

January 06, 2015

## CARE ASSIGNS 'CARE AAA/ CARE A1+' RATING TO BANK FACILITIES OF INDIABULLS HOUSING FINANCE LIMITED

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term/ Short-term Bank Facilities	35,730	<b>CARE AAA (Triple A)/ CARE A1+ (A One Plus)</b>	Assigned

### Rating Rationale

The rating factors the consistency in strong financial and business performance of Indiabulls Housing Finance Ltd (IBHFL) and the growth prospects of mortgage finance business in India coupled with the position of IBHFL to benefit from the same. The rating also takes into consideration the comfortable capitalisation level, diversified resources profile, good asset quality, experienced management, comfortable liquidity profile and risk associated with big ticket size corporate loans. Asset quality, profitability and capitalisation are the key rating sensitivities.

### Background

IBHFL is registered with National Housing Bank (NHB) and is engaged in the business of mortgage finance (home loans and loan against property) and corporate mortgage loans (lease rental discounting and residential construction finance). In March 2013, the parent company Indiabulls Financial Services Ltd (IBFSL) reverse merged with its 100% subsidiary, IBHFL, with a share swap ratio of 1:1. IBHFL on a consolidated basis has a presence in mortgage finance (Home loan and Loan against property) (74% of consolidated assets under management [AUM] of Rs.41,169 crore as on March 31, 2014), corporate mortgage loans (21% of AUM) and commercial vehicle financing (5% of AUM). IBHFL has a presence at 205 locations spread across 20 states and union territories of India as on March 31, 2014. Mr. Sameer Gehlaut is the Founder Chairman and Executive Director and is supported by Mr. Gagan Banga, Vice Chairman and MD.

During FY14 (refers to the period April 1 to March 31), IBHFL reported a profit of Rs.1,569 crore on total income of Rs.5,961 crore. The total AUM was Rs.41,169 crore with Rs.35,445 crore being on-balance sheet portfolio. The total capital adequacy stood at 19.14% with Tier-I CAR at 15.05%.

The PAT for H1FY15 stood at Rs.872 crore on an income of Rs.3,309 crore. The AUM stood at Rs.45,027 crore as on September 30, 2014. Asset quality remained stable compared with FY14-end with Gross and Net NPA at 0.96% and 0.38% respectively as on September 30, 2014.

### Note –

Mr. Y.H. Malegam, who is one of CARE's Rating Committee Members, carried out a consultancy assignment for one of the Indiabulls group company and hence to avoid any potential conflict of interest Mr. Malegam did not participate in the rating process and the rating committee meeting.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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