

ICICI Home Finance Company Limited^(Revised)

July 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Instruments	500.00	CARE AAA; Stable	Reaffirmed
Market Linked Debentures	1,000.00	CARE PP-MLD AAA; Stable	Reaffirmed
Non-Convertible Debentures	11,000.00	CARE AAA; Stable	Reaffirmed
Non-Convertible Debentures	5,000.00	CARE AAA; Stable	Reaffirmed
Fixed Deposit	6,000.00	CARE AAA; Stable	Reaffirmed
Commercial Paper	4,000.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings to debt instruments of ICICI Home Finance Company Limited (ICICI HFC or 'the company') continue to derive strength from its parentage of ICICI Bank (IBL; rated CARE AAA; Stable/ CARE A1+) and the strategic importance of ICICI HFC to the parent group (ICICI). The rating further factors in the managerial support that ICICI HFC receives from IBL, and the shared brand name, funding support (with last capital infusion of ₹500 crore in May 2024). ICICI HFC also enjoys financial flexibility with access to diversified funding sources. Ratings also factor in ICICI HFC's adequate capitalisation levels and increasing presence in retail home loans, loan against property and construction finance segment.

However, ratings consider ICICI HFC's moderate, despite improving, asset quality and profitability and its exposure to relatively weaker borrower profile, with ~60% retail customers in the self-employed category. Amidst intensely competitive business environment, the company's profitability is expected to experience marginal contraction in FY26 with the recent softening of interest rates.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade: Not applicable

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Significant fall in the shareholding of IBL in ICICI HFC and/or weakening of the expected parent support.
- Weakening credit profile of IBL.
- Significant deterioration in the asset quality and profitability on sustained basis.

Analytical approach:

Standalone, factoring strong linkages and expected support from its parent IBL, which holds 100% shareholding in ICICI HFC.

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation of continued support from IBL to ICICI HFC.

Detailed description of key rating drivers:

Key strengths

Strong parentage and its support in the form of financial, operational and managerial assistance

ICICI HFC is a wholly owned subsidiary of IBL and remains strategically important entity for the ICICI group with focus on retail home loans, loan against property and construction finance segments. ICICI HFC has presence in product segments and

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

geographies that complement IBL's offerings. Being a wholly owned subsidiary of IBL, ICICI HFC also enjoys high financial flexibility, enabling it to raise funds at competitive rates. In Q1 FY25, IBL infused equity capital of ₹500 crore in ICICI HFC. Capitalisation is expected to remain adequate, backed by steady internal cash accrual and capital support from ICICI Bank, as required, subject to arms' length dealings and regulatory approval. IBL also has a representation on the company's board. The Board is headed by Rakesh Jha, Director on Board of ICICI Bank (Non-Executive Director, Chairman) and the company's operations are looked after by Vineeta Rajadhyaksha (Managing Director & Chief Executive Officer), having vast and well-round experience of over 27 years including 19 years in Banking along with well-experienced non-executive directors.

Diversified resource profile

ICICI HFC's resource profile is diversified, with a mix of term loans from banks, refinance from the National Housing Bank (NHB), capital market borrowings, and fixed deposits. Resource profile is also diversified in terms of investors comprising public sector and private sector banks, mutual funds, pension funds, corporates and the public or high net worth individuals (HNIs). Deposits comprised 18% (PY: 20%) total borrowings as on March 31, 2025, while bank borrowings (including NHB refinance) constituted 34% (PY: 39%), market borrowings constituted 41% (PY: 38%) and the balance 7% in the form of commercial papers (CPs) (PY: 3%). The company has also been doing direct assignment (sell down) of its loan portfolio. As on March 31, 2025, the company's assigned loan portfolio stood at ₹10,824 crore (PY: ₹ 7,328 crore), contributing 27.80% to the assets under management (AUM).

Adequate capitalisation and moderate gearing levels

ICICI HFC has been maintaining adequate capitalisation levels on a continuous basis and reported total capital adequacy ratio (CAR) of 19.93%, as on March 31, 2025, compared to 19.92% as on March 31, 2024. In FY25, IBL has infused an equity capital of ₹500 crore in the company, and healthy internal accruals, led to a lower gearing of 5.33x as on March 31, 2025, compared to overall gearing of 5.56x as on March 31, 2024. The unrealised gain on down selling of the loan portfolio and fair value gain forming part of other comprehensive income is included in total equity as per financial statements, however, is not reflected in the tier I capital.

Increasing presence in the home loan market and efforts to increase geographical diversification; lower seasoning and higher proportion of self-employed customers

ICICI HFC has presence in product segments and geographies that complement IBL's offerings. The company's offerings include retail home loans, loan against property and construction finance segment. The company's product mix in FY25 remained almost similar to the previous year. Home loans, loan against property (LAP), construction finance and others comprised 64% (PY: 66%), 30% (PY: 28%), 6% (PY: 5%) and 0% (PY: 0.15%), respectively, of the gross loan book. In FY25, AUM increased by 35.41% considering increase in disbursement. The proportion of self-employed customers accounted 61% (PY: 62%), which is relatively vulnerable to the economic cycle compared to the salaried customer segment. In FY25, the company increased its presence from 216 branches to 239 branches. Currently, it has presence in 21 states; however, geographical concentration in Maharashtra, continues to be high at 25.29% total AUM (PY: 23.30%).

Key weaknesses

Moderate, yet improving, asset quality and profitability

ICICI HFC has seen improvement in its asset quality parameters over the years. The company's gross stage 3 (GS3) and net stage 3 (NS3) ratios improved to 1.52% and 1.02% as on March 31, 2025, from 1.72% and 1.06% as on March 31, 2024, respectively, considering growth in AUM, recoveries/upgrade of ₹230 crore and write off of ₹133 crore in FY25. The company's restructured advances book stood at ₹456 crore as on March 31, 2025, constituting 1.62% net advances, of which stage 3

accounted ₹48 crore. Net stressed assets to tangible net worth stood at 16.02% (PY: 25.33%) as on March 31, 2025. Slippages increased to ₹404 crore from ₹321 crore. The company's stage 3 provision coverage ratio stood at 34% in FY25 against 39% in FY24. On book, the company's return on total assets (ROTA) improved from 2.67% to 2.75% due to reduced opex from 2.72% in FY24 to 2.66% in FY25 and increase in other income from 1.56% in FY24 to 1.90% in FY25. Given that 61% of the borrowers are self-employed customers which are relatively vulnerable to the economic cycle, the asset quality and thereby credit cost remains monitorable.

Liquidity: Adequate

The company's liquidity remains adequate with asset-liability maturity (ALM) profile as on March 31, 2025, showing no cumulative mismatches (including sanctioned but undrawn term loans) in up to one-year bucket. Being a housing loan lender, the company has inherent ALM mismatches in longer-time buckets due to relatively longer maturity profile of assets against borrowings. As on March 31, 2025, the company had undrawn lines of ₹2,075 crore and overdraft (OD) limit of ₹300 crore. Being part of the ICICI group, ICICI HFC enjoys strong financial flexibility, which acts as an additional liquidity cushion.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Withdrawal Policy](#)

[Housing Finance Companies](#)

[Short Term Instruments](#)

[Market Linked Debentures](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Housing Finance Company

Incorporated on May 28, 1999, ICICI HFC is a wholly owned subsidiary of IBL (rated 'CARE AAA; Stable', 'CARE A1+'). ICICI HFC has a network of 239 branches and a strength of 5,936 employees as on March 31, 2025. ICICI HFC primarily caters the customer segment and geographies that complement the bank's offerings. ICICI HFC's total loan book stood at ₹28,118 crore as on March 31, 2025, and AUM stood at ₹38,942 crore. ICICI HFC provides housing loans (comprises 64% loan book), LAP (30%), and construction financing (6%).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total income	1,951	2,648	3,450
PAT	302	572	744
ROTA (%)	1.75	2.66	2.75
Overall gearing	5.29	5.56	5.33

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Net NPA (%)	2.04	1.06	1.02

A: Audited; UA: Unaudited; Note: these are latest available financial results; NA: Not Available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹crore)	Rating Assigned and Rating Outlook
Debentures-NCD	Various ISIN's^	Various Issuance dates	Various Coupon Rates	Various Maturity Dates	7,107.20	CARE AAA; Stable
Debentures-NCD	INE071G07330	26-May-20	8.00%	24-May-30	5	CARE AAA; Stable
Debentures-NCD	INE071G07256	28-Apr-20	7.60%	28-Apr-25	0	Withdrawn
Debentures-NCD	INE071G07637	29-Jan-24	8.06%	25-Mar-26	490	CARE AAA; Stable
Debentures-NCD	INE071G07645	15-Feb-24	8.09%	15-Sep-26	100	CARE AAA; Stable
Debentures-NCD	INE071G07652	15-Feb-24	8.04%	15-Feb-29	600	CARE AAA; Stable
Debentures-NCD	INE071G07660	06-Mar-24	8.10%	05-Mar-27	400	CARE AAA; Stable
Debentures-NCD	INE071G07678	19-Apr-24	8.02%	19-Apr-29	698.6	CARE AAA; Stable
Debentures-NCD	INE071G07686	02-May-24	8.07%	02-Aug-27	160	CARE AAA; Stable
Debentures-NCD	INE071G07694	13-May-24	8.07%	14-Sep-26	225	CARE AAA; Stable
Debentures-NCD	INE071G07702	01-Jul-24	8.07%	01-Oct-27	500	CARE AAA; Stable
Debentures-NCD	INE071G07710	16-Aug-24	7.95%	16-Nov-27	265	CARE AAA; Stable
Debentures-NCD	INE071G07728	19-Sep-24	7.95%	20-Dec-27	300	CARE AAA; Stable
Debentures-NCD	INE071G07736	19-Sep-24	7.94%	19-Sep-29	275	CARE AAA; Stable
Debentures-NCD	INE071G07744	25-Oct-24	7.72%	28-Sep-29	200	CARE AAA; Stable
Debentures-NCD	INE071G07751	14-Nov-24	175 bps constant spread over the Bench mark (91 days T-bill)	12-Nov-27	600	CARE AAA; Stable
Debentures-NCD	INE071G07769	26-Nov-24	7.75%	24-Nov-34	225	CARE AAA; Stable
Debentures-NCD	INE071G07777	26-Nov-24	170 bps constant spread	25-Feb-28	400	CARE AAA; Stable

			over the Bench mark (91 days T- bill)			
Debentures-NCD	INE071G07785	16-Jan-25	7.77%	16-Jan-30	495	CARE AAA; Stable
Debentures-NCD	INE071G07801	12-Feb-25	7.76%	12-Feb-30	300	CARE AAA; Stable
Debentures-NCD	INE071G07793	12-Feb-25	7.81%	12-Apr-28	300	CARE AAA; Stable
Debentures-NCD	INE071G07843	22-May-25	7.19%	22-Aug-25	600	CARE AAA; Stable
Debentures-NCD	Proposed	-	-	-	1,754.2	CARE AAA; Stable
Debt-Subordinate debt	INE071G08AH0	10-Jun-20	8.02%	10-Jun-30	50	CARE AAA; Stable
Debt-Subordinate debt	INE071G08AH0	26-Jun-20	8.02%	10-Jun-30	45.5	CARE AAA; Stable
Debt-Subordinate debt	Proposed	-	-	-	404.5	CARE AAA; Stable
Debentures-MLD	INE071G07538	26-Sep-22	7.30%	26-Mar-25	0	Withdrawn
Debentures-MLD	INE071G07546	12-Oct-22	7.56%	11-Apr-25	0	Withdrawn
Debentures-MLD	INE071G07553	14-Nov-22	7.65%	29-Apr-25	0	Withdrawn
Debentures-MLD	Proposed	-	-	-	1000	CARE PP-MLD AAA; Stable
Fixed Deposit	-	-	-	Ongoing	6000	CARE AAA; Stable
Commercial Paper	INE071G14GP8	20-Mar-25	7.66%	19-Jun-25	50	CARE A1+
Commercial Paper	INE071G14GP8	20-Mar-25	7.66%	19-Jun-25	100	CARE A1+
Commercial Paper	INE071G14GQ6	28-Mar-25	7.55%	27-Jun-25	150	CARE A1+
Commercial Paper	INE071G14GQ6	04-Apr-25	6.85%	27-Jun-25	150	CARE A1+
Commercial Paper	INE071G14GQ6	04-Apr-25	6.85%	27-Jun-25	150	CARE A1+
Commercial Paper	INE071G14GQ6	04-Apr-25	6.85%	27-Jun-25	25	CARE A1+
Commercial Paper	INE071G14GR4	16-Apr-25	6.61%	16-Jul-25	100	CARE A1+
Commercial Paper	INE071G14GR4	16-Apr-25	6.61%	16-Jul-25	75	CARE A1+
Commercial Paper	INE071G14GR4	16-Apr-25	6.61%	16-Jul-25	50	CARE A1+
Commercial Paper	INE071G14GR4	16-Apr-25	6.61%	16-Jul-25	225	CARE A1+
Commercial Paper	INE071G14GS2	25-Apr-25	6.59%	25-Jul-25	175	CARE A1+
Commercial Paper	INE071G14GS2	25-Apr-25	6.59%	25-Jul-25	50	CARE A1+
Commercial Paper	INE071G14GT0	07-May-25	6.67%	06-Aug-25	50	CARE A1+
Commercial Paper	INE071G14GT0	07-May-25	6.67%	06-Aug-25	200	CARE A1+
Commercial Paper	INE071G14GU8	15-May-25	6.62%	14-Aug-25	75	CARE A1+
Commercial Paper	INE071G14GU8	15-May-25	6.62%	14-Aug-25	75	CARE A1+
Commercial Paper	INE071G14GU8	15-May-25	6.62%	14-Aug-25	50	CARE A1+
Commercial Paper	INE071G14GV6	20-May-25	6.62%	19-Aug-25	300	CARE A1+
Commercial Paper	Proposed	-	-	-	1950	CARE A1+

^Instruments have been fully repaid. Instruments would be removed post discussion with the issuer for withdrawal of rating.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023

1	Fixed Deposit	LT	6000.00	CARE AAA; Stable	-	<p>1)CARE AAA; Stable (06-Mar-25)</p> <p>2)CARE AAA; Stable (05-Jul-24)</p> <p>3)CARE AAA; Stable (06-Jun-24)</p>	<p>1)CARE AAA; Stable (29-Jun-23)</p>	<p>1)CARE AAA; Stable (07-Dec-22)</p> <p>2)CARE AAA; Stable (05-Jul-22)</p> <p>3)CARE AAA; Stable (22-Jun-22)</p>
2	Debentures-Non Convertible Debentures	LT	11000.00	CARE AAA; Stable	-	<p>1)CARE AAA; Stable (06-Mar-25)</p> <p>2)CARE AAA; Stable (05-Jul-24)</p> <p>3)CARE AAA; Stable (06-Jun-24)</p>	<p>1)CARE AAA; Stable (29-Jun-23)</p>	<p>1)CARE AAA; Stable (07-Dec-22)</p> <p>2)CARE AAA; Stable (05-Jul-22)</p>
3	Debt-Subordinate Debt	LT	500.00	CARE AAA; Stable	-	<p>1)CARE AAA; Stable (06-Mar-25)</p> <p>2)CARE AAA; Stable (05-Jul-24)</p> <p>3)CARE AAA; Stable (06-Jun-24)</p>	<p>1)CARE AAA; Stable (29-Jun-23)</p>	<p>1)CARE AAA; Stable (07-Dec-22)</p> <p>2)CARE AAA; Stable (05-Jul-22)</p>
4	Commercial Paper-Commercial Paper (Standalone)	ST	4000.00	CARE A1+	-	<p>1)CARE A1+ (06-Mar-25)</p> <p>2)CARE A1+ (05-Jul-24)</p> <p>3)CARE A1+ (06-Jun-24)</p>	<p>1)CARE A1+ (29-Jun-23)</p>	<p>1)CARE A1+ (07-Dec-22)</p> <p>2)CARE A1+ (05-Jul-22)</p>
5	Debentures-Market Linked Debentures	LT	1000.00	CARE PP-MLD AAA; Stable	-	<p>1)CARE PP-MLD AAA; Stable (06-Mar-25)</p> <p>2)CARE PP-MLD AAA; Stable</p>	<p>1)CARE PP-MLD AAA; Stable (29-Jun-23)</p>	<p>1)CARE PP-MLD AAA; Stable (07-Dec-22)</p>

						(05-Jul-24) 3)CARE PP-MLD AAA; Stable (06-Jun-24)		2)CARE PP-MLD AAA; Stable (05-Jul-22)
6	Debentures-Market Linked Debentures	LT	-	-	-	1)Withdrawn (06-Mar-25) 2)CARE PP-MLD AAA; Stable (05-Jul-24) 3)CARE PP-MLD AAA; Stable (06-Jun-24)	1)CARE PP-MLD AAA; Stable (29-Jun-23)	1)CARE PP-MLD AAA; Stable (07-Dec-22)
7	Debentures-Non Convertible Debentures	LT	5000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (06-Mar-25) 2)CARE AAA; Stable (05-Jul-24) 3)CARE AAA; Stable (06-Jun-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Market Linked Debentures	Complex
3	Debentures-Non Convertible Debentures	Simple
4	Debt-Subordinate Debt	Complex
5	Fixed Deposit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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