

JULY 10, 2014

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE INSTRUMENTS OF ICICI HOME FINANCE LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Fixed Deposits*	132	CARE AAA (FD) (SO) (Triple A (Fixed Deposits) (Structured Obligation))	Reaffirmed
Fixed Deposits	2,000	CARE AAA (FD) (Triple A (Fixed Deposits))	Reaffirmed
Senior Bonds*	979	CARE AAA (SO) (Triple A (Structured Obligation))	Reaffirmed
Senior Bonds	5,200	CARE AAA (Triple A)	Reaffirmed
Subordinated Bonds*	258	CARE AAA (SO) (Triple A (Structured Obligation))	Reaffirmed
Subordinated Bonds	165	CARE AAA (Triple A)	Reaffirmed

* backed by Letter of Comfort from ICICI Bank Ltd (rated 'CARE AAA' (Triple A)).

Rating Rationale

The ratings factor in ICICI Home Finance Company Ltd's (IHFC) strong parentage (wholly owned subsidiary of ICICI Bank (IBL)), IBL's explicit support in the form of financial, operational and managerial assistance, the strategic importance of the housing finance business in IBL's broader business plans, the high degree of financial flexibility enjoyed by IHFC by virtue of being IBL's subsidiary as well as its comfortable capitalization levels. Continued capital and management support from IBL in addition to IHFC's ability to maintain profitability and asset quality are the key rating sensitivities.

Background

IHFC, incorporated on May 28, 1999, is a wholly owned subsidiary of IBL. Between December, 2007 and November, 2009, IHFC did lending on its own books. However over the last two years a majority of the home loan business was being done by IBL. This resulted in contraction in the loan book of IHFC from Rs.11,193 crore as on March 31, 2010 to Rs.6,515 crore as on March 31, 2013 due to run down in the portfolio. IHFC re-commenced lending on its books FY12 (refers to the period April 01 to March 31) onwards and disbursed loans of Rs.1,875 crore [P.Y.: Rs.1,740 crore] during FY14. IHFC has a network of around 66 branches as on March 31, 2014.

During FY14, IHFC reported Profit After Tax (PAT) of Rs.223 crore on a total income of Rs.936 crore as compared to a PAT of Rs.220 crore on a total income of Rs.930 crore during FY13.

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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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