

January 17, 2020

Indiabulls Housing Finance Limited: ICRA withdraws ratings for assignee payouts issued under one home loan securitisation transaction

Summary of Rated Instrument

Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount o/s after last surveillance (Rs. crore)	Current Amount O/s (Rs. crore)	Rating action
IBHFL PCG Sep-19	Assignee Payouts	450.00	NA	0.00	Provisional [ICRA]AA(SO) withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for Assignee Payouts issued under one home loan securitisation transaction originated by Indiabulls Housing Finance Limited (IBHFL), as tabulated above.

IBHFL PCG Sep-19 transaction did not get placed and hence there is no outstanding amount against the rated instruments.

Key rating drivers

Credit strengths

- N.A.

Credit challenges

- N.A.

Description of key rating drivers highlighted above

N.A.

Liquidity position

N.A.

Rating sensitivities

N.A.

Key rating assumptions

N.A.

¹ 100 lakh = 1 crore = 10 million

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company

Incorporated in 2005, IBHFL is a housing finance company registered with National Housing Bank. In March 2013, the parent company, Indiabulls Financial Services Limited, merged with IBHFL. The company provides mortgage loans, lease rental discounting (LRD) and construction finance with a prime focus on the mortgage and home finance business. As on June 30, 2019, the company had assets under management (AUM) of Rs. 1,13,189 crore.

On a consolidated basis, IBHFL reported a net profit of Rs. 4,091 crore on a total income base of Rs. 16,387 crore in FY2019 compared to a net profit of Rs. 3,895 crore on a total income base of Rs. 14,663 crore in FY2018. In Q1 FY2020, the company reported a net profit of Rs. 802 crore on a total income base of Rs. 3,886 crore. Its tangible net worth was Rs. 16,854 crore and CRAR was 27.8% as on June 30, 2019.

Key financial indicators of IBHFL (consolidated)

	FY2018 Ind AS	FY2019 Ind AS
Net interest income*	4,483	5,128
Profit before tax	4,900	5,634
Profit after tax	3,895	4,091
Assets under management	1,22,233	1,20,525
Total assets	1,34,283	1,31,068
%Tier 1	15.07%	19.81%
% CRAR	20.82%	26.49%
Net gearing (times)	6.76	4.67
% Net profit/Average total assets	3.27%	3.08%
% Return on net worth	29.56%	26.61%
% Gross NPAs (% of AUM)	0.77%	0.88%
% Net NPAs (% of AUM)	0.34%	0.69%
% Net NPA/Net worth	4.98%	5.07%

Source: IBHFL and ICRA research; Amount in Rs. crore; All ratios are as per ICRA calculations

*Net interest income is calculated as the sum of interest income from financing activities and fixed deposits, and other operating charges less interest expenses

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

S.No	Name of Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated	Amount Outstanding	Date & Rating	FY2020	FY2019	FY2018
					17-Jan-20			
1	IBHFL PCG Sep-19	Assignee payouts	450.00	0.00	Provisional [ICRA]AA(SO) Withdrawn	Provisional [ICRA]AA(SO)	--	--

Amounts in Rs. crore

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 name	Date of issuance	Coupon Rate [^]	Scheduled Maturity Date [*]	Amount Rated (Rs. crore ²)	Current Rating
1.	IBHFL PCG Sep-19	Assignee Payouts	September 2019	8.90%	September 2044	450.00	Provisional [ICRA]AA(SO) withdrawn

^{*} Scheduled maturity and average life at transaction initiation; may change on account of prepayment

[^] Coupon rate is floating and linked to Assignee's MCLR

² 100 lakh = 1 crore = 10 million

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About ICRA Limited:

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