

Indiabulls Housing Finance Limited

ICRA has reaffirmed the ratings assigned to the Pass Through Certificates (PTCs) under three securitization transactions, all backed by Commercial Vehicle (CV) loan pool receivables originated by Indiabulls Housing Finance Limited (IBHFL) and Indiabulls Commercial Credit Limited (ICCL)†. The rating reaffirmation reflects the good collection performance on the underlying pools so far, and enhanced credit enhancement cover for the rated instruments over the residual tenure.

The summary of the rating actions taken by ICRA is given below.

Table 1: Rating Summary

Trust Name	Instrument	Initial Amt (Rs. Cr)	O/s after Apr-16 Payout (Rs. Cr)	Rating Action
Innovation Trust XIII Sep 13	PTC Series	116.88	13.27	Rating reaffirmed at [ICRA]AAA(SO)
Innovation Trust XVII Dec 13	PTC Series	102.17	18.32	Rating reaffirmed at [ICRA]AA(SO)
Innovation Trust XVIII Dec 13	PTC Series	95.15	19.00	Rating reaffirmed at [ICRA]AA+(SO)

All the three transactions under consideration (as enlisted in the table above) are securitization transactions, wherein the originating company had assigned the receivables arising from the selected pool to a trust and the trust in turn issued a single series of PTCs backed by the same. In case of all the three transactions, the promised cash flow schedule for the PTCs on a monthly basis comprises of principal amortisation (equivalent to the scheduled principal amortisation in the underlying pool every month) and interest (at the pre-determined rate on the principal outstanding).

The table below summarizes the performance of the pools till Apr-16 payouts.

Table 2: Performance Summary till Apr-16 payout month

	Trust XIII (Sep-13)	Trust XVII (Dec-13)	Trust XVIII (Dec-13)
Collection performance till	Mar-16	Mar-16	Mar-16
Months post securitization	31	28	28
Amortization: Pool (%)	88.65%	82.07%	80.03%
Loss cum 90+ dpd (as % of initial principal)	1.84%	2.34%	2.91%
Loss cum 180+ dpd (as % of initial principal)	1.53%	1.95%	2.33%
Cumulative prepayment rate (%) ¹	8.98%	8.52%	6.63%
Cumulative Cash Collateral Utilisation	0.00%	0.00%	0.00%

Till date, nil cash collateral has been used to meet the promised investor payouts. As a result, the overall credit enhancement with respect to the senior investor principal is considerable at about greater than 55% for all the pools.

Overall, the credit enhancement available for meeting balance payouts to the investor – after downward reset of cash collateral (for Innovation Trust XVII) - is sufficient to reaffirm the rating at the current level. ICRA will continue to monitor the performance of these transactions. Any further rating action on these pools will be based on the performance of the pools, the availability of credit enhancement and the credit profile of the Servicer.

† For complete rating scale and definitions please refer to ICRA's Website www.icra.in or other ICRA Rating Publications

¹ Principal outstanding at the time of prepayment of contracts prepaid till date / initial pool principal

About the Originator

Indiabulls Financial Services Limited (IBFSL) was a NBFC engaged in commercial/retail lending operations i.e. Home Loan, Loan Against Property (LAP), Commercial Vehicle Loan, Corporate mortgage loans and Loan against Shares (LAS). Until FY 2008, a majority of the commercial/retail lending was carried out by the subsidiary Indiabulls Credit Services (IBCSL) while the housing finance business was carried out through Indiabulls Housing Finance Limited (IBHFL). Post IBCSL's merger with IBFSL in FY 2008, all lending activities (other than Housing Finance) were being carried out in IBFSL. In March-2013, IBFSL merged with IBHFL and all incremental CV business was shifted to Indiabulls Infrastructure Credit Limited (IICL), which is now Indiabulls Commercial Credit Limited (ICCL). As of 31-Mar-16, the assets under management of IBHFL stood at Rs. 68,683 crore. Mortgage book accounted for 77% while CV loans formed 1% of the total portfolio as on 31-Mar-16. The balance 22% of the book pertains to Commercial mortgage loans comprised of lease rental discounting loans to builders, construction finance and working capital loans.

IBHFL has rating outstanding of [ICRA]AA+ (stable) for its long term debt, and [ICRA]A1+ for its short term debt, from ICRA.

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