



### Press Release

## SAMMAAN CAPITAL LIMITED - RETAIL INNOVATION TRUST (ERSTWHILE INDIABULLS HOUSING FINANCE LIMITED - RETAIL INNOVATION TRUST)

March 17, 2025

### Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Pass Through Certificates (PTCs)	89.12	ACUITE BBB+   SO   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	89.12	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB+(SO)**' (read as **ACUITE triple B plus (Structured Obligation)**) to the Pass Through Certificates (PTCs) of Rs. 89.12 Cr. issued by Retail Innovation TRUST (Trust) under a securitisation transaction originated by Sammaan Capital Limited (SCL) (Erstwhile Indiabulls Housing Finance Limited (IHFL)) and Sammaan Finserve Limited (Erstwhile Indiabulls Commercial Credit Ltd (ICCL)) (The Originators). The PTCs are backed by a pool of secured housing and LAP loans with principal outstanding of Rs. 138.23 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 Interest Spread to the tune of 65.87% of the pool principal o/s

### 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 pared 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 ((if rated by Acuite)

Acuite does not rate the Originator

### Assessment of the Pool

IHFL group had Assets under management of Rs 61,947 Cr. as on Dec 31, 2024. The current pool o/s comprises 0.22 percent of the total AUM. The underlying pool in the Pass Through Certificate (PTC) transaction comprises

of housing and LAP loans extended towards 1129 individual borrowers and 46 commercial borrowers, with an average ticket size of Rs. 23.52 lakhs, minimum ticket size of Rs. 0.12 lakhs. and maximum of Rs. 22 Crore, indicating moderate granularity. The current average outstanding per borrower stands at Rs. 18.28 lakhs. The weighted average original tenure for pool is 387 months for Housing Loan and 311 months for LAP (minimum 22 months & maximum 572 months). The pool has weighted average seasoning of 75 months for Housing Loan and 81 months for LAP (minimum 10 months seasoning and maximum of 150 months seasoning). Hence, the pool has low seasoning. There is a delinquency of 12.9% in housing loan and 71% in LAP as of the cut-off date. The pool's

geographical concentration is high. 28.84% of these borrowers are concentrated in Maharashtra. The top 5 borrowers of pool constitute 14.29% i.e. Rs. 30.69 Cr. of the 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 Senior and Junior holding structure. Senior Holder will hold 80 percent stake whereas Junior Holder will hold 20 percent stake. The stake held by the Junior holder will be treated as First Loss Credit Facility (FLCF) and will be utilized in making good losses if any incurred by the Senior holder on account of shortfall in collections. The entire monthly collections will be first utilized for apportionment towards the share of the Senior holder. Once the entire 80% stake along with interest and other dues (servicing, legal etc.) is apportioned only then the Junior holder will be entitled for their 20% stake.

### **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**

The pool has an average ticket size of Rs. 23.52 lakhs, minimum ticket size of Rs. 0.12 lakhs. and maximum of Rs. 22 Crore. 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 comprises of Home Loans and Loan Against Property extended towards 1129 individual borrowers and 46 commercial borrowers. There is also a geographic concentration with 28.84% of these borrowers are concentrated in Maharashtra, which is partially mitigated as the pool is spread across various branches. The top 5 borrowers of pool constitute 14.29% i.e. Rs. 30.69 Cr. of the 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, 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 Interest Spread to the tune of 65.87% 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**

1. None of the account should have LTV above 80% or Shared Security (Including the Linked Loans). Except

for 25 accounts valued at Rs. 2.42 Cr. with LTV between 80-90%.

2. None of the account should have partial disbursement.
3. None of the account should have interest being capitalised.
4. None of the accounts should be restructured or NPA, excluding RBI approved COVID moratorium interest capitalisation.

### 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 consider the risk profile of the particular asset class, 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 is supported by an internal credit enhancement in the form of excess interest spread to the tune of 65.87% of the pool principal o/s

### 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

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

### Any Other Factor Affecting Rating

None

### Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

### 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. Acuite'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](http://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>
- Securitised Transactions: <https://www.acuite.in/view-rating-criteria-48.htm>

### Rating History - PTC

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Mar 2024	Pass Through Certificate	Long Term	171.81	ACUITE BBB+ (SO ) (Assigned)
22 Feb 2024	Pass Through Certificate	Long Term	171.81	ACUITE Provisional BBB+ (SO ) (Assigned)

**Rating History - Originator (if applicable):**

Acuite does not rate the originator

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Not Applicable	Not avl. / Not appl.	Pass Through Certificate	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	89.12	Highly Complex	ACUITE BBB+   SO   Reaffirmed

## Contacts

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### 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.

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