

September 13, 2023

Piramal Capital & Housing Finance Limited (erstwhile Dewan Housing Finance Corporation Limited): Ratings withdrawn for PTCs backed by home loan receivables securitisation transaction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
Nirmaan RMBS Trust Series I 2013	PTC Series A1	297.88	2.87	0.00	[ICRA]AAA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under the aforesaid transactions which are backed by pool of home loans originated by Piramal Capital & Housing Finance Limited {PCHFL; rated [ICRA]AA (Stable)}. All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Piramal Capital & Housing Finance Limited (PCHFL), a wholly-owned subsidiary of Piramal Enterprises Limited (PEL), is registered as a housing finance company with National Housing Bank (NHB) and is engaged in various financial services businesses. It provides both wholesale and retail funding opportunities across industries. PCHFL was incorporated in February 2017. It was formed as a 100% subsidiary of Piramal Finance Ltd (PFL), which was a wholly-owned subsidiary of PEL. Until 2016, the financing portfolio was booked at PEL with limited operations at PFL. In FY2017, following a business restructuring, Rs. 13,706 crore of assets and Rs. 12,575 crore of liabilities were transferred to PFL from PEL.

In August 2017, PCHFL received a certificate for commencement for the housing finance business from NHB. Subsequently, PEL's board approved a scheme of amalgamation of PFL and Piramal Capital Ltd (PCL) into PCHFL. PCL was a subsidiary of PEL and had limited operations. The merger process was completed in July 2018 with effect from March 31, 2018. Post the merger, PCHFL became a wholly-owned subsidiary of PEL.

Further, as per the resolution plan approved by the National Company Law Tribunal (NCLT), the existing liabilities of Dewan Housing Finance Corporation Limited (DHFL) were discharged by the erstwhile PCHFL and a consideration of Rs. 34,250 crore (comprising upfront cash of Rs. 14,700 crore and issuance of debt instruments of Rs. 19,550 crore) was paid to DHFL's creditors. The erstwhile PCHFL was reverse merged with DHFL with effect from September 30, 2021, and the amalgamated entity (DHFL) was renamed Piramal Capital & Housing Finance Limited.

In 2022, the Group underwent restructuring with the pharma business within PEL being carved out into a new entity – PPL. Further, PHL Fininvest Limited was merged into PEL; thus, PEL is now a non-banking financial company (NBFC) with PCHFL as its 100% subsidiary.

In the real estate segment, the platform provides housing finance and other financing solutions across the entire capital stack such as structured debt, construction finance, flexi lease rental discounting, etc. PCHFL also offers customised financing solutions to the hospitality sector.

The wholesale business in the non-real estate sector includes separate verticals – Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customised funding solutions to companies across sectors such as infrastructure, renewable energy, industrials, auto components, etc, while ECL focuses on providing funds to small and medium enterprises.

PCHFL's Group companies provide customised strategies to institutional and retail investors that include Mumbai Redevelopment Fund and Apartment Fund (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as Canadian Pension Plan Investment Board (CPPIB), APG and Ivanhoe Cambridge.

Key financial indicators

PCHFL	FY2021	FY2022	6M FY2023**
As per	Ind-AS	Ind-AS	Ind-AS
Total income	5,088	4,401	3,269
Profit after tax	1,034	151	(1,270)
Total assets*	44,158	65,185	63,149
Gross NPA	3.4%	3.4%	3.6%
Net NPA	1.8%	1.6%	1.4%

Source: PCHFL and ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

*Adjusted for goodwill on consolidation; total assets have been grossed up for expected credit loss provisions

**Refers to merged PCHFL and DHFL

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years										
		Type	Initial Amount Rate d (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	FY20 23	FY2022		FY2021		FY2020					
							Sep 13, 2023	Jan 31, 2023	Jan 14, 2022	Oct 22, 2021	Jun 04, 2021	Nov 26, 2020	Dec 13, 2019	Oct 14, 2019	May 14, 2019	May 07, 2019
1	Nirman RMBS Trust Series I 2013*	PTC Series A1	297.88	0.00	[ICRA] AAA (SO); Withdr awn	[ICRA] AAA (SO)	[ICRA] AA+ (SO)	[ICRA]BB (SO)%	[ICRA]B B(SO)	[ICRA]BB (SO)&	[ICRA]BB (SO)&	[ICRA]BB (SO)&	[ICRA]BB (SO)&	[ICRA]BB (SO)&	[ICRA] AA- (SO)&	[ICRA] AAA (SO)&

* The initial rating for the pool was done in April 2013

& The symbol implies that the rating is under Watch with Developing Implications

% The symbol implies that the rating is under Watch with Positive Implications

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Nirmaan RMBS Trust Series I 2013	PTC Series A1	Moderately 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, is available on ICRA's website [Click Here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Nirmaan RMBS Trust Series I 2013	PTC Series A1	March 2013	8.60%#	August 2028	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Variable; subject to change owing to change in investor's benchmark rate

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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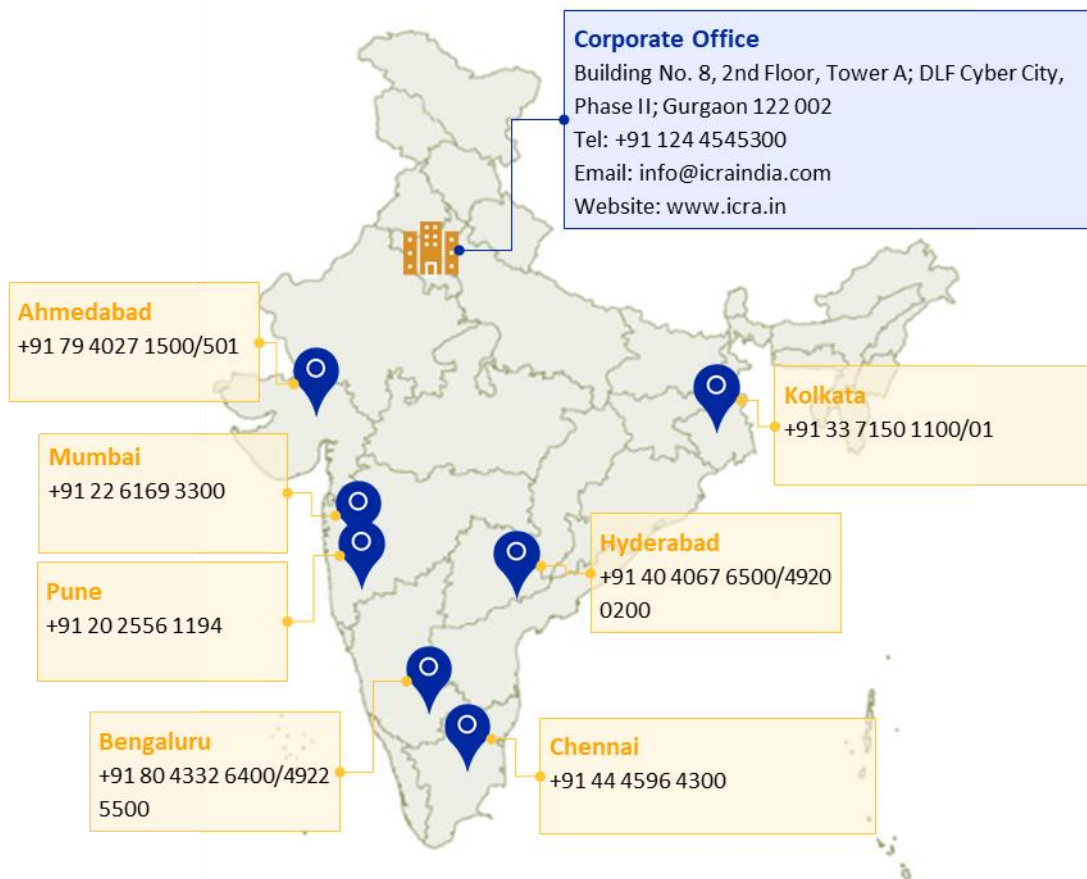
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