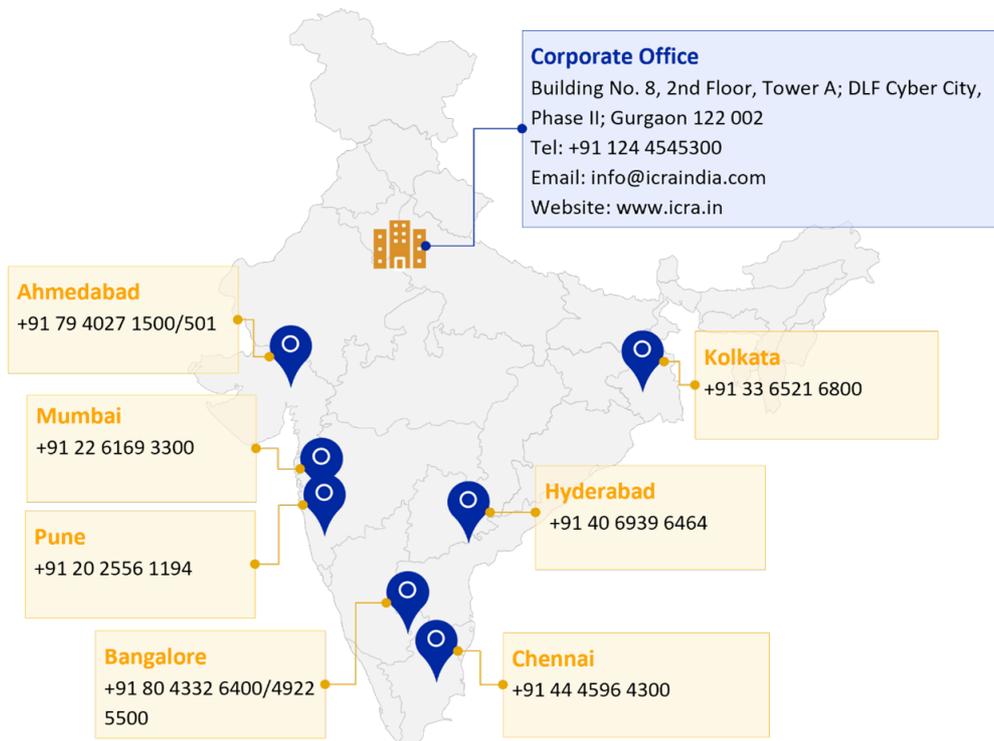


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