

Indiabulls Housing Finance Limited

August 24, 2020

Ratings

Instruments / Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Commercial Paper	3,000 (Rs. Three Thousand crore) (enhanced from 1,500)	CARE A1+ [A One Plus]	Reaffirmed
Long term Bank Facilities	49,800 (Rs. Forty Nine Thousand And Eight Hundred Crore) (Reduced from Rs.51,300 crore)	CARE AA; Negative [Double A; Outlook: Negative]	Reaffirmed
Short term Bank Facilities		CARE A1+ (A One Plus)	

Details of instruments/facilities in Annexure-1

**At the company's request, CARE has reduced the rated amount for Bank Facilities to Rs.49,800 crore and enhanced the amount for Commercial Paper to Rs.3,000 crore.*

Detailed Rationale & Key Rating Drivers

The ratings continue to factor in its established track record as one of the large HFCs, experienced management, strong capitalisation levels, and strong liquidity profile of the company. The ratings are constrained on account of continued challenges faced by the company in raising debt funds from the market resulting in reduction in diversification in its resources profile, weakening asset quality and lower business growth. While IBHFL has been raising incremental funds largely from banks by way of NCDs, bank lines and securitisation, the company has seen reduction in its financial flexibility in raising funds raised through capital market borrowings as the yields in the secondary market continue to remain at elevated levels. The market risk aversion was further aggravated by the Public interest litigation (PIL) filed against the company and weakening asset quality along with weaker economic environment.

IBHFL has raised funds (including securitisation) of around Rs.9,550 crore during Q1FY21 (Q4FY20: ~Rs.7,000 crore). The company recorded a decline in disbursements of home loan and loan against property (LAP) during FY20, which continues to remain significantly lower than the levels seen prior to September 2018. While the company has plans to contain the operational expenses, profitability will be impacted in near term due to challenging macro environment on account of COVID-19 outbreak which has slowed down the overall business growth.

The revision in outlook was on account of continued challenges faced by IBHFL in raising resources from diversified set of lenders on account of continued higher bond yields in the secondary market and significant fall in market capitalization which would further impact the financial flexibility of the company. These funding challenges are expected to continue in view of the current risk aversion among the lenders on the backdrop of lockdown and expectations of impact on asset quality especially in the wholesale loan portfolio.

CARE Ratings would closely monitor the impact on business and asset quality of IBHFL going forward owing to the nationwide lockdown due to COVID-19 outbreak and moratorium availed and extended to by the company.

Earlier, in February 2020, CARE had revised the ratings of IBHFL to 'CARE AA; Stable' on account of reduction in diversification of resource profile and moderation of asset quality.

Rating Sensitivities

Factors that could lead to positive rating action/upgrade

- Improvement in resource raising ability from diversified sources on a steady state basis to pre September 2018 levels.
- Improvement in asset quality parameters with Gross NPA below 1.00%

Factors that could lead to negative rating action/downgrade

- Deterioration in asset quality parameters with Gross NPA ratio of above 3%
- Persistent challenges in resource raising ability from diversified sources
- Significant impact on profitability on account of scale down of business / change in business model and/or due to change in operating environment
- Deterioration in liquidity position with diminishing coverage of liquid assets to debt servicing from current levels of one year

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

Outlook: Negative

CARE revised the Outlook to 'Negative' from 'Stable' on account of continued reduction in the financial flexibility with reduction in diversification of resource profile on account of continued higher secondary bond market spreads, fall in market capitalization over the last few months which is likely to get further affected due to increased risk aversion on account of the current outbreak of COVID-19 and the nationwide lockdown which could impact the asset quality going forward. Going forward, given the tough operating environment for real estate & SME sectors on the back of expected lower economic growth, the asset quality and profitability of the company may come under pressure. The outlook would be revised to 'Stable' if the company is able to maintain the asset quality and the profitability at the earlier levels.

Detailed description of the key rating drivers**Key Strengths*****Established track record as one of the large HFCs and experienced management***

IBHFL has a track record of over two decades and is one of the large HFCs in India with AUM of Rs.92,770 crore as on June 30, 2020. The company has witnessed a top level management change as Mr Sameer Gehlaut has been replaced by Mr. SS Mundra, former deputy governor of Reserve Bank of India as the Non-Executive Chairman of the company. Mr. Gehlaut will continue as non-executive director and will focus on growing the consumer finance and healthcare business through Indiabulls Ventures. Mr. Mundra has held various level positions in public sector banks, including Chairman and Managing Director of Bank of Baroda, Executive Director of Union Bank of India and Chief Executive of Bank of Baroda (European Operations), amongst others. The operations would continue to be headed by Mr. Gagan Banga, (Vice-Chairman and Managing Director). The company has a team of senior management people with strong relevant experience and successful track record in their respective fields.

Comfortable capitalization levels

IBHFL has been maintaining comfortable capitalization levels and reported tangible net worth of Rs.15,073 crore (consolidated) as on March 31, 2020. The company had moderate overall gearing level of 5.04 times (P.Y.: 6.45 times) and Net Gearing (adjusted for cash & cash equivalents) of 4.15 (P.Y.: 4.53) as on March 31, 2020. The company reported Capital Adequacy Ratio (CAR) (under Ind AS) of 27.09% (P.Y.:26.49%) with Tier I CAR: 20.31% (P.Y.: 19.81%) as on March 31, 2020. As on June 30, 2020, the company reported CAR of 27.94%, overall gearing of 5.04 times and net gearing of 4.26 times. The company has plans to raise equity from external sources in the near future which would further strengthen the capitalisation levels over the medium term and enable the company to maintain CAR well above regulatory requirement.

Strong liquidity profile

IBHFL has been focusing on maintaining comfortable liquidity profile and has significantly reduced reliance on borrowing through Commercial Paper (CP) and is keeping adequate liquidity buffers. The asset liability maturity (ALM) profile as on June 30, 2020 was comfortable with no negative mismatch in up to one year bucket. As on March 31, 2020, IBHFL had debt outflows of Rs.14,286 crore in upto 1 year bucket and against the same, the company has liquid cash and equivalents of Rs. 12,913 crore. IBHFL also has unutilized committed lines worth around Rs.82.79 crore as on March 31, 2020.

Apart from free cash & liquid investment balance of around Rs.12,650 crore as on July 31, 2020, the company also has undrawn bank lines and sell down lines of around Rs 700 crore. IBHFL's policy, to have 15-20% of its loan assets in cash & cash equivalent along with unutilized bank lines, helps it in better liquidity management and to manage tight liquidity scenario prevailing in the market.

Key Weaknesses***Challenges in resource mobilization with decline in financial flexibility***

In the recent times, the increased risk averseness in the market towards the NBFC / HFC sector has continued posing challenges in resource mobilization. IBHFL continues to face challenges in raising funds through capital market along with high yields on its instruments in the secondary market. The company has raised funds mainly from public sector banks by way of on-balance sheet bank lines, NCDs and securitisation lines in the last quarter which has reduced its financial flexibility with limited access to capital market borrowings. The company has been repaying its debt resulting in total borrowings (consolidated) reducing to Rs.76,021 crore as on March 31, 2020 as compared to March 31, 2019 at Rs.104,988 crore (June 30, 2020: Rs.76,780 crore) with overall gearing of 5.04 times (June 30, 2020: 5.04 times and net gearing of 4.26 times) and Net Gearing (adjusted for cash & cash equivalents) of 4.15 (P.Y.: 4.53) as on March 31, 2020. During Q4FY20 (refers to period from January 01 to March 31), the company has received sanctions of bank facilities of around Rs.7,000 crore (Q3FY20:Rs.8,000 crore) including securitisation lines. As per the provisional figures shared by the company, IBHFL raised another ~Rs.9,550 crore in Q1FY21.

Weakening asset quality

IBHFL's asset quality weakened in FY20 as it reported Gross NPA ratio of 1.84% (P.Y.: 0.88%) and Net NPA ratios on AUM basis of and 1.24% (P.Y.: 0.69%) respectively as on March 31, 2020. During FY20, the company has witnessed higher slippages in the commercial credit loan portfolio, which has loans of larger ticket size, compared to slippages in retail home

loan and loan against property (LAP) portfolio. Gross NPA of Corporate loans (Commercial credit book) increased to 6.32% as on March 31, 2020 as against 3.01% as on March 31, 2019. The retail portfolio (mortgage) has relatively shown better asset quality with Gross NPA ratio at 1.07% as on March 31, 2020 as against 0.35% as on March 31, 2019.

Going forward, the COVID-19 could impact the real estate book of the company on account of overall slowdown in economic activities in the country which will lead to sharp fall in GDP of the country and income of public in particular. With the overall slowdown, it is very likely that the real estate sector will be impacted negatively in terms of demand and also the completion of the real estate projects may be impacted.

Further, as the company is in a transition phase of its business model, it would be important to monitor the NPA levels. Although, IBHFL has been able to have recoveries in some of NPA accounts in the past, considering the adverse impact of the recent COVID-19 pandemic and the slowdown in real estate market and corporate funding, any higher than expected slippages would be a key monitorable.

Moderation in financial risk profile

IBHFL has seen AUM growth at a CAGR of 23% from Rs.52,235 crore as on March 31, 2015 to Rs.1,20,525 crore as on March 31, 2019. The growth momentum continued till H1FY19. However, since September, 2018, with the constrained market liquidity, IBHFL focused on maintaining adequate liquidity, reduced disbursements and reducing exposure to commercial real estate portfolio. The loan book size stood at Rs.93,021 crore as on March 31, 2020, down 22.8% y-o-y. IBHFL reported Profit after Tax (PAT) of Rs.2,200 crore on total income of Rs.13,223 in FY20 [refers to period from April 01 to March 31] as against PAT of Rs.4,091 crore on total income of Rs.17,027 crore in FY19 with Return on Total Assets (ROTA) of 1.89% as against 3.12%.

During 1QFY21 (refers to period from April 01 to June 30), the company saw reduced level of disbursements. As a result, IBHFL's total income (consolidated) declined to Rs.2,578 crore as compared to Rs.3,886 crore during 1QFY20. Moderation in spreads along with contraction of loan book led to IBHFL reporting a decline of 66% in Profit After Tax (PAT) to Rs.273 crore for 1QFY21 as compared to PAT of Rs.802 crore for 1QFY20.

The company has created additional conservative provisions of Rs.700 crore, representing 1% of loan book, through the P&L and another additional Rs.1,798 crore of provisions, from its gain on fair valuation of holding in OakNorth Bank of Rs. 1,802 crore, which have been routed through the Other Comprehensive Income [OCI] as required by IndAS.

The profitability of the company was impacted by provisioning of its exposure of Rs.642 crore to Additional Tier I (AT I Bonds) of Yes Bank Limited. Reduction in operation costs, recovery from its bad accounts and maintaining credit costs due to any impact on asset quality due to lockdown would be critical for the profitability in the near term.

Exposure to relatively riskier business segments like corporate mortgage loans (mainly real estate loans); although decreasing

IBHFL has significant exposure to Corporate Mortgage Loans which majorly consists of Construction Finance and Lease Rental Discounts which constitutes ~15% of total AUM as on March 31, 2020 as against 16.9% as on March 31, 2019 and 21.2% as on March 31, 2018. The exposure is reducing in line with IBHFL's plans to reduce the corporate loan book.

Developments on the new business model to be monitored

While the company has been able to establish itself as a large Housing finance company in last two decades on the back of large on balance-sheet lending growth, the company's plan to move to asset light model, which will depend on co-origination and securitization. The company has been able to develop a franchise and distribution business for lending in past and its execution under the new business model needs to be monitored.

The company is in a transition phase with change in its business model to be asset-light. The company would shift to a business model wherein it will focus on retail portfolio and majority of the assets under management (AUM) would be off-balance sheet with higher proportion of portfolio being built through co-origination and securitization tie-ups with banks. IBHFL's execution on this front on a large scale needs to be seen. Further, the company plans to significantly run-down its commercial real estate portfolio over the next few years.

Analytical Approach: CARE has analyzed IBHFL's credit profile by considering the consolidated financial statements of IBHFL owing to financial and operational linkages between the parent and its subsidiaries and common management. List of entities considered for consolidated analysis are mentioned in Annexure 3.

Liquidity Profile: Strong

As on June 30, 2020, IBHFL's ALM showed no negative mismatch upto 1 year bucket. The company maintains liquidity of at least one year debt repayments as a policy. As on July 31, 2020, IBHFL maintained pro-forma cash and liquid investments of ~Rs.12,650 crore in the form of Mutual Fund, Certificate of Deposits / Bank Bonds, Bank balances & Fixed Deposits and other liquid investments which covers next one year scheduled repayments of ~Rs.12,367, providing adequate cover.

Applicable Criteria:
[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[CARE's criteria for Housing Finance Companies](#)
[Financial ratios – Financial sector](#)
[Criteria for Short term Instruments](#)
[Factoring linkages in ratings](#)
About the Company

IBHFL is registered with National Housing Board (NHB), and is engaged in the business of mortgage finance (home loans, loan against property and lease rental discounting), and corporate mortgage loans. IBHFL's portfolio consists of mortgage finance (housing loan and LAP) (85% of consolidated AUM of Rs.93,021 crore as on March 31, 2020) and corporate mortgage loans (15% of AUM) which is lease rental discounting and residential construction finance. Mr. S.S. Mundra is the new Chairman and Non-Executive Director and is supported by Mr. Gagan Banga, Vice Chairman and Managing Director and the rest of the team.

Brief Financials (Consolidated) (Rs. crore)	FY19 (A)	FY20 (A)
	Ind AS	Ind AS
Total income	17,027	13,223
PAT	4,091	2,200
Asset under management (AUM)	1,20,525	93,021
Total Assets [net of intangibles]	1,29,910	1,02,408
Net NPA (%) [on AUM basis]	0.69	1.24
ROTA (%)	3.12	1.89

A; Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	ISIN	Coupon Rate	Maturity Date	Size of the Issue	Rating assigned along with rating outlook
Debentures - Non-convertibles Debentures	07-Sep-11	INE894F07360	10.65%	07-Sep-21	500	CARE AA; Negative
Debentures - Non-convertibles Debentures	22-Nov-11	INE148I07076	10.70%	22-Nov-21	100	CARE AA; Negative
Debentures - Non-convertibles Debentures	27-Feb-12	INE894F07519	10.15%	27-Feb-22	500	CARE AA; Negative
Debentures - Non-convertibles Debentures	03-Apr-12	INE148I07100	10.75%	03-Apr-22	125	CARE AA; Negative
Debentures - Non-convertibles Debentures	28-Jun-12	INE894F07550	10.70%	28-Jun-22	800	CARE AA; Negative
Debentures - Non-convertibles Debentures	06-Jul-12	INE894F07543	10.70%	06-Jul-22	20	CARE AA; Negative
Debentures - Non-convertibles Debentures	06-Nov-12	INE148I07142	10.00%	06-Nov-22	15	CARE AA; Negative
Debentures - Non-convertibles Debentures	19-Nov-12	INE148I07159	10.00%	19-Nov-22	15	CARE AA; Negative
Debentures - Non-convertibles Debentures	18-Dec-12	INE148I07183	10.00%	18-Dec-22	15	CARE AA; Negative
Debentures - Non-convertibles Debentures	31-Dec-12	INE148I07191	10.00%	31-Dec-22	35	CARE AA; Negative

Debentures - Non-convertibles Debentures	31-Dec-12	INE894F07667	10.00%	31-Dec-22	15	CARE AA; Negative
Debentures - Non-convertibles Debentures	16-Jan-13	INE894F07717	10.20%	16-Jan-23	35	CARE AA; Negative
Debentures - Non-convertibles Debentures	26-Feb-13	INE148I07209	10.00%	26-Feb-23	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	19-Mar-13	INE148I07241	10.00%	19-Mar-23	100	CARE AA; Negative
Debentures - Non-convertibles Debentures	25-Mar-13	INE148I07266	10.00%	25-Mar-23	5	CARE AA; Negative
Debentures - Non-convertibles Debentures	29-Aug-13	INE148I07357	11.00%	29-Aug-23	1,000.00	CARE AA; Negative
Debentures - Non-convertibles Debentures	08-Oct-13	INE148I07373	10.25%	08-Oct-23	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	21-Nov-13	INE148I07381	10.55%	21-Nov-23	400	CARE AA; Negative
Debentures - Non-convertibles Debentures	24-Dec-13	INE148I07415	10.20%	24-Dec-23	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	18-Feb-14	INE148I07480	10.25%	18-Feb-21	20	CARE AA; Negative
Debentures - Non-convertibles Debentures	05-Jun-14	INE148I07639	10.15%	05-Jun-24	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-Jun-14	INE148I07746	10.15%	30-Jun-24	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	16-Dec-14	INE148I07AV5	9.20%	16-Dec-24	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	31-Dec-14	INE148I07BA7	9.20%	31-Dec-24	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	19-May-15	INE148I07BV3	9.00%	19-May-25	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	26-Jun-15	INE148I07CN8	9.50%	26-Jun-25	1,000.00	CARE AA; Negative
Debentures - Non-convertibles Debentures	04-Sep-15	INE148I07DE5	9.40%	04-Sep-20	1,000.00	CARE AA; Negative
Debentures - Non-convertibles Debentures	18-Sep-15	INE148I07DF2	9.35%	18-Sep-20	425	CARE AA; Negative
Debentures - Non-convertibles Debentures	20-Nov-15	INE148I07DJ4	9.00%	20-Nov-20	120	CARE AA; Negative
Debentures - Non-convertibles Debentures	20-Nov-15	INE148I07DK2	9.00%	20-Nov-22	10	CARE AA; Negative
Debentures - Non-convertibles Debentures	20-Nov-15	INE148I07DLO	9.00%	20-Nov-25	170	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-Dec-15	INE148I07DM8	9.00%	30-Dec-20	135	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-Dec-15	INE148I07DN6	9.00%	30-Dec-25	95	CARE AA; Negative
Debentures - Non-convertibles Debentures	31-Dec-15	INE148I07DO4	9.00%	31-Dec-25	10	CARE AA; Negative
Debentures - Non-convertibles Debentures	07-Jan-16	INE148I07DP1	9.00%	07-Jan-21	300	CARE AA; Negative
Debentures - Non-convertibles Debentures	19-Jan-16	INE148I07DT3	9.00%	19-Jan-21	100	CARE AA; Negative
Debentures - Non-convertibles Debentures	08-Feb-16	INE148I07DU1	9.00%	08-Feb-21	75	CARE AA; Negative
Debentures - Non-convertibles Debentures	08-Feb-16	INE148I07DV9	9.00%	07-Feb-26	50	CARE AA; Negative
Debentures - Non-convertibles Debentures	14-Mar-16	INE148I07EA1	9.00%	13-Mar-26	25	CARE AA; Negative

Debentures - Non-convertibles Debentures	12-Apr-16	INE148I07EK0	9.00%	12-Apr-21	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	12-Apr-16	INE148I07EL8	9.00%	11-Apr-26	35	CARE AA; Negative
Debentures - Non-convertibles Debentures	29-Apr-16	INE148I07EM6	9.00%	29-Apr-26	207	CARE AA; Negative
Debentures - Non-convertibles Debentures	10-May-16	INE148I07EN4	9.00%	10-May-21	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	10-May-16	INE148I07EO2	9.00%	08-May-26	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	23-May-16	INE148I07EP9	9.00%	21-May-21	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-May-16	INE148I07ES3	9.00%	29-May-26	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	01-Jun-16	INE148I07EU9	9.00%	29-May-21	10	CARE AA; Negative
Debentures - Non-convertibles Debentures	07-Jun-16	INE148I07EV7	9.00%	07-Jun-21	15	CARE AA; Negative
Debentures - Non-convertibles Debentures	07-Jun-16	INE148I07EW5	9.00%	05-Jun-26	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-Jun-16	INE148I07FG5	9.00%	30-Jun-26	200	CARE AA; Negative
Debentures - Non-convertibles Debentures	22-Jul-16	INE148I07FJ9	8.90%	22-Jul-26	25	CARE AA; Negative
Debentures - Non-convertibles Debentures	11-Aug-16	INE148I07FS0	8.80%	11-Aug-21	10	CARE AA; Negative
Debentures - Non-convertibles Debentures	21-Mar-17	INE148I07GW0	8.57%	21-Mar-22	600	CARE AA; Negative
Debentures - Non-convertibles Debentures	22-Mar-17	INE148I07GX8	8.57%	22-Mar-22	160	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-Mar-17	INE148I07HC0	8.57%	30-Mar-22	350	CARE AA; Negative
Debentures - Non-convertibles Debentures	06-Apr-17	INE148I07HF3	8.57%	06-Apr-22	1,000.00	CARE AA; Negative
Debentures - Non-convertibles Debentures	25-Jul-17	INE148I07HV0	7.82%	25-Jul-22	100	CARE AA; Negative
Debentures - Non-convertibles Debentures	08-Sep-17	INE148I07HX6	8.03%	08-Sep-27	1,450.00	CARE AA; Negative
Debentures - Non-convertibles Debentures	12-Jun-20	INE148I07JV6	9.00%	10-Dec-21	200	CARE AA; Negative
Debentures - Non-convertibles Debentures	07-Nov-17	INE148I07IC8	7.77%	07-Nov-22	290	CARE AA; Negative
Debentures - Non-convertibles Debentures	31-Dec-18	INE148I07JN3	9.08%	31-Dec-21	500	CARE AA; Negative
Debentures - Non-convertibles Debentures	15-Jan-19	INE148I07JQ6	9.10%	15-Jan-29	700	CARE AA; Negative
Debentures - Non-convertibles Debentures	25-Jun-20	INE148I07JW4	9.00%	24-dec-21	325	CARE AA; Negative
Debentures - Non-convertibles Debentures	30-Jun-20	INE148I07JX2	9.00%	30-dec-21	250	CARE AA; Negative
Debentures - Non-convertibles Debentures	03-Jul-20	INE148I07JY0	9.00%	3-Jan-22	150	CARE AA; Negative
Debentures - Non-convertibles Debentures (Proposed)	-	-	-	-	2,340.30	CARE AA; Negative
Debt-Subordinate Debt	31-Jan-12	INE894F08038	11.85%	31-Jan-22	36.2	CARE AA; Negative
Debt-Subordinate Debt	22-Feb-12	INE894F08053	11.85%	22-Feb-22	20	CARE AA; Negative

Debt-Subordinate Debt	30-Mar-12	INE894F08061	11.00%	30-Mar-22	15	CARE AA; Negative
Debt-Subordinate Debt	05-Jun-12	INE894F08079	10.65%	05-Jun-22	15	CARE AA; Negative
Debt-Subordinate Debt	08-Oct-12	INE148I08025	10.30%	08-Oct-22	35	CARE AA; Negative
Debt-Subordinate Debt	22-Oct-12	INE148I08033	10.30%	22-Oct-22	40	CARE AA; Negative
Debt-Subordinate Debt	31-Oct-12	INE148I08041	10.30%	31-Oct-22	25	CARE AA; Negative
Debt-Subordinate Debt	15-Nov-12	INE894F08129	10.65%	15-Nov-22	1.1	CARE AA; Negative
Debt-Subordinate Debt	04-Dec-12	INE148I08058	10.20%	04-Dec-22	20	CARE AA; Negative
Debt-Subordinate Debt	14-Jan-13	INE148I08066	10.10%	14-Jan-23	25	CARE AA; Negative
Debt-Subordinate Debt	30-Jan-13	INE148I08074	10.65%	30-Jan-23	10	CARE AA; Negative
Debt-Subordinate Debt	18-Feb-13	INE148I08082	10.10%	18-Feb-23	25	CARE AA; Negative
Debt-Subordinate Debt	06-Mar-13	INE148I08090	10.10%	06-Mar-23	20	CARE AA; Negative
Debt-Subordinate Debt	28-Mar-13	INE148I08108	10.10%	28-Mar-23	25	CARE AA; Negative
Debt-Subordinate Debt	23-May-13	INE148I08116	9.80%	23-May-23	20	CARE AA; Negative
Debt-Subordinate Debt	03-Jun-13	INE148I08124	9.90%	03-Jun-23	125	CARE AA; Negative
Debt-Subordinate Debt	23-Sep-13	INE148I08132	10.10%	23-Sep-23	25	CARE AA; Negative
Debt-Subordinate Debt	27-Sep-13	INE148I08140	10.85%	27-Sep-23	25	CARE AA; Negative
Debt-Subordinate Debt	24-Oct-13	INE148I08157	10.85%	24-Oct-23	5	CARE AA; Negative
Debt-Subordinate Debt	23-Dec-13	INE148I08165	10.80%	23-Dec-23	20	CARE AA; Negative
Debt-Subordinate Debt	17-Jul-14	INE148I08173	10.85%	17-Jul-24	10	CARE AA; Negative
Debt-Subordinate Debt	08-Sep-17	INE148I08280	8.35%	06-Sep-24	100	CARE AA; Negative
Debt-Subordinate Debt	17-Mar-15	INE148I08181	9.70%	17-Mar-25	5	CARE AA; Negative
Debt-Subordinate Debt	21-Jul-15	INE148I08199	10.10%	21-Jul-25	8.2	CARE AA; Negative
Debt-Subordinate Debt	03-Aug-15	INE148I08207	10.00%	03-Aug-25	165	CARE AA; Negative
Debt-Subordinate Debt	29-Jun-16	INE148I08215	9.30%	29-Jun-26	609.7	CARE AA; Negative
Debt-Subordinate Debt	05-Jun-12	INE894F08087	10.65%	05-Jun-27	110	CARE AA; Negative
Debt-Subordinate Debt	28-Jun-12	INE894F08103	10.25%	28-Jun-27	100	CARE AA; Negative
Debt-Subordinate Debt	30-Jun-12	INE894F08111	10.65%	30-Jun-27	49.7	CARE AA; Negative
Debt-Subordinate Debt	08-Sep-17	INE148I08298	8.35%	08-Sep-27	900	CARE AA; Negative
Debt-Subordinate Debt	15-Nov-12	INE894F08137	10.65%	15-Nov-27	32.6	CARE AA; Negative

Debt-Subordinate Debt (Proposed)	-	-	-	-	499.50	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures	26-Sep-16	INE148I07GE8	8.75%	26-Sep-21	3,389.60	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures	26-Sep-16	INE148I07GF5	8.90%	26-Sep-21	1,311.20	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures-ZCB	26-Sep-16	INE148I07GH1	0.00%	26-Sep-21	7.4	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures	26-Sep-16	INE148I07GJ7	9.00%	26-Sep-26	13.7	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures	26-Sep-16	INE148I07GK5	8.85%	26-Sep-26	990.8	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures	26-Sep-16	INE148I07GL3	9.00%	26-Sep-26	404.5	CARE AA; Negative
Debentures- Public issue of Non Convertible Debentures-ZCB	26-Sep-16	INE148I07GN9	0.00%	26-Sep-26	24.3	CARE AA; Negative
Debt-Public issue of Subordinate Debt	26-Sep-16	INE148I08231	9.15%	26-Sep-26	2.4	CARE AA; Negative
Debt-Public issue of Subordinate Debt	26-Sep-16	INE148I08249	9.00%	26-Sep-26	0.2	CARE AA; Negative
Debt-Public issue of Subordinate Debt	26-Sep-16	INE148I08256	9.15%	26-Sep-26	195.3	CARE AA; Negative
Debt-Public issue of Subordinate Debt-ZCB	26-Sep-16	INE148I08272	0.00%	26-Sep-26	0.9	CARE AA; Negative
Debt-Perpetual Debt	28-Jun-12	INE894F08095	10.60%	Perpetual	100	CARE AA-; Negative
Debt-Perpetual Debt (Proposed)	-	-	-	-	100	CARE AA-; Negative
Bank Facilities-Fund Based - LT/ ST-Term loan	-	-	-	30-Sep-29	49,800	CARE AA; Negative / CARE A1+
Commercial Paper	-	-	-	7 Days to 1 year	3,000	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Rated (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Debentures-Non Convertible Debentures	LT	17,040.3	CARE AA; Outlook: Negative	1) CARE AA; Negative (22-Jun-20) 2) CARE AA; Negative (08-May-20)	1) CARE AA; Stable (15-Feb-20) 2) CARE AA+; Negative (18-Oct-19) 3) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 4) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1)CARE AAA; Stable (06-Jul-18)	1)CARE AAA; Stable (17-Jul-17)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Rated (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
2.	Debt-Subordinate Debt	LT	3,122.00	CARE AA; Outlook: Negative	1) CARE AA; Negative (22-Jun-20) 2) CARE AA; Negative (08-May-20)	1) CARE AA+; Negative (18-Oct-19) 2) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 2) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1)CARE AAA; Stable (06-Jul-18)	1)CARE AAA; Stable (17-Jul-17)
3.	Debt-Perpetual Debt	LT	200.00	CARE AA-; Outlook: Negative	1) CARE AA-; Negative (08-May-20)	1) CARE AA-; Stable (15-Feb-20) 2) CARE AA+; Negative (18-Oct-19) 3) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 4) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1)CARE AAA; Stable (06-Jul-18)	1)CARE AA+; Stable (17-Jul-17)
4.	Fund-based - LT/ ST- Term loan	LT/ST	49,800.00	CARE AA; Outlook: Negative / CARE A1+	1) CARE AA; Negative (22-Jun-20) 2) CARE AA; Negative (08-May-20)	1) CARE AA; Negative / CARE A1+ (15-Feb-20) 2) CARE AA+; Negative / CARE A1+ (18-Oct-19) 3)CARE AA+ (Credit Watch with developing implications) / CARE A1+ (24-Sep-19) 4)CARE AAA (Credit Watch with developing implications) / CARE A1+	1)CARE AAA; Stable (06-Jul-18)	1)CARE AAA; Stable / CARE A1+ (17-Jul-17)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Rated (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
						(12-Apr-19)		
5.	Debentures-Non Convertible Debentures	LT	6,141.64	CARE AA; Outlook: Negative	1) CARE AA; Negative (08-May-20) 2) CARE AA+; Negative (18-Oct-19) 3) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 4) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1) CARE AA; Stable (15-Feb-20) 2) CARE AA+; Negative (18-Oct-19) 3) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 4) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1) CARE AAA; Stable (06-Jul-18)	1) CARE AAA; Stable (17-Jul-17)
6.	Debt-Subordinate Debt	LT	198.86	CARE AA; Outlook: Negative	1) CARE AA; Negative (08-May-20) 2) CARE AA+; Negative (18-Oct-19) 3) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 4) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1) CARE AA; Stable (15-Feb-20) 2) CARE AA+; Negative (18-Oct-19) 3) CARE AA+ (Credit Watch with developing implications) (24-Sep-19) 4) CARE AAA (Credit Watch with developing implications) (12-Apr-19)	1) CARE AAA; Stable (06-Jul-18)	1) CARE AAA; Stable (17-Jul-17)
7.	Commercial Paper	ST	3,000.00	CARE A1+	1) CARE A1+ (08-May-20) 2) CARE A1+ (18-Oct-19) 3) CARE A1+ (24-Sep-19) 4) CARE A1+ (12-Apr-19)	1) CARE A1+ (15-Feb-20) 2) CARE A1+ (18-Oct-19) 3) CARE A1+ (24-Sep-19) 4) CARE A1+ (12-Apr-19)	1) CARE A1+ (21-Dec-18)	-

Annexure-3: Entities considered for consolidation

Company Name	Extant of consolidation	Rationale for consolidation
Indiabulls Commercial Credit Limited	Full	Subsidiary
Indiabulls Collection Agency Limited	Full	Subsidiary
Ibulls Sales Limited	Full	Subsidiary
Indiabulls Insurance Advisors Limited	Full	Subsidiary
Nilgiri Financial Consultants Limited	Full	Subsidiary
Indiabulls Capital Services Limited	Full	Subsidiary
Indiabulls Advisory Services Limited	Full	Subsidiary
Indiabulls Asset Holding Company Limited	Full	Subsidiary
Indiabulls Asset Management Company Limited	Full	Subsidiary
Indiabulls Trustee Company Limited	Full	Subsidiary
Indiabulls Holdings Limited	Full	Subsidiary
Indiabulls Venture Capital Management Company Limited	Full	Subsidiary
Indiabulls Venture Capital Trustee Company Limited	Full	Subsidiary
Indiabulls Asset Management Mauritius	Full	Subsidiary
IBHFL Lender Repayment Trust	Full	Subsidiary
OakNorth Holdings Limited	Partial*	Associate

*IBHFL owns 16.7% in OakNorth Holdings Limited as on March 31, 2019

Annexure-4: Complexity level of various instruments rated for this company

Sr No.	Name of Instrument	Complexity Level
1	Commercial Paper	Simple
2	Fund-based - LT/ ST-Term loan	Simple
3	Debentures-Non Convertible Debentures	Simple
4	Debt-Subordinate Debt	Complex
5	Debt-Perpetual Debt	Highly Complex

Note on complexity levels of the rated instrument: 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 clarification

(For more details please refer to our rationale for the entity published on June 02, 2020)

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