



Press Release

Save Housing Finance Limited (erstwhile New Habitat Housing Finance and Development Limited)

March 26, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	38.34	IVR BBB-/ Stable (IVR Triple B Minus; with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus; with Stable Outlook)	Reaffirmed and withdrawn	Simple
Long Term Bank Facilities-Proposed	179.34	IVR BBB-/ Stable (IVR Triple B Minus; with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus; with Stable Outlook)	Reaffirmed and withdrawn	Simple
Total	217.68	Rupees Two Hundred Seventeen Crore and Sixty Eight Lakhs Only			

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics Valuation and Rating Private Limited (IVR) has reaffirmed and withdrawn long-term rating of IVR BBB- with a Stable outlook assigned to bank loan facilities of Save Housing Finance Limited (SHFL) with immediate effect. The ratings have been withdrawn at the request of the company vide email dated 20th February 2024. IVR has received "No objection certificate" from all the bankers/NBFC who have extended the facilities, and which have been rated by Infomerics.

The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

IVR has principally relied on the standalone audited financial results of SHFL upto 31 March 2023, and H1FY24 unaudited results projected financials for FY2024, FY2025 and FY2026, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities: Nil



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Support from promoters and experienced management:**

SHFL is wholly owned subsidiary of Save Solutions Private Limited (SSPL) which is a flagship company of SAVE group and is also the 100% holding company of Save Microfinance Private Limited (SMPL) and Save Financial Services Private Limited (SFSP). SSPL has provided continuous support to SHFL by timely equity infusion as and when required. SHFL is supported by experienced promoters and board members. Governance is vested with a board of directors comprising 5 directors who are well qualified with experience, adequate knowledge of finance, banking, accounting, administration, technology and in corporate governance and management. Mr. Ajeet Kumar Singh, promoter director, has more than 15 years of extensive experience in financial services and banking sector across rural & urban areas. He is ably supported by a well-qualified management team which helps the company in managing business operations effectively.

- **Comfortable scale of operations:**

The total income (TI) has improved by 16.28% in FY2023 to Rs. 15.50 crore from Rs. 13.33 crore mainly due to increase in loan disbursements in FY2023 which in turn increased interest income and fee income which resulted in increase in total income. In H1FY24 the TI stood at Rs. 11.11 crore. The assets under management (AUM) have grown to Rs 121.09 crore (Owned Portfolio-Rs. 106.79 crore and Assigned Portfolio-Rs. 14.30 crore) in FY2023 from Rs. 76.73 crore in FY2022. In H1FY24 the AUM stood at Rs. 150.33 crore (Owned Portfolio-Rs. 137.53 crore and Assigned Portfolio-Rs. 12.80 crore). The net interest margin has improved to 11.19% in FY2023 from 9.85% in FY2022 mainly due to increase in scale of operations. Going forward, the company's continued ability to diversify their resource profile and raise funds at competitive interest rates would add to the profitability of the company.

- **Comfortable collection efficiency, CAR and low levels GNPA's**

The collection efficiency has remained at comfortable levels around 98.09% during the past 12 months ending 31st December 2023. The gross and net NPAs stood at 1.75% and 0.74% respectively in FY2023 as compared to 2.98% and 0.91% respectively in FY2022. In H1FY24 the gross and net NPAs stood at 1.46% and 1.00% respectively. In FY2023, SHFL's 82.92% of the total portfolio is current and 15.33% falls within 90DPD bucket and remaining 1.75%, are declared as NPA against the total loan portfolio in FY2023 due to better recovery process and quality customers. The capital adequacy ratio remained comfortable at 89.62% in FY2023 and 71.96% in H1FY24.



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Key Rating Weaknesses

- **Small size and geographically concentrated operations:**

In FY2023 and H1FY24, SHFL is operating out of the eight states of Delhi, Uttar Pradesh, Haryana, Uttarakhand, Rajasthan, West Bengal, Bihar and Madhya Pradesh, with 21 branches and currently employing more than 154 people. Loan portfolio stood at Rs. 121.09 crore as on March 31, 2023 and Rs. 150.33 crore in H1FY24. The portfolio remains geographically concentrated with two state exposure in Uttar Pradesh which forms 47.57% of the portfolio and Delhi which forms 30.38% of the portfolio as on March 31, 2023. IVR expects geographic diversification to improve gradually as the company increases its scale in the medium term.

- **Decline in profitability margins:**

The operating profit margins and net profit margins have declined to 18.64% and 13.67% respectively in FY2023 from 25.58% and 19.35% respectively in FY2022. The margins have declined due to higher operating and employee expenses as the company is in expansion mode. Going forward, if the asset quality levels deteriorate further, profitability is expected to be impacted.

Analytical Approach: For arriving at the ratings, IVR has analysed SHFL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFC's](#)
[Financial Ratios & Interpretation \(Financial Sector\)](#)
[Criteria for Assigning Rating Outlook](#)
[Policy on Withdrawal of Rating](#)

Liquidity – Adequate

The liquidity profile of the company remains adequate with did not have cumulative mismatches in its asset-liability management profile as on September 30, 2023, due to favourable asset maturity profile. Further, SHFL's has a liquidity cushion of Rs. ~2.54 crore in the form of unencumbered cash and cash equivalents as on September 30, 2023. Also, the company maintains surplus liquidity to cover four weeks to its debt obligations and operating expenses. IVR does not foresee any liquidity risk in the near term, given SHFL's adequate liquidity position and its ability to raise funds.



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About the Company

Save Housing Finance Limited (SHFL) erstwhile New Habitat Housing Finance and Development Limited (NHHFDL) is a Non-deposit taking & Non-Banking Finance Company registered with National Housing Bank on 6th June, 2012. The company aims to provide customized housing finance solutions with personalised services to its customers. SHFL is 100% subsidiary of SAVE Solutions Private Limited (SSPL). The company changed its name to SHFL on 11th May 2023. The company is offering a wide array of products like home loans, home improvement/ extension loan, balance Transfer/ top-up Loan, loan against property, lease rental discounting etc. SHFL is primarily focused on the low-ticket housing loans & low tickets loan against property (LAP Loans). The company is now operational in seven states with 21 branches states like Delhi, Haryana, Uttar Pradesh, West Bengal, Madhya Pradesh, Rajasthan, Bihar and Uttarakhand.

Financials (Standalone):

(Rs. crore)		
For the year ended as on	31-03-2022	31-03-2023
	Audited	Audited
Total Income	13.33	15.50
PAT	3.41	2.89
Total Debt	23.01	47.05
Tangible Networkth	56.44	72.04
Total loan assets/AUM	76.73	121.09
Overall Gearing Ratio (x)	0.41	0.65
Return on Total Assets (%)	2.70	2.09
Gross NPA (%)	2.98	1.75
Net NPA (%)	0.91	0.74

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable



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Rating History for last three years:

Sr. No.	Type of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years			
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (01 June 2023)	Date(s) & Rating(s) assigned in 2022-23 (11 May 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Fund Based	Long Term	217.68	IVR BBB-/Stable (Reaffirmed and withdrawn)	IVR BBB-/Stable	IVR BBB-/Stable	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	1.00	IVR BBB- /Stable Withdrawn
Term Loan	-	-	March 2025	4.38	IVR BBB- /Stable Withdrawn
Term Loan	-	-	March 2026	11.44	IVR BBB- /Stable Withdrawn
Term Loan	-	-	September 2026	13.76	IVR BBB- /Stable Withdrawn
Term Loan	-	-	January 2027	3.65	IVR BBB- /Stable Withdrawn
Term Loan	-	-	March 2027	0.39	IVR BBB- /Stable Withdrawn
Term Loan	-	-	July 2027	1.22	IVR BBB- /Stable Withdrawn
Term Loan	-	-	May 2028	2.50	IVR BBB- /Stable Withdrawn
Proposed	-	-	-	179.34	IVR BBB- /Stable



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Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-SaveHousing-mar24.pdf>

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [Complexity Level of Rated Instruments/Facilities](#).