

Indiabulls Housing Finance Limited

Instrument/Facility	Amount (In Rs. Crore)	Rating Action
Non convertible debentures	12,200	[ICRA]AA+ (stable) outstanding
Commercial Paper Programme	3,000	[ICRA]A1+ outstanding

ICRA has outstanding rating of [ICRA]AA+ (pronounced ICRA double A plus) with stable outlook on Rs. 12,200 crore Non Convertible debenture programme and outstanding rating of [ICRA]A1+ (pronounced ICRA A one plus) on Rs. 3,000 crore Commercial Paper programme of Indiabulls Housing Finance Limited (IBHFL).

The rating reflects robust operational and financial indicators of IBHFL, comfortable capitalization as well as demonstrated ability to raise capital, stable asset quality indicators over the years, well diversified resource profile with relatively lower net gearing as compared to other HFCs in India, widespread branch network and sound liquidity position with policy of maintaining adequate liquid funds in the company. IBHFL's credit strengths are partially offset by relatively moderate seasoning in the overall credit portfolio and concentration and credit risks associated with its large ticket size Commercial Credit; however, the scale of operations of the company have increased substantially making it the second largest private HFC in India with loan book of Rs. 75,313 crore as on September 30, 2016. IBHFL's rating would be sensitive to its ability to sustain its profitability, maintaining the asset quality along with the growth and also sustain its leverage philosophy. ICRA also notes that while the group has presence in other businesses such as Real Estate and Capital markets, those businesses are being managed independently. Going forward also, ICRA expects no fungibility in cash flows between IBHFL and any other group/ associate companies in the event of distress.

IBHFL's assets under management increased by ~31% during FY2016 to Rs. 68,683 crore as on March 31, 2016 from Rs. 52,235 crore as March 31, 2015. Assets under management further increased by ~19% (annualized) during H1 FY2017 to Rs. 75,313 crore. Share of mortgage book in total book remained stable at ~78% as on September 30, 2016, while the share of housing loans increased to ~54% as on September 30, 2016 as compared to ~52% as on March 31, 2016. IBHFL's reported asset quality indicators remained stable with Gross NPA and Net NPA of 0.83% and 0.34% respectively as on September 30, 2016 (0.84% and 0.35% respectively as on September 30, 2015).

IBHFL's resource profile remains well diversified with mobilization of funds from various sources; as on September 30, 2016, the bank loans and bonds met almost 43% and 50% respectively of the IBHFL's borrowing requirements with the dependence on Commercial Paper and External Commercial Borrowings forming 5% and 2% respectively of the total borrowings. IBHFL's liquidity profile is also supported by the company's policy to maintain un-utilised short term bank lines and liquid investments in the form of fixed deposits and investments in liquid mutual funds, together taking care of disbursements over the next 3-6 months.

IBHFL's capitalization profile remains comfortable with capital adequacy ratio (CAR) of 23.3% as on September 30, 2016 which provides adequate cushion for IBHFL to continue the growth momentum while maintaining regulatory capital adequacy requirement. IBHFL profitability indicators remained robust with the company reporting consolidated PAT at Rs. 2,345 crore (3.5% of ATA) in FY2016, a 23% rise from Rs. 1,901 crore in FY2015 (3.7% of ATA). During H1 FY2017, the company reported a consolidated PAT of Rs. 1,314 crore (3.1% of ATA).

Company Profile

Indiabulls Housing Finance Limited (IBHFL) was incorporated in the year 2005 and is a Housing finance company registered with National Housing Bank. During March 2013, the parent company Indiabulls Financial Services Limited (IBFSL) merged with IBHFL. The company is engaged in lending activities like mortgage loans, lease rental discounting and construction finance with prime focus on mortgage and home finance business. As on September 30, 2016, the company had an AUM of Rs. 75,313 crore.



On a consolidated basis, IBHFL reported a net profit of Rs. 2,345 crore on a total income base of Rs. 9,226 crore in FY2016 as compared to a net profit of Rs. 1,901 crore on a total income base of Rs. 7,253 crore in FY2015. During H1 FY2017, the company reported a net profit of Rs. 1,314 crore on a total income base of Rs. 5,472 crore.

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For further details please contact:

Analyst Contacts:

Mr. Karthik Srinivasan (Tel No +91 22 6114 3444)
karthiks@icraindia.com

Kushal Modi (Tel No +91-22-6114 3428)
kushal.modi@icraindia.com

Samriddhi Chowdhary (Tel No +91-22-6169 3331)
samriddhi.chowdhary@icraindia.com

Chirag Sureka (Tel No+91-22-6114 3424)
chirag.sureka@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar, (Tel. No. +91 22 6114 3406)
shivakumar@icraindia.com

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**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500