



Press Release

SAMMAAN CAPITAL LIMITED - INDIA RETAIL POOL 31 (ERSTWHILE INDIABULLS HOUSING FINANCE LIMITED - INDIA RETAIL POOL 31)

February 06, 2025

Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Pass Through Certificates (PTCs)	83.04	ACUITE A SO Assigned	-
Total Outstanding Quantum (Rs. Cr)	83.04	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of ‘**ACUITE A(SO)**’ (read as **ACUITE A (Structured Obligation)**) to the Pass Through Certificates (PTCs) of Rs. 83.04 Cr. (Senior Series A1) issued by India Retail Pool 31 under a securitisation transaction originated by Sammaan Capital Limited (SCL) (Erstwhile Indiabulls Housing Finance Limited (IHFL)) (The Originator/Assignor). The PTCs are backed by a pool of secured housing loans and LAP loans with principal outstanding of Rs. 92.27 Cr.

The rating addresses the timely payment of interest and principal on monthly payment dates in accordance with the transaction documentation. The transaction is structured at par.

The rating is based on the strength of cash flows from the selected pool of contracts; the credit enhancement is available in the form of

- (i) Excess cash flow (principal arising due to non-servicing of Series A2 Investor Payouts) to the tune of 10.00% of the pool principal o/s
- (ii) Cash collateral in the form of Investment in ABFRL Mutual Funds to the tune of 10.00% of the pool principal o/s
- (iii) Excess Interest Spread of 124.06% of the pool principal o/s.

The rating of the PTCs is final as the following documents have been received:

1. Trust Deed
2. Deed of Assignment
3. Servicer Agreement
4. Legal Opinion
5. Final Term Sheet

About the Originator

The company was founded in the year 2000 as ‘Indiabulls Financial Services Limited’. In 2020, the erstwhile promoter relinquished his position as Chairman of the Board, and SS Mundra, ex-Deputy Governor of the RBI, took over as the Independent, non-executive Chairman. New independent directors with depth of experience in areas relevant to the business were also inducted. Further, the erstwhile promoter parted his stake, and following his depromoterisation by the stock exchanges in February 2023, completely sold all his holdings. From a promoter-led company, SCL has repositioned itself as a board-run, professionally managed, diversely-held financial institution. Now the board exercises effective oversight over all aspects of the company’s operations. Following this transformation the company has rebranded itself as Sammaan Capital Limited.

As part of an institutionalisation exercise, the erstwhile promoter group had exited entire stake in the entity and the company is professionally managed. The present directors of the company are Mr. Gagan Banga, Mr. Sachin

Chaudhary, Mr. Achuthan Siddharth, Mr. Dinabandhu Mohapatra, Mr. Satish Chand Mathur, Mr. Subhash Sheoratan Mundra, Ms. Shefali Shah and Mr. Rajiv Gupta. For fiscal 2024, IBHFL had profit after tax (PAT) of ~Rs 1,217 crore on total income of ~Rs 8,625 crore, compared with ~Rs 1,128 crore and ~Rs 8,725 crore, respectively, in the previous fiscal.

Standalone Rating of the Originator

Acuite does not rate the Originator

Assessment of the Pool

SCL group had Assets under management of Rs 62,928 Cr. as on September 30, 2024. The current pool being

securitised comprises 0.15 percent of the total AUM. The underlying pool in the current Pass Through Certificate (PTC) transaction comprises of housing loans extended towards 416 individual and commercial borrowers and LAP loans extended towards 258 individual and commercial borrowers. Housing Loans have an average ticket size of Rs. 13.02 lakhs, minimum ticket size of Rs. 0.34 lakhs and maximum of Rs. 3.09 Crore. LAP loans have an average ticket size of Rs. 30.05 lakhs, minimum ticket size of Rs. 0.18 lakhs and maximum of Rs. 15.50 Crore. The current average outstanding per borrower for HL stands at Rs. 10.75 lakhs and for LAP loans stands at 18.43 lakhs. The weighted average current tenure for pool is 293.48 months for Housing Loan and has weighted average seasoning of 57.48 months. The weighted average current tenure for pool is 242.29 months for LAP Loan and has weighted average seasoning of 55.60 months. Hence, the pool has low seasoning. In Housing Loans, 20.18% of these borrowers are concentrated in Maharashtra and 18.04% of these borrowers are concentrated in Uttar Pradesh. The top 5 borrowers of pool constitute 11.45% i.e. Rs. 5.12 Cr. of the Housing loans principal O/s. In LAP Loans, 29.27% of these borrowers are concentrated in Gujarat and 16.15% of these borrowers are concentrated in Karnataka. The top 5 borrowers of pool constitute 32.51% i.e. Rs. 15.46 Cr. of the LAP pool principal O/s.

Transaction Structure

The rating addresses the timely payment of interest and principal on monthly payment dates in accordance with the transaction documentation. The transaction is structured at par with two series of PTCs, titled Series A1 and Series A2 (through Senior – Junior). The PTC is subscribed to an extent of 90 percent as senior series A1 and 10 percent by SCL as junior series A2. The Series A2 Investor Payouts (other than Series A2 Return) are completely subordinated to Series A1 Investor Payouts. The CE provided by SCL for the pool receivables by way of Cash collateral shall solely be utilised to meet shortfalls in the Series A1 Investor Payouts to be made to Series A1 investors on any Payout date and shall not be available to meet any shortfall in Series A2 Investor Payout.

Brief Methodology

Parameters considered are seasoning of the pool, pool vs portfolio, portfolio cuts, amortisation of the pool, internal cash flow modeling, pool characteristics, static pool, dynamic DPDs to assign rating.

Legal Assessment

The legal opinion to the satisfaction of Acuité is received. The legal opinion cover, adherence to RBI guidelines, true sale, constitution of the trust, bankruptcy remoteness and other related aspects.

Key Risks

Counter Party Risks

In Housing Loans part of the pool, the average ticket size is Rs. 13.01 lakhs, minimum ticket size is Rs. 0.34 lakhs and maximum is Rs. 3.09 Crore. In LAP loans part of the pool, average ticket size is Rs. 30.04 lakhs, minimum ticket size is Rs. 0.18 lakhs. and maximum is Rs. 15.50 Crores. Considering the vulnerable credit profile of the borrowers, the risk of delinquencies/defaults are elevated. These risks of delinquencies are partly mitigated, considering the efficacy of the originator's origination and monitoring procedures.

Concentration Risks

The pool is moderately granular as underlying pool in the current Pass-Through Certificate (PTC) transaction comprising of Housing loans extended towards 416 individual and commercial borrowers and LAP loans extended towards 258 individual and commercial borrowers. In Housing Loans, 20.18% of these borrowers are concentrated in Maharashtra and 18.04% of these borrowers are concentrated in Uttar Pradesh. The top 5 borrowers of pool constitute 11.45% i.e. Rs. 5.12 Cr. of the Housing loans principal O/s. In LAP Loans, 29.27% of these borrowers are concentrated in Gujarat and 16.15% of these borrowers are concentrated in Karnataka. The top 5 borrowers of pool constitute 32.51% i.e. Rs. 15.46 Cr. of the LAP pool principal O/s.

Servicing Risks

The originator has a healthy track record of servicing PTCs since FY14. Hence, the risk of servicing remains partly mitigated.

Regulatory Risks

In the event of a regulatory stipulation impacting the bankruptcy remoteness of the structure, the payouts to the PTC holders may be impacted.

Prepayment Risks

The pool is subject to prepayment risks since rate of interest is significantly high and borrowers may be inclined to shift to low cost options (based on availability). Further, the asset class being housing loans and LAP loans, the risk of prepayment remains high. In case of significant prepayments, the PTC holders will be exposed to interest rate risks, since the cash flows from prepayment will have to be deployed at lower interest rates.

Commingling Risk

The transaction is subject to commingling risk since there is a time gap between last collection date and transfer to

payout account.

Credit Enhancements (CE)

- (i) Excess cash flow (excess interest and principal arising due to non-servicing of Series A2 Investor Payouts) to the tune of 10.00% of the pool principal o/s
- (ii) Cash collateral in the form of Investment in ABFRL Mutual Funds to the tune of 10.00% of the pool principal o/s
- (iii) Excess Interest Spread of 124.06% of the pool principal o/s

Rating Sensitivity

- Credit quality of the underlying pool
- Availability of credit enhancement for PTC payouts
- Adherence to terms and conditions, as stipulated in the Transaction Documents
- Credit profile of the originator

All Covenants

The originator has confirmed that there are no covenants. However, the “Characteristics of loans / Pool” as captured in the term sheet are as under:

1. The Assignor has right to assign the loans under each of the loan agreements of the loans being assigned, without consent of the borrower/co-borrower or any other obligor.
2. All loans have been disbursed at a floating rate of interest. All loans are fully disbursed with no pending obligations on part of the Assignors.
3. Underlying security should be residential or commercial or industrial or institutional properties and should have been duly created, registered (where required) and perfected.
4. For the loans in the pool where Underlying security exclusively available for the Loans being assigned there is no other encumbrances on the underlying security of the Loans.
5. Account not slipped to NPA or Special Mention Account and no rescheduling/restructuring during currency of advance (As per IRAC norms for NBFCs/ HFCs) except the moratorium granted during the period of April 1 to September 30, 2020 as mandated by RBI vide its (a) Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020; and (b) DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020. It is clarified that except the said moratorium for the period of April 1 to September 30, 2020, no other moratorium was provided or rescheduling/restructuring was done due to COVID-19.
6. Latest CIBIL scrub to be provided and the accounts to be as per Credit policy of the Assignors.
7. All loans are fully disbursed and there is no undisbursed portion under any of the loans assigned
8. Original Repayment tenor of maximum 30 years
9. Minimum holding period of 06 months as per RBI Master Directions from the date of registration of the underlying security interest. For the loans where security did not require registration, the Assignor should have received minimum 6 EMIs.
10. Minimum 06 MOB seasoning i.e. 06 EMI's received.
11. Average Pool LTV of less than 70% however individual LTV should be as per regulatory guidelines applicable to NBFCs/HFCs, if any.
12. Repayment of EMIs for all the loan accounts is through ECS, NACH, escrow or through any other electronic mode of transfer or transmission of funds only as may be in compliance of applicable RBI guidelines.
13. All original collateral documents are in possession of the Assignors (No PDCs should be pending to be collected). Valid and enforceable Equitable or Registered Mortgage should have been created and the property title should be legally clear & marketable. Charge on all the underlying securities are duly registered with CERSAI/ROC/Information Utility as per Regulatory Norms
14. All the properties which are part of the pool should have a clear & marketable title with no existing encumbrances apart from the running Loan of the pool.
15. All property owners to be part of the loan structure as either main borrowers or co-borrowers in the loan agreements.
16. All loans EMI to be on monthly basis
17. None of the accounts have Film-stars & politically exposed person
18. None of the accounts Industry classification belong to Stock Broking, Disco Jockey and Military related Professionals.
19. No property provided as security for the Loans is in Under construction stage as on the proposed Transaction date.
20. No property has Identification Issue.
21. Property Valuation of ABFL to fit the LTV Norms on the Outstanding as on Transaction date, 100% verification to be done by ABFL before the transfer of the loan assets.
22. All loan accounts to be live in the system of the Assignors as on the effective date under the assignment

agreement.

23. Any other points that may be agreed between Originator and ABFL

24. Loss estimation report will be required.

25. Some Loan accounts may have linked loans which have been securitized by the Assignor in favour of other entities and the charges on the underlying security are shared on pari passu basis with the Assignee. In the event of any enforcement/recovery proceedings, such recovery amount will be shared on pari passu basis with the Assignee.

All Assumptions

Acuité has arrived at a base case delinquency estimate basis its analysis of the company's historical static pool and further applied appropriate stress factors to the base loss figures to arrive at the final loss estimates. The loss estimate also considers the risk profile of the particular asset classes, the borrower strata, economic risks, collection efficiency over the past several months as well as the credit quality of the originator. Acuité also has simulated the potential losses to an extent by applying sensitivity analysis.

Liquidity Position

Adequate

The liquidity position in the transaction is adequate. The PTC payouts are supported by an internal credit enhancement in the form of excess cash flow (excess interest and principal arising due to non-servicing of junior tranche) and external credit enhancement in the form of ABFRL Mutual funds.

Outlook: Not Applicable

Key Financials - Originator

Particulars	Unit	FY 2024 (Actual)	FY 2023 (Actual)
Total Assets	Rs. Cr.	72,831.24	74,508.91
Total Income*	Rs. Cr.	3,318.00	3,089.30
PAT	Rs. Cr.	1,216.97	1,127.68
Net Worth	Rs. Cr.	19,791.90	17,361.25
Return on Average Assets (RoAA)	(%)	1.65	1.45
Return on Average Net Worth (RoNW)	(%)	6.55	6.63
Debt/Equity	Times	2.45	3.02
Gross NPA	(%)	2.69	2.86
Net NPA	(%)	1.52	1.90

*Total income includes Net Interest Income and Other Income

**FY 2024 figures have been updated as per latest annual report

Any Other Information

None

Status of disclosure of all relevant information about the Obligation being Rated Non-public information

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Securitized Transactions: <https://www.acuite.in/view-rating-criteria-48.htm>

Rating History: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Pass Through Certificate	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	83.04	Highly Complex	ACUITÉ A SO Assigned

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Nivedita Gokul Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.