

January 29, 2024

Piramal Capital & Housing Finance Limited: Ratings withdrawn for purchaser payouts issued under mortgage loan securitisation transactions

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
DHFL Mortgage Loan Pool D.A. Jan-12	Purchaser Payouts	117.08	2.65	0.00	[ICRA]AAA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for purchaser payouts issued under a mortgage loan securitisation transaction originated by Piramal Capital & Housing Finance Limited {PCHFL; rated [ICRA]AA (Stable)}, as tabulated above. 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transaction ICRA's Policy on Withdrawal of Credit Rating
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Piramal Capital & Housing Finance Limited (PCHFL), a wholly owned subsidiary of PEL, was incorporated in February 2017 and received a housing finance licence from National Housing Bank (NHB) in September 2017. PCHFL provides real estate lending, housing finance, corporate lending, and emerging corporate lending across sectors. PCHFL has 343 branches spread across 25 states.

Dewan Housing Finance Corporation Limited was incorporated as Dewan Housing and Leasing Company Limited in 1984 with a focus on the housing finance business catering to the low-and-middle-income borrower segment. It was admitted under the National Company Law Tribunal (NCLT) in December 2019 and, subsequently in January 2021, erstwhile PCHFL was chosen as the successful resolution applicant by DHFL's committee of creditors for the resolution of DHFL. As per the resolution plan approved by the NCLT, DHFL's existing liabilities were discharged by 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. PCHFL was reverse merged with DHFL with effect from September 30, 2021, and the amalgamated entity was rechristened Piramal Capital & Housing Finance Limited.

The erstwhile PCHFL was incorporated in February 2017 as a subsidiary of Piramal Finance Limited and received its housing finance licence from National Housing Bank (NHB) in September 2017. As per a scheme of amalgamation, Piramal Finance Limited and Piramal Capital Limited were merged with the erstwhile PCHFL, w.e.f. March 31, 2018, with PCHFL becoming a

direct subsidiary of PEL. Consequent to the merger, the Piramal Group’s financial services business, including real estate lending, housing finance, corporate lending and emerging corporate lending, was housed under PCHFL and PFPL, a fellow subsidiary.

Key financial indicators (audited)

PCHFL	FY2021	FY2022	FY2023	H1 FY2024
As per	Ind-AS	Ind-AS	Ind-AS	Ind-AS
Total income	5,088	6,187	6,650	3,355
Profit after tax	1,034	526	-7,425	100
Asset under management	32,353	52,044	50,427	51,965
Gross NPA	3.5%	2.3%	3.5%	3.1%
Net NPA	1.9%	1.2%	1.9%	1.7%

Source: Company data, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Instrument	Type	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022			Date & Rating in FY2021
					Jan 29, 2024	Jan 31, 2023	Jan 14, 2022	Oct 22, 2021	Jun 04, 2021	Nov 26, 2020
1	DHFL Mortgage Loan Pool D.A. Jan-12*	Purchaser Payouts	117.08	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA(SO)	[ICRA]AAA(SO)	[ICRA]D(SO)%	[ICRA]D(SO)	[ICRA]D(SO)

* The initial rating for the pool was done in January 2012

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

Complexity level of the rated instrument

Instrument	Complexity Indicator
Purchaser Payouts	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 are 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
DHFL Mortgage Loan Pool D.A. Jan-12	Purchaser Payouts	January 2012	9.50%#	June 2033*	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

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

* Though scheduled maturity was June 2033, the outstanding amount was redeemed in full due to prepayments.

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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