

May 12, 2017

Indiabulls Housing Finance Ltd.

Summary of Rated Instruments

Sl.	Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount O/s after Mar-17 Payout (Rs. crore)	Rating action
1	Innovation Trust XX Mar-14	PTCs	315.17	176.14	Upgraded to [ICRA]AAA(SO) from [ICRA]AA+(SO)

*Instrument details are provided in Annexure I

Rating Action

ICRA has upgraded the rating for PTCs issued under one mortgage loan securitisation transaction originated by Indiabulls Housing Finance Limited (IBHFL), as tabulated above.

Rationale

The pool comprises of receivables from Housing Loan (HL) contracts. The receivables have been transferred “at par” to a Special Purpose Vehicle (SPV) and the Trust had issued a single series of PTCs, backed by the same. The PTC yield is linked to an external benchmark (the Base Rate of the investor). Given that the Pool yield and the PTC yield are linked to different benchmarks for the pool, some basis risk exists in this transaction.

A summary of the performance of the pool till February 2017 collection month has been tabulated below.

Table 1: Pool Performance Summary (till February 2017 collection)

Sr. No.	Trust Name	Amortisation (% of initial pool principal)	Cumulative Collection Efficiency	Loss-cum-90+ dpd (as % of initial pool principal)	Cash Collateral available (as % of balance pool principal)
1.	Innovation Trust XX Mar-14	44.1%	99.98%	0.0%	15.7%

Key rating drivers

Credit Strengths

- Good collection efficiency seen in the pool till February 2017 (collection month);
- No cash collateral utilisation in the pool till date owing to strong collection performance and significant availability of EIS in the transaction
- High amortization of the pool leading to lower uncertainty around performance of the balance pool contracts;
- High Cash Collateral (CC) cover available for the balance PTC payouts;
- Low delinquency level in the pool.

¹ 100 lakh = 1 crore = 10 million



Description of key rating drivers highlighted above:

The performance of the pool has been good with cumulative collection efficiency in the region of 99%-100% till February 2017 collection month. Any shortfall in the collections has been absorbed by the EIS in the structure and there has not been CC utilisation in the transaction till date. The pool has highly amortised (~44% after the March 2017 payouts). Thus, CC (as % of balance PTC payouts) has built up in the transaction.

Overall, the credit enhancement available for meeting balance payouts to the PTC investors is commensurate with the current rating of the transaction. ICRA will continue to monitor the performance of the transaction. Any further rating action will be based on the performance of the pool and the availability of credit enhancement relative to ICRA's expectations.

Analytical approach:

The rating actions are based on the performance of the pools till February 2017 (collection month), the present delinquency profile of the pool contracts, performance expected over the balance pool tenure, and the credit enhancement available in these transactions.

Links to applicable Criteria

ICRA's Rating Methodology for Securitisation Transactions

<http://www.icra.in/Files/Articles/Securitisation%20Tran%20%20Methodology%20Dec%202016.pdf>

About the Company:

Indiabulls Housing Finance Limited (IBHFL) was incorporated in 2005 and is a housing finance company registered with National Housing Bank. During March 2013, the parent company Indiabulls Financial Services Limited merged with IBHFL. The company provides mortgage loans, lease rental discounting and construction finance with a prime focus on mortgage and home finance business. As on December 31, 2016, the company had assets under management of Rs. 81,422 crore.

On a consolidated basis, the company reported a net profit of Rs. 2,066 crore on a total income base of Rs. 8,477 crore during 9M FY2017. The company had a networth of Rs. 11,786 crore and a CRAR of 22.02% as on December 31, 2016.

IBHFL has ratings of [ICRA]AA+(Stable) and [ICRA]A1+ outstanding for its various long-term and short-term debt programs respectively, from ICRA.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:
Table: Rating History

S.No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years			
		Type	Rated amount (Rs. Crores)	Month-year & Rating	Month- year & Rating in FY2017	Month- year & Rating in FY2015	Month- year & Rating in FY2014	
				May 2017	May 2016	August 2014	Initial Rating*	
1	Innovation Trust XX Mar-14	PTC	176.14	[ICRA]AAA(SO)	[ICRA]AA+(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)!	

**Initial Rating for the pool was done in Mar-14*

! indicates initial ratings assigned are provisional ratings

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

**Annexure I
Details of Instruments**

Sl.	Trust Name	Instrument	Date of Issuance	Current Coupon Rate[#]	Scheduled Maturity Date	Initial Amount (Rs. crore²)	Amount O/s after Mar-17 Payout (Rs. crore)	Current Rating
1	Innovation Trust XX Mar-14	PTCs	Mar-14	7.50%	Mar-35	315.17	176.14	[ICRA]AAA(SO)

variable; subject to change owing to change in the benchmark rate

² 100 lakh = 1 crore = 10 million



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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.

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