Housing Finance Companies To Maintain Growth Momentum; But Pitfalls Ahead

Contact
Mitul Budhbhatti
Associate Director
mitul.budhbhatti@careratings.com
91-11- 6754 3547

Ramadasu Bandaru
Associate Director
ramadasu.bandaru@careratings.com
91-11- 6754 3402

Abhishek Gupta
Senior Manager
abhishek.gupta@careratings.com
91-11- 6754 3558

Samarth Khare
Deputy Manager
samarth.khare@careratings.com
91-11- 6754 3677

Mradul Mishra (Media Contact)
mradul.mishra@careratings.com
91-11- 6754 3515
Summary
The housing finance industry has grown at a buoyant pace in the last few years. The main factors influencing this phase include growing demand from the populace due to economic and social development, consistent focus of the government to promote housing and benign regulatory environment encouraging growth in this segment. Apart from Banks which have been financing this segment, HFCs have also been able to grow and establish their position in the housing finance sector accounting for almost 40% of the total housing finance industry as of Mar 2017. The total housing loan portfolio stood at Rs.14.4 Lakh Crore as of Mar 2017.

For the purposes of this study, HFCs have been divided into three categories ; Large, Mid and Small. Large HFCs (accounting for 84% of the total HFCs’ AUM) have exhibited steady performance in terms of business growth. The incumbent HFCs have accumulated portfolio in certain geographies including Maharashtra, Tamil Nadu, Delhi, Karnataka and Andhra Pradesh/Telangana, keeping in sync with spread of urbanization. On the other hand, Small HFCs most of which are recent entrants having focus on affordable housing finance, are lending in the peripheries of the large urban centers, and expanding their presence in the small towns with lower competition intensity. The borrower composition has also been different for all three categories, with Mid and Small HFCs focusing more on the self-employed category. The large HFCs in-turn have diversified into other segments including Loan Against Property (LAP), Lease Rental Discounting (LRD), construction finance or developer loans to keep their yields and profitability intact in a highly competitive environment.

Large HFCs have been able to maintain yields by changing composition of the portfolio (including corporate lending segment), whereas Small HFCs have resorted to charging higher interest rate to offset high operating expense, credit cost and cost of funds to maintain ROTA. The ticket size and profile of borrower are key determinants of operating expenditure for HFCs. Borrowers of the Large HFCs have loans of higher ticket size and higher LTVs in contrast to lower ticket size and lower LTVs of the borrowers of Small HFCs. This is largely due to the fact that Large HFCs have higher proportion of borrowers from the salaried class as compared to Small and Mid HFCs.

Historically, the delinquencies have been stable for Large HFCs; with the ratio of Gross NPAs at 0.7% for the past four years. However, the NPAs have shown an increasing trend for Mid and Small HFCs and stood in the range of 1.2% to 1.4% as on Mar’17. The delinquencies have been higher in the self-employed category and Non-home Loan category for the HFCs. In terms of delinquencies across geographies, Tamil Nadu and Delhi have higher delinquencies as compared to the industry average. In terms of ticket size, loan amount of less than Rs.10 lakh have shown higher delinquencies.

CARE Ratings expects that the next phase of growth will come from regions or states, where 70% of the country’s population resides and it will depend on the government’s thrust on housing and economic growth in these regions. The portfolio in the states like UP, MP and Rajasthan and already increased is expected to drive the future growth for HFCs.

In recent times, HFCs (mainly Small and Mid HFCs) focusing in the affordable housing segment have expanded their lending operations with focus on self-employed and low ticket size loans. They operate in geographies where marketability of repossessed properties is yet to be tested. Thus, going forward, CARE Ratings expects the credit cost for Large HFCs to continue to be at the current levels while that for Mid and Small categories are likely to be higher. Hence, to limit credit cost, the adoption of stricter underwriting standards by Small and Mid HFCs will be the key differentiating factor for individual entities. Historically, HL as a product has seen lowest delinquencies vis-à-vis other retail asset classes. Going forward, increasing gearing levels for HFCs operating in the affordable housing space might not be an appropriate strategy given that credit costs are expected to be higher.

1 Based on Assets Under Management as of Mar 2017
Introduction

Housing sector is currently on a high growth path propelled by government’s focus on ‘Housing for All by 2022’ and its push for affordable housing. This comes at a time when the government’s own estimate for housing shortage in urban areas is nearly 10 million units. However, growth has moderated in FY17. The Housing loan Portfolio\(^2\) rose from Rs.8.7 Lakh Crore in FY14 to Rs. 14.4 Lakh Crore in FY17. Though banks continue to dominate the housing loan segment with nearly 60% of the market share, the share of HFCs has increased from 36% to 40% between FY12 to FY17.

Growth rate in HL segment of HFCs rose to its highest in FY15 and has since moderated to its lowest level in the past five years in FY17. A similar trend of lowest growth since FY13 has been observed in Bank’s HL portfolio in FY17. CARE Ratings believes demonetization and the introduction of Real Estate Regulation Act (RERA) have impacted the housing loan market.

As on December 2017, there were 92 HFCs registered with National Housing Bank (up from 64 in June 2015 and 75 in June 2016). HF industry is dominated by few Large players, who account for 84% of HFC’s total Assets under Management (AUM).

There has been increasing focus on the affordable housing segment with entry of new players along with support of government programs including credit linked subsidy schemes to promote housing for all.

Categorization of HFCs

This study of the Housing Finance industry covers 30 entities, which constitute over 98% of HFCs’ AUM. The HFCs are categorized\(^3\) into three segments:

<table>
<thead>
<tr>
<th>Category</th>
<th>LARGE</th>
<th>MID</th>
<th>SMALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria (AUM Rs. Cr.)</td>
<td>&gt; 40,000</td>
<td>5,000 - 40,000</td>
<td>&lt; 5,000</td>
</tr>
<tr>
<td>Total AUM (Rs. Lakh Crore)</td>
<td>7</td>
<td>1.1</td>
<td>0.2</td>
</tr>
<tr>
<td>No. of HFCs</td>
<td>5</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

\(^2\) Comprising Banks and HFCs

\(^3\) List of HFCs in category given in Annexure I
Housing Finance Companies To Maintain Growth Momentum; But Pitfalls Ahead

Market share of HFCs

Large HFCs have a dominant position in the industry, accounting for around 84% of the market at the end of FY17, with the Mid players accounting for around 13% and the remaining with Small players. During FY14-FY17 Small and Mid HFCs’ AUM have grown at a CAGR of 70% and 30% respectively. However, the market share of Large HFCs has only marginally declined by 2% during the same period.

Composition of the AUM - Driving towards Non HL category

HFCs’ AUM has grown at CAGR of 21.8% from Rs.4.6 lakh Crore as of FY14 to Rs.8.3 lakh Crore as of FY17. Banks have shifted their focus to retail lending, primarily home loan segment, and emerged as reliable option for HL borrowers. This has led to home loan segment becoming increasingly sensitive to interest rates.

Large and Mid HFCs have historically focused on “traditional home loan borrowers” i.e. salaried and self-employed individuals having formal sources of income. However, majority of Small HFCs, being recent entrants in the housing finance industry, are focused on affordable housing segment. The borrower profile in this segment differs from that of the traditional housing loan borrowers as majority of these loans are given to first time borrowers and cash-flows of these borrowers are tough to ascertain. Due to these factors, lending to them is riskier as compared to the traditional borrower segment.

In order to maintain their portfolio growth and protect their margins, HFCs have focused on high-yielding Non-HL book. HFCs’ Non-HL portfolio grew from 25% to 30% of the overall book during FY14 - FY17. As compared to the home loan book growth of 19% y-o-y, this segment has grown faster with almost 28% y-o-y growth in FY17.
Composition of the AUM for various categories of HFCs

Non HL book comprises LAP and Corporate loan book, including construction finance, LRD and other corporate loans. The share of Non-HL book is the similar in the Large and Mid HFCs. While the proportion of Corporate loans (primarily builder financing) in Large HFCs is high (20% of the AUM), LAP comprise the bulk of the Non-HL book in the Mid category (19% of the AUM).

Corporate loan piece accounted for approximately 61% of the Non-HL book in FY17 for HF industry. The high proportion of these loans for Large HFCs can be attributed to their ability to leverage their balance sheet size and lower cost of funding. Lower operating costs and comparative advantage in regulatory capital requirement enables them to lend to this segment. Moreover, extending construction finance to builders is an efficient way for HFCs to originate home loans from the same project, as the processing cost of such loans is low.

The past few years have witnessed the emergence of private equity (PE) funds and institutional investors pumping money in construction finance through structured deals and mezzanine financing. CARE Ratings expects this route to gain more acceptance as a result of regulatory changes like RERA. Though this may be in direct competition to Large HFCs, the huge funding requirements would make it possible for both sources of finance to co-exist.

The LAP book was 38% of the total Non-HL book in FY17 for HF industry. These loans are backed by mortgage of property where end use of funds is either business or personal. The yields on such loans are high while the LTV is lower, giving HFCs better margins. Majority of the underlying properties are self-occupied residential units, which further reduces risk exposure. In addition, HFCs’ expertise in the mortgage segment, i.e. property valuation and technical assessment, has helped them in keeping delinquencies low at 1% as compared to the LAP portfolio of NBFCs. Some of the Large HFCs have a high proportion of salaried borrowers in the LAP book, which has helped in keeping delinquencies low in their LAP portfolio.

For the HFC industry, the delinquencies in the Non-HL book are higher as compared to the HL book. The higher contribution of non-performing assets from this segment has led to overall GNPA ratio of 0.9% as compared to GNPA ratio of 0.6% (Source: RBI) in the HL book as of Mar 2017. HFCs have largely made a tradeoff between yields and asset quality.
Home Loan Portfolio Composition

Borrower Profile

Overall, the salaried class constituted approximately 68% of the Home Loan book. The proportion of the Self Employed borrowers is relatively higher in the books of the Small and Mid HFCs as compared to the Large players. The HL portfolio of the salaried segment has historically witnessed very low delinquencies as compared to self-employed segment. This has resulted in competition from banks that have shifted their focus to retail loans amid high delinquencies in their corporate book. The Mid and Small HFCs are unable to compete with Banks and Large HFCs on account of their higher cost of funding and are, thus, focusing on self-employed segment to grow their book.

A critical element of credit appraisal practices for self-employed borrowers includes an assessment of the borrower’s business and the ability of the local credit appraiser to gather data and arrive at cash-flows.

The profile of the salaried borrowers also differs across HFCs; Small HFCs have primarily extended loans to borrowers having employment in the informal sectors including those who receive salaries in cash, having relatively weaker credit profiles.

For HFCs that are lending to individuals without documented proof of income, changes in demography and competitive scenario will continue to pose challenges. These HFCs will have to keep evolving their business model and refining their credit appraisal practices.

CARE Ratings observes that the delinquencies for self-employed category are nearly three times as compared to those for the salaried category. This could have a negative bearing on the asset quality of players with focus on self-employed segment.
Geographic distribution of HFCs’ HL portfolio – Big five holds the majority share

Geographically, around 70% of HFCs loan book is spread across 5 states; Maharashtra, Tamil Nadu, Delhi, Karnataka and Andhra Pradesh / Telangana. High population density and property prices in urban areas are crucial factors leading to large HL portfolio in these territories. However, these areas comprise only 30% of India’s population. The next phase of growth in HL segment would depend on the government’s focus of “Housing for All” and pace of economic growth and urbanization in the remaining states where 70% of the population resides. The share of states like UP, Madhya Pradesh and Rajasthan is small; however, the home loan portfolio has grown significantly in the past 3 years here. Amongst the big five, Tamil Nadu and Delhi have higher delinquencies as compared to industry average.

**“Housing for All”** and pace of economic growth and urbanization in the remaining states where 70% of the population resides. The share of states like UP, Madhya Pradesh and Rajasthan is small; however, the home loan portfolio has grown significantly in the past 3 years here. Amongst the big five, Tamil Nadu and Delhi have higher delinquencies as compared to industry average.

**CARE Ratings believes HFCs in the affordable housing space, operating in areas with lower competitive intensity will have better asset quality as they are able to choose their customers.**

Ticket Size (Loan amount) Composition

The strategy followed by HFCs is different across categories; Small HFCs focus more on the outskirts of Metro cities and towns, which is reflected in higher share of loans up-to Rs.10 Lakhs in their book composition. The proportion of higher ticket size loans is greater in Large HFCs because of the areas they operate in.

An analysis of the delinquency levels showed 90+DPD to be highest in ticket size of less than Rs.10 lakh (at 0.9%) as against the industry’s HL portfolio average 90+DPD of 0.5%. The lowest 90+DPD levels were observed in the Rs.20-50 lakh segment with a ratio of less than 0.35%.
With Small HFCs primarily focusing on the sub-Rs.10 lakh segment, delinquencies for them are expected to be high.

**Loan to Value Ratio**

Large HFCs’ portfolio comprises loans with high LTVs due to salaried borrowers constituting the majority of the loan book. On the contrary, Small and Mid HFCs have over 35% of the HL portfolio with an LTV less than 50%. Due to their exposure to self-employed borrower segment, these HFCs have tried to mitigate the risk by offering loans at low LTVs. Small HFCs have a high proportion of Low LTV loans as these entities provide finance for a significant number of self-construction properties where land value is taken into account for calculation of LTVs. CARE Ratings observes that delinquencies are higher in loans having LTV more than 80%.

**Asset Quality - Credit cost may be a drag on HFCs in the affordable housing space**

Delinquencies have shown different trends for HFCs in various categories. The Gross NPAs for Large HFCs have been stable with the ratio of 0.7% for the past four years. However, the NPAs have shown an increasing trend for Mid and Small HFCs. The Gross NPAs for Mid HFCs have risen by approximately 20 bps in three years to 1.2% by FY17. For Small HFCs (excluding HFC having a rural focus), the increase in delinquencies has been around 40 bps over the past four years, with a GNPA ratio of 1.4% by FY17. Considering that the AUM of the Small HFCs has grown at a CAGR of 70% in the same period; delinquencies calculated on a lagged basis would be as high as 2.0%.
An indicator of the likely end-delinquencies / principal loss in the future can be ascertained through the comparison between Portfolio NPAs (as a % of the expanding HFC book) and Securitized Pool NPAs (as a % of the static, securitized pool principal). The 90+DPD levels for the CARE Rated securitized HL pools have remained sub-1.0%. The pools comprise contracts originated by Large HFCs. For Large HFCs, CARE Ratings expects Gross NPAs to continue near current levels and the delinquencies to stay elevated in the medium term for both Small and Mid HFCs.

In recent times, HFCs, especially those in the affordable housing segment, have expanded their lending operations in the periphery of the large urban areas and small towns. The marketability of any repossessed properties in these areas is yet to be tested. Lower than expected realizations from any repossessed property combined with weak credit profile of the borrowers may lead to high credit losses for affordable housing HFCs in times ahead.

**Prepayments – Prevailing prepayment rates to continue**

Historically, HFCs have witnessed prepayment rates of 1 – 1.5% on a monthly basis in the HL portfolio. Prepayments are expected to continue at the same rate owing to intense competition in the HL segment. The chart below illustrates the prepayment behavior of CARE rated securitized HL pools.

CARE Ratings expects HFCs who operate in the affordable housing space to experience higher prepayment rates as other HFCs and Banks are expected to target borrowers who have established a meaningful credit history, by offering lower interest rates.
Leverage – HFCs in affordable space should limit their leverage levels

The extant regulations permit lower risk capital to be provided for housing loans by HFCs. Due to this regulatory arbitrage, HFCs are able to leverage more as compared to NBFCs. HFCs have been able to mobilize equity capital to support the high growth in their books. Large and Mid HFCs’ gearing levels are at around 8 times as compared to Small HFCs which have a gearing level of 4.5 times. Gearing levels of Large HFCs has remained at similar levels for the past 4 years; while the same for Mid HFCs has increased from 6.2 times as on FY14 to 8.4 times as on FY17.

Historically, HL as a product has seen the lowest delinquencies. However, high gearing levels for HFCs operating in the affordable housing space might not be an appropriate strategy given that credit loss levels are expected to be higher.
Profitability – Different strategies used to achieve similar levels of ROTA

HFCs have adopted various business models to suit their requirements and adopted different strategies to achieve their desired profitability. Some have adopted a high-cost high-revenue model and some have chosen low-cost low-revenue model while remaining adapted a mix.

<table>
<thead>
<tr>
<th>For FY17</th>
<th>All</th>
<th>Large</th>
<th>Mid</th>
<th>Small</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM</td>
<td>2.9</td>
<td>2.7</td>
<td>3.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Other Income</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</td>
<td>2.0</td>
</tr>
<tr>
<td>Opex</td>
<td>-0.7</td>
<td>-0.5</td>
<td>-1.2</td>
<td>-3.5</td>
</tr>
<tr>
<td>Credit Cost</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.7</td>
</tr>
<tr>
<td>Tax</td>
<td>-0.8</td>
<td>-0.8</td>
<td>-0.9</td>
<td>-1.0</td>
</tr>
<tr>
<td>ROTA</td>
<td>1.8</td>
<td>1.8</td>
<td>1.7</td>
<td>1.9</td>
</tr>
</tbody>
</table>

It has been observed that NIMs (Net Interest Margin) are lower for Large HFCs as compared to the NIMs of HFCs in the Mid and Small categories. For Small HFCs, the yields are higher as they cater to a high proportion of borrowers with no previous credit history, self-employed by occupation or tend to have no documented proof of income.

For Mid category HFCs, the customer mix comprises of relatively higher proportion of salaried HL borrowers (60% of HL portfolio), resulting in lower yields. In order to protect profitability, Mid category HFCs have expanded their product offerings to include Non-HL products such as LAP, which carry high yields and are mostly given to self-employed borrowers. As a result, self-employed borrowers constitute approximately 50% of the overall (HL and Non-HL) book for Mid category HFCs.

Large HFCs have been able to maintain the yields by changing the composition of the portfolio and further diversifying in to corporate lending.

The present competitive environment for retail mortgage lending has prevented the adoption of risk based pricing practices in the industry. This “irrational exuberance” is leading to competitive pricing and may hamper HFCs’ ability to absorb future credit losses. Currently, there is some variation in rates on loans offered to different borrower profile (Salaried/Self-employed). However, CARE Ratings is of the view that other risks are not fully factored in the pricing of loans. HFCs operating in highly penetrated urban centers have limited prospects of risk based pricing. It is only those HFCs that operate in low competitive areas that are able to price the loan based on risks involved.

Stable operating performance and a benign interest rate environment have helped in a reduction in cost of funds for HFCs in the past three years. However, any savings in the cost of funds by HFCs is offset by the reduction in yields in the HL segment due to stiff competition from banks, resulting in shrinking NIM. In addition to this, high NIM for Small HFCs is also on account of low leverage levels.

Other income is mostly attributed to processing & other charges, cross sale of financial products and treasury income. Large and Mid HFCs are not able to levy high processing fees due to competitive environment in
the HL segment. Some Large HFCs derive a significant proportion of their other income from active treasury operations. The processing fee for Small HFCs varies from 0.5% to 1.5% of the disbursed amount due to their borrower profile.

Ticket size and borrower profile are the key determinants of Operating Expenditure (Opex) for HFCs. Large HFCs are able to take advantage of their process automation and economies of scale to minimize their Opex. The Opex ratios of Mid and Small HFCs are relatively higher due to (a) high concentration of self-employed borrowers who require more due diligence and appraisal checks as compared to salaried borrowers and (b) target geographies requiring large “feet-on-street” teams – more for Small HFCs. However, for HFCs in the growth phase, the Opex will remain high due to deployment of additional resources required to achieve targeted growth, though it may rationalize once consolidation comes into play. Adoption of technology and automation will be a key determinant in improving efficiency and profitability going ahead.

Credit costs for Small HFCs are high as compared to other categories due to their exposure to risky borrower profile that are more susceptible to any disruptions in the economy. Going forward, CARE Ratings expects the credit cost for Large HFCs to continue to be at current levels while the credit cost for Mid and Small HFCs to be higher.

Irrespective of the business model adopted by various HFCs, the ROTA is currently in the same range across the categories. Opex and credit cost are expected to be key determinants impacting ROTA as the interest rate pricing is likely to remain competitive. For Small HFCs, credit cost may increase due to their exposure to weak borrower profile leading to current profitability buffers being insufficient to cushion any increase in credit cost. Therefore, it is imperative for Small HFCs to rationalize their Opex or continue to rely on other income to maintain their ROTA.

**The way forward**

CARE Ratings expects that the next phase of growth will come from non-big-5 states/regions, where 70% of the population resides, depending on the government thrust on housing sector and economic growth in these regions. In particular the portfolio in the states like UP, MP and Rajasthan is expected to drive the future growth for HFCs. Further, CARE Ratings believes that delinquencies for Mid and Small HFCs will elevate further while the credit costs for Large HFCs will continue to be at the current levels. Adoption of strict underwriting standards by the Small and Mid HFCs and their ability to diversify into newer geographies while maintaining asset quality will be the key differentiating factor for individual entities.
Annexure-I

Large HFCs
1. Dewan Housing Finance Corporation Limited
2. Housing Development Finance Corporation Limited
3. Indiabulls Housing Finance Limited
4. LIC Housing Finance Limited
5. PNB Housing Finance Limited

Mid HFCs
1. Can Fin Homes Limited
2. GIC Housing Finance Limited
3. GRUH Finance Limited
4. ICICI Home Finance Limited
5. India Infoline Housing Finance Limited
6. L&T Housing Finance Limited
7. Reliance Home Finance Limited
8. Repco Home Finance Limited
9. Sundaram BNP Paribas Home Finance Limited
10. Tata Capital Housing Finance Limited

Small HFCs
1. Aadhar Housing Finance Limited
2. Aavas Financiers Limited
3. Aptus Value Housing Finance India Limited
4. Aspire Home Finance Corporation Limited
5. Cent Bank Home Finance Limited
6. DHFL Vysya Housing Finance Limited
7. Hinduja Housing Finance Limited
8. Home First Finance Company India Private Limited
9. India Shelter Finance Corporation Limited
10. Magma Housing Finance Limited
11. Mahindra Rural Housing Finance Limited
12. Micro Housing Finance Corporation Limited
13. New Habitat Housing Finance and Development Limited
14. Shriram Housing Finance Limited
15. SRG Housing Finance Limited
List of CARE Rated entities:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aadhar Housing Finance Limited</td>
<td>CARE AA+ (SO); Stable</td>
</tr>
<tr>
<td>Aavas Financiers Limited</td>
<td>CARE A+; Stable</td>
</tr>
<tr>
<td>Akme Star Housing Finance Limited</td>
<td>CARE BB+; Stable</td>
</tr>
<tr>
<td>Aptus Value Housing Finance India Limited</td>
<td>CARE A; Stable</td>
</tr>
<tr>
<td>Can Fin Homes Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>Capital First Home Finance Limited</td>
<td>CARE AA+; Stable</td>
</tr>
<tr>
<td>Cent Bank Home Finance Limited</td>
<td>CARE A-; Negative</td>
</tr>
<tr>
<td>Dewan Housing Finance Corporation Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>DMI Housing Finance Private Limited</td>
<td>CARE AA- (SO); Stable</td>
</tr>
<tr>
<td>Edelweiss Housing Finance Limited</td>
<td>CARE AA; Stable</td>
</tr>
<tr>
<td>Fullerton India Home Finance Company Limited</td>
<td>CARE AA+; Stable</td>
</tr>
<tr>
<td>Hinduja Housing Finance Limited</td>
<td>CARE AA-; Stable</td>
</tr>
<tr>
<td>Home First Finance Company India Private Limited</td>
<td>CARE A; Stable</td>
</tr>
<tr>
<td>Housing Development Finance Corporation Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>ICICI Home Finance Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>India Home Loans Limited</td>
<td>CARE BBB-; Stable</td>
</tr>
<tr>
<td>India Infoline Housing Finance Limited</td>
<td>CARE AA; Positive</td>
</tr>
<tr>
<td>India Shelter Finance Corporation Limited</td>
<td>CARE A-; Stable</td>
</tr>
<tr>
<td>Indiabulls Housing Finance Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>Khush Housing Finance Private Limited</td>
<td>CARE BBB-; Stable</td>
</tr>
<tr>
<td>L&amp;T Housing Finance Limited</td>
<td>CARE AA+; Positive</td>
</tr>
<tr>
<td>LIC Housing Finance Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>Magma Housing Finance Limited</td>
<td>CARE AA-; Negative</td>
</tr>
<tr>
<td>Mahindra Rural Housing Finance Limited</td>
<td>CARE AA+; Stable</td>
</tr>
<tr>
<td>Manipal Housing Finance Syndicate Limited</td>
<td>CARE BBB+; Stable</td>
</tr>
<tr>
<td>Mentor Home Loans India Limited</td>
<td>CARE BBB; Stable</td>
</tr>
<tr>
<td>Micro Housing Finance Corporation Limited</td>
<td>CARE A-; Stable</td>
</tr>
<tr>
<td>New Habitat Housing Finance and Development Limited</td>
<td>CARE BBB-; Stable</td>
</tr>
<tr>
<td>PNB Housing Finance Limited</td>
<td>CARE AAA; Stable</td>
</tr>
<tr>
<td>Reliance Home Finance Limited</td>
<td>CARE AA (Under Credit watch with Developing Implications)</td>
</tr>
<tr>
<td>Repco Home Finance Limited</td>
<td>CARE AA; Stable</td>
</tr>
<tr>
<td>Sewa Grih Rin Limited</td>
<td>CARE BBB-; Stable</td>
</tr>
<tr>
<td>Shriram Housing Finance Limited</td>
<td>CARE AA+; Stable</td>
</tr>
<tr>
<td>SRG Housing Finance Limited</td>
<td>CARE BBB-; Stable</td>
</tr>
<tr>
<td>Sundaram BNP Paribas Home Finance Limited</td>
<td>CARE AA; Stable</td>
</tr>
<tr>
<td>Swarna Pragati Housing Microfinance Private Limited</td>
<td>CARE BBB-; Stable</td>
</tr>
</tbody>
</table>