

August 31, 2021

## Capital India Home Loans Limited: Issuer Rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	-	-	[ICRA]BBB (Stable); Withdrawn

\*Instrument details are provided in Annexure-1

### Rationale

Capital India Home Loans Limited (CIHL) had requested for the withdrawal of the issuer rating. Hence, the issuer rating outstanding of [ICRA]BBB (Stable) was placed on notice of withdrawal for a period of one month on July 27, 2021. Since the aforementioned period has elapsed, the issuer rating stands withdrawn. This is in accordance with ICRA's policy on the withdrawal of credit ratings.

ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the related instruments are being withdrawn. The last detailed rating rationale can be found [here](#).

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Housing Finance Companies</a> <a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">Financial Consolidation and Rating Approach</a> <a href="#">ICRA's Policy on Withdrawal of Credit Ratings</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Consolidation. While arriving at the ratings, ICRA has taken a consolidated view of the credit profiles of Capital India Home Loans Limited (CIHL) and its parent Capital India Finance Limited (CIFL), referred to as the Group, owing to the shared name and strategic importance of CIHL in the Group.

### About the company

Incorporated in August 2017, CIHL received certificate of registration from NHB to operate as an HFC on February 11, 2019. The company is focusing on housing finance for emerging customer profiles from middle, lower income and affordable housing segments starting with Tier I towns. As on March 31, 2021, CIHL's loan book of Rs. 137 crore consisted of Home Loans, LAP and other unsecured loans for personal consumption where end use is tracked. In terms of its loan book, CIHL has managed to keep its books more granular, with an average ticket size of ~ Rs. 3 lacs (including unsecured loans for personal consumption) as at December 31, 2020. Currently, CIHL is operating out of nine branches in Delhi, Mumbai, Kalyan, Jaipur, Virar, Panvel, Noida, Nashik and Karnal. CIHL reported a net loss of 3.7 cr in FY2021 following a loss of Rs. 7.4 crore in FY2020. Its net worth stood at Rs. 115 crore as on March 31, 2021.

CIHL is a subsidiary of CIFL with 99.97% shareholding, which is a NBFC registered with the RBI. CIFL primarily offers business finance to SMEs, and term loans to urban infrastructure projects encompassing commercial and residential real estate projects,

hotels, hospitals, education institutes amongst others. As on March 31, 2021, CIFL's loan portfolio at standalone level aggregated Rs. 563 crore.

CIFL, on a consolidated basis, reported a net profit of Rs. 6.1 crore in FY2021 following a net profit of Rs. 13.9 crore in FY2020. Its consolidated net worth stood at Rs. 563 crore as on March 31, 2021, with a gearing of 0.5x.

### Key financial indicators Capital India Home Loans (audited)

	FY2019	FY2020	FY2021
Total income (Rs. crore)	3.2	8.0	15.9
Profit after tax (Rs. crore)	-4.6	-7.4	-3.7
Net worth (Rs. crore)	35	78	115
Portfolio (Rs. crore)	4	70	137
Total assets (Rs. crore)	40	95	197
Return on average assets (%)	-15.2%	-10.9%	-2.5%
Return on average net worth (%)	-18.3%	-13.0%	-3.8%
Gearing (times)	0.0	0.1	0.6
Gross NPA (%)	0.0%	0.0%	0.3%
Net NPA (%)	0.0%	0.0%	0.1%
Solvency (Net NPA/Net worth)	0.0%	0.0%	0.0%
CRAR (%)	128.7%	119.6%	107.15%

Source: Company, ICRA research; All ratios as per ICRA calculations;

### Key financial indicators Capital India Finance Limited (consolidated) (audited)

	FY2019	FY2020	FY2021
Profit after tax (Rs. crore)	6.5	14.0	6.1
Net worth (Rs. crore)	508	521	563
Portfolio (Rs. crore)	560	574	700
Total assets (Rs. crore)	670	717	1,044
Return on average assets (%)	1.4%	2.0%	0.7%
Return on average net worth (%)	1.8%	2.7%	1.1%
Gearing (times)	0.3	0.2	0.5
Gross NPA (%)	0.0%	0.0%	0.05%
Net NPA (%)	0.0%	0.0%	0.0%
Solvency (Net NPA/Net worth)	0.0%	0.0%	0.0%
CRAR (%) (Standalone)	81.2%	80.4%	63.7%

Source: Company, ICRA research; All ratios as per ICRA calculations;

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					Aug 31, 2021	Jul 27, 2021	Mar 1, 2021	Feb 26, 2020	Feb 17, 2020	-
1	Long term fund-based Term loans	Long term	-	-	-	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-
2	Issuer Rating	Long term	-	-	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable); put on notice for withdrawal for a period of one month	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer Rating	Not applicable

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 analyzing 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: [www.icra.in](http://www.icra.in)

#### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs Crore)	Current Rating and Outlook
NA	Issuer Rating	NA	NA	NA	-	[ICRA]BBB (Stable); Withdrawn

Source: Company

#### Annexure-2: List of entities considered for consolidated analysis

Company Name	LTHL Ownership	Consolidation Approach
Capital India Finance Limited	100.00%	Full Consolidation
Capital India Home Loans Limited	99.9% (rated entity)	Full Consolidation
Capital India Assets Management Private Limited	100.00%	Full Consolidation
CIFL Holdings Private Limited	100.00%	Full Consolidation
CIFL Investment Adviser Private Limited	100.00%	Full Consolidation
Capital India Wealth Manager Private Limited	100.00%	Full Consolidation
RapiPay Fintech Private Limited	62.8%	Equity Method

**Note:** ICRA has taken a consolidated view of the parent (CIFL), its subsidiaries and associates while assigning the ratings.

## ANALYST CONTACTS

**Karthik Srinivasan**

+91 22 6114 3444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Manushree Saggar**

+91 124 4545 316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Neha Kadiyan**

+91-124-4545 321

[neha.kadiyan@icraindia.com](mailto:neha.kadiyan@icraindia.com)

**Deep Inder Singh**

+91-124-4545830

[deep.singh@icraindia.com](mailto:deep.singh@icraindia.com)

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.