

Sahara Housingfina Corporation Limited

July 23, 2026

Rating Action

Instrument	Amount (Rs. crore)	Ratings	Rating Action	Regulator^
Non-Convertible Debenture	12.00 (reduced from 21.00)	IVR B+ /Negative	Rating Downgraded	MCA
Total	12.00 (Rupees Twelve Crore Only)			
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.				

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has downgraded the rating of Sahara Housingfina Corporation Limited (SHCL). The rating action follows sustained decline in AUM due to limited funding availability. The rating is further constrained by the company's small scale of operations, and moderate asset quality. However, the rating continues to derive comfort from its fully secured retail-focused loan portfolio, conservative underwriting practices, and experienced professional management.

Outlook: Negative

The outlook remains 'Negative' as Infomerics expectations of susceptibility of growth of operations over a medium term due to limited funding resources.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

Retail-focused and secured loan portfolio

The company has a retail-focused loan portfolio, with housing loans accounting for 90.02% of the AUM as on March 31, 2026. The entire loan book is secured by immovable properties and is underwritten conservatively, with an average LTV of around 55–56%, well below the RBI's maximum permissible limit of 80%. This provides adequate collateral coverage, limits credit risk, and supports recovery prospects in the event of borrower defaults.

Experienced professional management

The company is managed by an experienced professional management team under the supervision of its Board of Directors. The management has experience in the housing finance business and continues to maintain compliance with RBI regulations while adopting a conservative lending and liquidity management approach.

Weaknesses

Sustained decline in Gross AUM

The company's Gross AUM has witnessed a sustained decline over the last three years, reducing to Rs. 61.40 crore as on March 31, 2026, from Rs. 68.09 crore in FY25 and Rs. 75.77 crore in FY24 registering a 3-year CAGR decline of around 10.2%. The decline is primarily attributable to funding constraints arising from limited access to external borrowings due to concerns associated with certain Sahara group entities, despite the company itself remaining compliant with regulatory requirements. Consequently, lower disbursements and higher repayments have resulted in a gradual contraction of the loan portfolio. Infomerics expects AUM growth will be key monitorable.

Weak asset quality

The company's asset quality remained moderate as on March 31, 2026, with Gross NPA (GNPA) deteriorated to 8.83% from 7.65% in the previous year, primarily due to one large retail housing loan account amounting to Rs. 98.50 lacs from Kavisha Ashok Chaudhary - Pune. Despite the increase in GNPA, the Net NPA (NNPA) improved to 1.55% from 1.82% in FY25, supported by a healthy Provision Coverage Ratio (PCR) of 82.47%. Further, the entire loan portfolio is secured by immovable property collateral, providing adequate security cover. To strengthen recoveries, the company has initiated SARFAESI proceedings in eligible accounts from February 2026, and

management expects recoveries from these accounts to improve asset quality and profitability over the near term.

Liquidity –Adequate

The liquidity profile remains adequate, supported by a conservative liquidity management strategy and comfortable capitalization. The company has prioritized liquidity preservation to meet its upcoming Rs. 12 crore NCD repayment due in March 2027 while exploring additional funding to support future growth.

Rating Sensitivities

Upward Factors

- Timely availability of funding support, resulting in sustained growth in disbursements and Gross AUM, along with improvement in profitability and asset quality.
- Significant improvement in asset quality

Downward Factors

- Delay or inability to secure additional funding support, resulting in continued contraction in AUM and pressure on profitability.
- Significant deterioration in asset quality from current level

About the Company

SHCL was founded in 1991. Its registered office and head office is in Kolkata. SHCL is engaged in providing home loans, loan against property, business loans to self-employed professional and loans to developers.

Key Financial Indicators (Standalone):

For the year ended* / As on	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	8.63	7.17
PAT	0.65	0.34
Tangible Net worth	52.38	52.81
Total Asset	68.09	56.93
Ratios		
NIM (%)	8.22	8.80
ROTA (%)	0.75	0.49
Total CAR (%)	127.87%	136.01%
Gross NPA [Stage III] (%)	7.65%	8.83%
Net NPA [Stage III] (%)	1.82%	1.55%

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Financial Institutions/NBFCs](#)

[Criteria for assigning Rating outlook.](#)

[Complexity Level of Rated Instrument/Facilities](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					July 25, 2025	July 29, 2024	Aug 01, 2023
1.	NCD	LT	12.00	IVR B+/Negative	IVR BB-/Negative	IVR BB-/Negative	IVR BB-/Stable

Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator [^]	<u>Complexity Indicator</u>
NCD	NA	31st March, 2017	7.00%	31st March 2027	12.00	IVR B+/Negative	Unlisted	MCA	Simple

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details (Hyperlink to be added): Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Security Description	Rated, Unlisted, Secured, Non-Convertible Debentures
Quantity	30
Face Value/Paid Up Value#	Rs. 1 crore per NCD
Issue Size	Rs. 30.00 crores
ISIN	Not Applicable as NCD was issued in physical form
Date of Allotment	March 31 2017
Date of Redemption	30% on 31-03-2025, 30% on 31-03-2026 and 40% on 31-03-2027
Rate of Interest	7.00% PA payable yearly on March 31 st every year.
Date(s) of Payment of Interest	Yearly starting from March 31, 2017, and at the end of the tenor along with the final redemption.
Objective/Purpose of the Issue	Issue proceeds shall be utilized for onward lending, financing and for repayment of interest and principal and for general corporate purpose.

Name of the Instrument	Detailed Explanation
Financial Covenant	
Covenant to pay principal and interest	- The Company covenants with the trustees that it shall pay to the Debenture-holders, the principal amount of the Debentures the interests, and all other monies due and payable to the Debenture holders as and when due, as per the terms and conditions as mentioned in the Information Memorandum. in pursuance of which the relevant NCDs are issued by the Company. - Provided that if so called upon by the Trustees for the Debenture Holders, the Company shall make payment as aforesaid to or to the order of or for the account of the Trustees and such payment shall be. deemed to be in satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holder(s). - The Company further covenants to pay interest, additional interest, liquidated damages, premia on prepayment, costs, charges and expenses, including fees and expenses of the

	Debenture Trustee and all other monies payable by the Company in respect of the Debentures under the Debenture Trust Deed; The Company further covenants to duly observe and perform all the terms, covenants, conditions and stipulations contained in this Debenture Trust Deed and the Information Memorandum.
Covenant to Redeem	The company hereby covenants with the Trustees that the Company shall redeem the debentures hereby secured in the manner stated in the Information Memorandum issued under Series A 2016-17, by paying to the holders for the time being of the Debentures, the outstanding nominal amount of the Debentures, in lump sum or in installments as mentioned in the Information Memorandum contained together with interest up to the date of redemption. Payment on redemption of the debentures shall be made only on the surrender of the Debenture Certificate(s) duly discharged by the debenture-holders, In case of joint holders, payment shall be made to the first named person in the debenture. In the event of Company not receiving any notice of transfer along with the original Debenture Certificate(s) at least 15 days before the due date of redemption, the transferee(s) for the Debenture(s) shall not have any claim against Company in respect of the amount so paid to the Registered Debenture holder(s).
Non-financial Covenant	
Company to assist trustee in exercise of any power	In case the security hereby created shall become enforceable as provided hereinbefore, the Company shall forthwith, upon demand by Trustee, do all things necessary to enable the Trustee to realize the charged assets.
Trust of the Hypothecated Assets	The Loan Receivables and Book-debts hereby charged / hypothecated shall be and remain security to the Trustees till the Debentures are fully redeemed, interest, compound interest where applicable), "Trustees, remunerations and all other monies payable under the Debentures and these presents intended to be hereby secured and the Trustees shall permit the Company, until the

	happening of one or more of the events upon the happening of which the security hereby constituted shall become enforceable as herein provided and upon the happening of any such event the Trustees may (but subject to the provisions herein contained as to notice where such provision is applicable) in their discretion, and shall, upon request in writing of the Beneficial Owner(s) / the Debenture Holders of an amount representing not less than three fourths in value of the nominal amount of the debentures for the time being outstanding or by a Special Resolution duly passed at a meeting of Beneficial Owner(s) / the Debenture Holders convened in accordance with the provisions set out in THIRD SCHEDULE hereunder written, take such steps to realize the said security in the manner as deemed fit, including assigning the rights thereunder either by public auction or by private contract or otherwise as the Trustees shall think proper and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such acts, assurances and things as they shall think fit and to bring, take, arrange, defend, settle, compromise, submit. to arbitration and discontinue any actions, suits or proceedings whatsoever whether civil or criminal against the debtors of the Company, the receivables from whom are charged to the Trustees, either in the name of the Company or in its own name as power of attorney holder of the Company, for recovery of the amounts due from them to the Company and to realize the underline securities thereof
Application of sale Proceeds	The Trustee shall hold the moneys to arise from any sale or conversion under the Trust and shall in the first place, pay or retain the costs and expenses incurred in or about the execution of such trust or otherwise in relation to these present and shall apply the residue of such moneys, first in or towards payment to the debenture holders pari-passu. in proportion to the debentures held by them respectively, and secondly, shall pay the surplus (if any) of such moneys to the person entitled to the charged assets.

Covenants For Title etc.	The Company hereby further covenants with the Trustee that — - notwithstanding anything by the Company done, omitted or knowingly suffered, the Company now has good title and full power to charge in favor of the Trustee by way of hypothecation the said Loan Receivables and Book-debts as mentioned in. the FIRST SCHEDULE, - the company will indemnify Trustee against all encumbrance's actions, suits, proceedings and demands, costs, charges and expenses whatsoever and the Company will from time to time at the cost of the Company
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Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA



14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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