May 29, 2026

Niwas Housing Finance Limited: Ratings reaffirmed for PTCs backed by HL and LAP receivables securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Star HFC Trust Nov 2022	Series A PTCs	36.71	36.71	23.45	[ICRA]AAA(SO); Reaffirmed
Star HFC trust Feb25	Series A1 PTCs	58.66	NA	44.93	[ICRA]AAA(SO); Reaffirmed

**Instrument details are provided in Annexure II*

Rationale

The pass-through certificates (PTCs) for Star HFC Trust Nov 2022 are backed by HL and LAP receivables and the pass-through certificates (PTCs) for Star HFC trust Feb25 are backed by only HL receivables originated by Niwas Housing Finance Limited(NHFPL/Originator). NHFPL would be the servicer for the transactions.

For Star HFC Trust Nov 2022, the rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of higher amortisation and healthy pool performance. The rating also draws comfort from the fact that the breakeven collection efficiency is comfortably lower compared to the actual collection level observed in the pool till the April 2026 payout month.

For Star HFC trust Feb25, the rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of moderate 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 April 2026 payout month.

Pool Performance Summary

Parameter	Star HFC Trust Nov 2022	Star HFC trust Feb25
Payout month	April 2026	April 2026
Months post securitisation	40	15
Pool amortisation	51.29%	22.00%
Series A1 PTCs amortisation	68.31%	23.40%
Cumulative collection efficiency[1]	101.16%	99.78%
Cumulative prepayment rate	39.70%	17.84%
Loss-cum-0+ dpd[2]	4.68%	1.17%
Loss-cum-30+ dpd[3]	3.29%	0.73%
Loss-cum-90+ dpd[4]	1.43%	0.23%
Cumulative cash collateral (CC) utilisation	0.00%	0.00%

[1] *Cumulative collections including advances / (Cumulative billings + Opening overdue at the time of securitisation*
[2] *Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation*
[3] *Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation*
[4] *Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation*

Transaction Structure

Star HFC Trust Nov 2022

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 contractually promised on the final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, will be utilised for the prepayment of Series A PTC principal. Any prepayment in the pool would be used for the prepayment of Series A PTC principal.

Star HFC trust Feb25

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout along with principal payout of 94% of the pool principal billed. The balance principal (6% of the pool principal billed) is expected to be paid on a monthly basis until the maturity of Series A1 PTC. Any prepayment in the pool would be utilised for the prepayment of Series A1 PTC principal. Further, any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the originator on a monthly basis

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 16.42% of the balance pool principal for Star HFC Trust Nov 2022 compared to 8% at time of securitisation and from ~13% at the time of previous surveillance and cash collateral increasing to 4.62% of the balance pool principal for Star HFC trust Feb25. Internal credit support is also available through scheduled EIS of ~117% for the Star HFC Trust Nov 2022 and ~64% for Star HFC trust Feb25.

Healthy pool performance –Performance of the pool has been strong with cumulative collection efficiency of ~99% as on April 2026 payout month which has resulted in low delinquencies in the pool with the 90+ days past due (dpd) below 3% for Star HFC Trust Nov 2022 and below 1% for Star HFC trust Feb25. The break-even collection efficiency has also declined to ~25% and 68% for Star HFC Trust Nov 2022 and Star HFC trust Feb25 respectively. Further, there have been no instances of cash collateral utilisation for the pools 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

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 (repo rate + 2.70%) for Star HFC Trust Nov 2022 and yield on the PTC fixed for Star HFC trust Feb25.

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 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 3.00% for Star HFC Trust Nov 2022 and 1.75% for Star HFC trust Feb25 of initial pool principal 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 Nov 2022	Star HFC trust Feb25
Originator	Niwas Housing Finance Private Limited	
Servicer	Niwas Housing Finance Private Limited	
Trustee	IDBI Trusteeship Limited	IDBI Trusteeship Limited
Cash collateral holding Bank	DBS Bank	ICICI Bank
Collection and payout account Bank	DBS Bank	ICICI Bank

Liquidity position: Superior

The liquidity for both the Series A1 PTC for Star HFC Trust Nov 2022 and Star HFC trust Feb25 are 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 pools.

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 pools till March 2026 (collection month), the present delinquency levels and the credit enhancement available in the pools, and the performance expected over the balance tenure of the pools.

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

About the originator

Niwas Housing Finance 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 (audited)	FY2025 (audited)	Q1 FY2026 (unaudited)
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; 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 (FY2027)				Chronology of Rating History for the Past 3 Years		
	Instrument	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
				May 29, 2026	May 26, 2025	May 24, 2024	May 16, 2023
Star HFC Trust Nov 2022	Series A PTCs	74.02	23.45	**[ICRA]AAA(SO)**	**[ICRA]AAA(SO)**	**[ICRA]AAA(SO)**	**[ICRA]AAA(SO)**

Trust Name	Current Rating (FY2027)				Chronology of Rating History for the Past 3 Years		
	Instrument	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
				May 29, 2026	May 19, 2025	Feb 14, 2025	-
Star HFC trust Feb25	Series A1 PTCs	58.66	44.93	**[ICRA]AAA(SO)**	**[ICRA]AAA(SO)**	**Provisional [ICRA]AAA(SO)**	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI

4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
Star HFC Trust Nov 2022	**Series A PTCs**	Highly Complex
Star HFC trust Feb25	**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 II: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
Star HFC Trust Nov 2022	Series A PTCs	December 29, 2022	9.20%*	May 17, 2047	23.45	[ICRA]AAA(SO)
Star HFC trust Feb25	Series A1 PTCs	February 07, 2025	8.75%	August 20, 2048	44.93	[ICRA]AAA(SO)

*Source: Company; *repo linked ,6-monthly reset,Repo+2.70%;*

Annexure III: List of entities considered for consolidated analysis

Not Applicable

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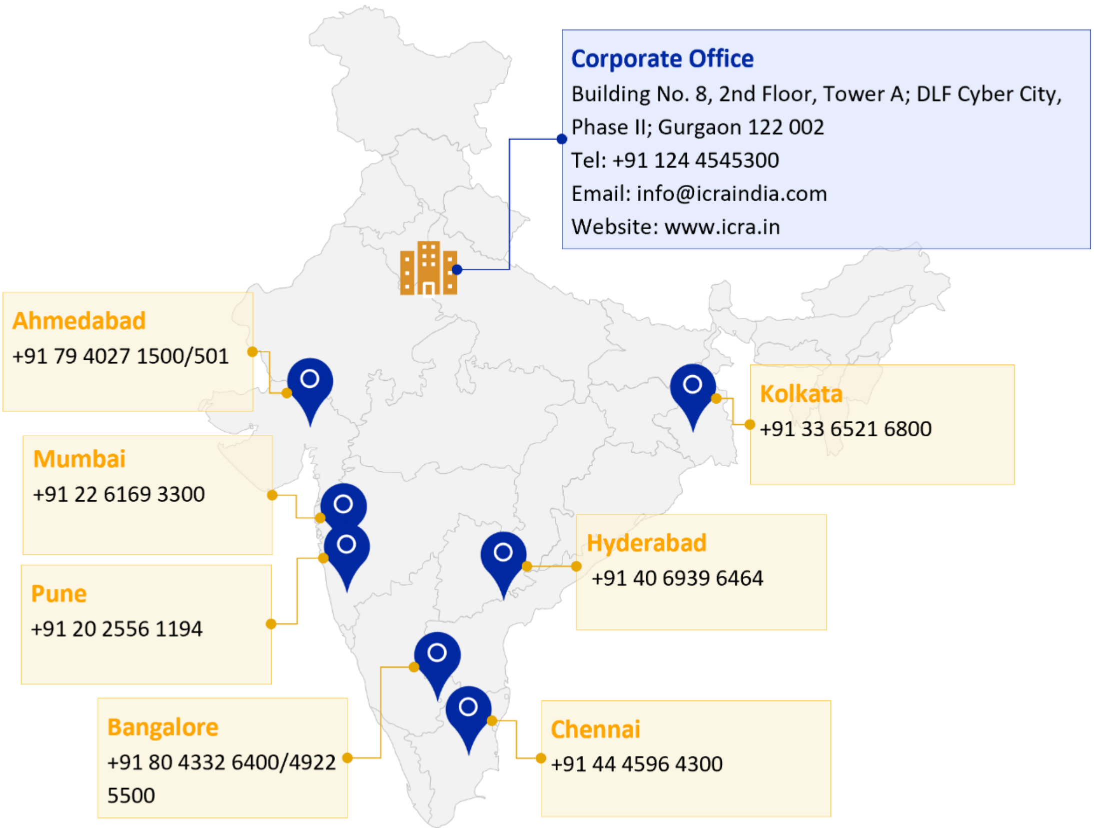

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