

Indiabulls Commercial Credit Limited

October 18, 2019

Ratings:

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Non-Convertible Debentures	2,000	CARE AA+; Negative (Double A Plus; Outlook: Negative)	Removed from 'Credit Watch with developing implications' and Negative Outlook assigned
Subordinate Debt	1,200	CARE AA+; Negative (Double A Plus; Outlook: Negative)	Removed from 'Credit Watch with developing implications' and Negative Outlook assigned
Public issue of secured redeemable non-convertible debentures	5,000	CARE AA+; Negative (Double A Plus; Outlook: Negative)	Removed from 'Credit Watch with developing implications' and Negative Outlook assigned
Public issue of unsecured redeemable non-convertible debentures	500	CARE AA+; Negative (Double A Plus; Outlook: Negative)	Removed from 'Credit Watch with developing implications' and Negative Outlook assigned
Long Term Bank Facilities	15,000	CARE AA+; Negative (Double A Plus; Outlook: Negative)	Removed from 'Credit Watch with developing implications' and Negative Outlook assigned
Commercial Paper	8,000	CARE A1+ (A one plus)	Reaffirmed
Total	31,700 (Rs. Thirty One Thousand Seven Hundred Crore only)		

Details of instruments/facilities in Annexure-1

Detailed rationale & key rating drivers:

The ratings assigned to various debt instruments of Indiabulls Commercial Credit Limited (ICCL) takes into account continued support from its parent, Indiabulls Housing Finance Limited (IBHFL). ICCL is a wholly owned subsidiary of IBHFL. The rating factors in strong operational and business linkages of ICCL with IBHFL. Further, CARE expects IBHFL to continue to support ICCL in terms of funding, management, common brand and operations over the medium term.

CARE has removed the ratings assigned to the long term debt instruments and long term bank facilities of Indiabulls Commercial Credit Limited (ICCL) from 'Credit Watch with Developing Implications' following IBHFL's announcement dated October 9, 2019 that the proposed voluntary amalgamation with Lakshmi Vilas Bank (LVB) was not approved by the Reserve Bank of India (RBI).

Earlier on September 24, 2019, CARE had revised the ratings assigned to the long term debt instruments and bank facilities to 'CARE AA+' from 'CARE AAA' and the ratings continued to be on 'Credit Watch with Developing Implications' in view of the impending amalgamation with LVB pending for regulatory approval. The revision in ratings assigned to the long term debt instruments and bank facilities of ICCL had taken into account continued challenging funding environment for NBFCs and HFCs, with elevated risk aversion among lenders and investors, especially for wholesale lenders with significant exposure to the real estate sector. The funding environment, which has remained adverse since September 2018, has resulted in difficulty for the NBFCs/HFCs in raising resources and increased the borrowing cost which in turn has impacted disbursement growth and moderation in profitability.

During last one year post September 2018, IBHFL has managed to raise funding of around Rs.57,000 crore from various sources (primarily through securitisation / assignment of loan portfolio and excluding commercial paper), and has built up a strong liquidity position. However, on account of overall increased risk perception of the market, the company has witnessed increase in cost of borrowing and challenges in resource mobilization. The company has raised borrowings (excluding Commercial Paper) of around Rs.7,000 crore in Q2FY20 and around Rs.5,200 crore of in first two weeks of October, 2019.

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

The ratings have been assigned a 'Negative' outlook on account of continued challenges in fund raising, which may further impact the confidence of already risk averse investors in the near term which further gets aggravated by the Public interest litigation (PIL) filed against the company and ability of company to maintain asset quality in current operating environment for the borrowers in real estate sector.

Further, with exposure to the real estate sector which is witnessing slowdown and heightened refinancing risk, maintaining asset quality of its loan portfolio will be a challenge for IBHFL. Although, currently the asset quality parameters of IBHFL are healthy in spite of some increase in slippages (largely in the corporate mortgage loan portfolio) during Q1FY20 (refers to period from April 01 to June 30), monitoring and maintaining the asset quality of the portfolio would be critical considering the risk associated with chunky corporate mortgage loan book.

CARE has noted that the company has been maintaining comfortable liquidity position with liquid investments covering debt servicing of next 12 months. However, in case of continued risk aversion from investors, the financial flexibility of the company may be impacted in the medium term and with the rise in cost of borrowing, the ability of housing finance companies to effectively compete with banks would be under pressure leading to impact on spreads in the medium term. Although, IBHFL has been maintaining its profitability and has been able to pass on majority of its incremental cost of funds, maintaining spreads in view of continued high cost borrowing as compared to pre September 2018 period will be a challenge.

The company has intended to shift towards 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. Further, the company plans to significantly run-down its commercial real estate portfolio over the next few years. Continuous mobilization of resources, consummation of the co-origination model for business and maintaining adequate liquidity in the current operating environment would be a key rating monitorable for IBHFL.

The ratings continue to factors in IBHFL's established track record as one of the largest HFCs, experienced management, comfortable capitalization levels, Strong Liquidity position and moderate financial risk profile with healthy profitability parameters. The ratings are constrained by challenges in resource mobilization, moderation in asset quality, Exposure to relatively riskier business segments like corporate mortgage loans (mainly real estate loans) and concentration risk in this portfolio. Asset quality, profitability, liquidity, credit concentration and capitalization are the key rating sensitivities.

Rating Sensitivities

Positive Factors

- Improvement in credit risk profile of IBHFL
- Improvement in resource raising ability from diversified sources on a steady state basis to pre September 2018 levels.
- Improvement in asset quality parameters of IBHFL with Gross NPA below 0.5%

Negative Factors

- Deterioration of credit risk profile of IBHFL
- Deterioration in asset Quality Parameters of IBHFL with Gross NPA ratio of above 3%
- Deterioration in liquidity position with diminishing coverage of liquid assets to debt servicing.
- Significant impact on profitability on account of scale down of business and/or due to change in operating environment

Outlook: Negative

The ratings have been assigned a 'Negative' outlook on account of continued challenges in fund raising, which may further impact the confidence of already risk averse investors in the near term which further gets aggravated by the Public interest litigation (PIL) filed against the company and ability of company to maintain asset quality in current operating environment for the borrowers in real estate sector. The Outlook may be revised to stable if there is sustained improvement in resource raising ability from diversified sources on a steady state basis and the operating environment improves and improvement in asset quality parameters.

Detailed description of the key rating drivers

Key Strengths

Support from parent and strong operational and business linkages

ICCL is 100% owned subsidiary of IBHFL and therefore enjoys parent support with common key management, common business and credit team, treasury operations, branches and brand name.

Established track record of IBHFL as one of the largest HFCs and experienced management

IBHFL has a track record of over a decade and is one of the largest HFCs in India with AUM of Rs.1,13,189 crore as on June 30, 2019. The company has in place experienced management team headed by Mr. Sameer Gehlaut (Founder-Chairman and Executive Director). The operations are headed by Mr. Gagan Banga, (Vice-Chairman and Managing Director). The company has a strong Board of Directors comprising experienced professionals. The company has a senior management

people with strong relevant experience and successful track record in their respective fields. The business teams for individual product segments also have experience persons in their respective segments.

ICCL is wholly owned subsidiary of IBHFL and shares common management with IBHFL. ICCL's portfolio consists of High ticket size LAP and Commercial Loans.

Comfortable capitalization levels

IBHFL has been maintaining comfortable capitalization levels and reported tangible net worth of Rs.16,289 crore (consolidated) as on March 31, 2019. The company had moderate gearing level of 6.45 times (P.Y.: 7.97 times) and Net Gearing (adjusted for cash & cash equivalents) of 4.0 (P.Y.: 7.0) as on March 31, 2019. The company reported Capital Adequacy Ratio (CAR) (under Ind AS) of 26.49% (P.Y.:20.82%) with Tier I CAR: 19.81% (P.Y.: 15.07%) (Nil risk weight on investments in mutual fund) as on March 31, 2019. As on June 30, 2019, IBHFL reported CAR of 27.81% with Tier I CAR of 20.49%, net gearing of 3.8 times and overall gearing of 5.73 times.

On standalone basis, IBHFL infused Rs.2,748 crore in ICCL, which led to increase in tangible Net-worth to Rs.4,371 crore as on March 31, 2019 from Rs.1,249 crore as on March 31, 2018.

ICCL reported CAR of 32.58% and Tier I CAR of 29.79% as on June 30, 2019 (June 30, 2018: CAR: 18.72%). The increase in CAR is mainly on account of increase in equity on account of infusion from IBHFL.

ICCL is moderately leveraged, with overall gearing at 2.49 times as on June 30, 2019 (March 31, 2019: 2.47 times) as compared to 3.84 times as on June 30, 2018.

Comfortable liquidity profile

IBHFL has been focusing on maintaining comfortable liquidity profile and has significantly reduced reliance on borrowing through Commercial Paper (CP) and keeping adequate liquidity buffers. The ALM profile as on March 31, 2019 was comfortable with no negative mismatch up to one year bucket.

As on October 10, 2019, IBHFL maintained total liquidity of ~Rs.18,500 crore in the form of Mutual Fund ~Rs.10,000 crore) and Certificate of Deposits (Rs.10,000 crore), Bank balances & Fixed Deposits (Rs.3,350 crore) and other liquid investments (Rs.5,150 crore) which covers next one year scheduled repayments of ~Rs.17,800 crore, providing adequate cover. IBHFL's policy to have 15-20% of its total assets in cash & cash equivalent along with unutilized bank lines helps it in better liquidity management and manage tight liquidity scenario prevailing in the market.

As on June 30, 2019, ICCL had cash and equivalent of Rs.1,137 crore and investments of Rs.708 crore.

Moderation in financial risk profile

IBHFL has seen AUM has grown 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 and reduced disbursements and reducing exposure to commercial credit and real estate portfolio. IBHFL reported Profit after Tax (PAT) of Rs.4,091 crore on total income of Rs.17,027 in FY19 [refers to period from April 01 to March 31] as against PAT of Rs.3,895 crore on total income of Rs.14,959 crore in FY18 with Return on Total Assets (ROTA) of 3.12% as against 3.31%.

During Q1FY20 [refers to period April 01 to June 30], IBHFL's disbursements continued to be at subdued levels and it reported decline in PAT to Rs.802 crore on total income of Rs.3,886 crore as against PAT of Rs.1,055 crore on total income of Rs.4,071 crore on account of de-growth in business and increase in credit costs. Prolonged tightened liquidity conditions would further impact the financial risk profile of the company.

During FY19, ICCL on standalone basis reported PAT of Rs.323 crore on total income of Rs.1,761 crore as against PAT of Rs.269 crore on total income of Rs.928 crore and during Q1FY20 (refers to period from April 01 to June 30), it reported PAT of Rs.195 crore on total income of Rs.640 crore.

Key Weaknesses

Challenges in resource mobilization

In the recent times, the increased risk averseness in the market towards the NBFC / HFC sector has continued posing challenges in resource mobilization. IBHFL, which has a diversified resource profile with borrowings in form of Bank Facilities [43.9%], Non-convertible debentures (NCDs) [41.9%], Commercial paper (CP) [5.1%], External Commercial Borrowings (ECBs) [4.6%], Subordinated Debt [4.4%] and Perpetual Debt [0.1%] as on March 31, 2019. Total borrowing has reduced from peak of Rs.1,20,250 crore as on September 30, 2018 to Rs.1,04,998 crore as on March 31, 2019 due to slowdown in sector post Q2FY19. IBHFL also has securitization portfolio of Rs.28,995 crore constituting 24% of the total AUM as on March 31, 2019 as against 10.1% of total AUM as on March 31, 2018, proving to be a major source of funding for the company. IBHFL has been able to raise additional resources to the tune of Rs.68,361 crore from September 21, 2018 till September 30, 2019 (including CP of Rs.11,435 crore).

Due to the ongoing liquidity tightness in NBFC and HFC sector post September 2018, the incremental cost of borrowing for IBHFL has increased from 8.08% in Q2FY19 to 9.21% in Q1FY20.

As on March 31, 2019, ICCL's borrowing stood at Rs.10,807 crore (P.Y.: Rs.7,041 crore) in the form of Bank facilities (74.0%), NCD's (20.5%), Sub Debt (3.2%) and ICD's (2.3%).

Moderation in asset quality

IBHFL has shown moderation in its asset quality and reported Gross NPA ratio of 0.88% (P.Y.: 0.77%) and Net NPA ratios on AUM basis and 0.69% (P.Y.: 0.34%) respectively as on March 31, 2019. During Q1FY20, the company saw increase in slippages and its net slippages increased by Rs.600 crore resulting in rise in Gross NPA ratio to 1.47% and Net NPA to 1.10% as on June 30, 2019. Majority of the slippages were in the corporate mortgage loan segment which had Gross NPAs increased to 6.6% as on June 30, 2019 from 3.01% as on March 31, 2019. The Net NPA to tangible Net-worth stood at 7.54% as on June 30, 2019 as against 5.11% as on March 31, 2019 and 3.04% as on March 31, 2018. Although, IBHFL has been able to have recoveries in some of NPA accounts in the past, considering the slowdown in real estate market and corporate funding, maintaining asset quality and executing recoveries would be a key challenge for the company.

As on June 30, 2019, ICCL reported Gross NPA ratio of 1.58% (March 31, 2019: 1.12%) and Net NPA ratios on AUM basis of 1.20% (March 31, 2019: 0.84%) as against Gross NPA of 0.49% and Net NPA of 0.32% as on June 30, 2018. The moderation in asset quality of ICCL is majorly on account of Slippages in Corporate mortgage loan segment. ICCL's Net NPA to tangible Net-worth ratio stood at 4.28% as on June 30, 2019 (March 31, 2019: 3.40%) as against 1.52% as on June 30, 2018.

Exposure to relatively riskier business segments like corporate loans (mainly real estate loans) and concentration risk in this portfolio

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

As on March 31, 2019, IBHFL's top 20 group exposure stood constituted 102.9% of total Net-worth which poses high concentration risk

During the last one year, the real estate market in India has seen stagnation in sales on account of factors like uncertainty over GST rates and after effects of RERA and demonetization due to which the sector has seen consolidation resulting in rise in unsold inventory and decline in new launches of projects. This market scenario was further impacted by tightening of liquidity conditions and lack of access to funding to HFCs which have impacted the demand. Further, the NBFCs especially which are wholesale and real estate real estate exposures have seen decline in liquidity with banks and mutual funds turning risk averse which has also led to significant increase in cost of borrowings. Continued slowdown in sales in the real estate market and prolonged tight liquidity conditions for NBFCs and HFCs would impact the resource raising capability and further increase the cost of funds impacting the financial flexibility of the company.

Analytical Approach: CARE has analyzed ICCL'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.

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](#)

Liquidity Profile: Strong

As on March 31, 2019, 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 October 10, 2019, IBHFL maintained total liquidity of ~Rs.18,500 crore in the form of Mutual Fund and Certificate of Deposits (Rs.10,000 crore), Bank balances & Fixed Deposits (Rs.3,350 crore) and other liquid investments (Rs.5,150 crore) which covers next one year scheduled repayments of ~Rs.17,800 crore, providing adequate cover.

On standalone basis, ICCL's ALM showed no negative mismatch upto 1 year bucket considering Committed lines of credit of Rs.1,761 crore. As on June 30, 2019, ICCL had cash and equivalent of Rs.1,137 crore and investments of Rs.708 crore.

About IBHFL

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.1,13,189 crore as on June 30, 2019) and corporate mortgage loans (15% of AUM) which is lease rental discounting and residential construction finance.

Mr. Sameer Gehlaut is the Founder, Chairman and Executive Director and is supported by Mr. Gagan Banga, Vice Chairman and Managing Director.

(Rs. crore)

Brief Financials (Consolidated) - IBHFL	FY18 (A)	FY19 (A)
	Ind AS	Ind AS
Total income	14,959	17,027
PAT	3,895	4,091
Asset under management (AUM)	1,22,233	1,20,525
Total Assets (net of intangibles)	1,32,071	1,29,910
Net NPA (%) [on AUM basis]	0.34	0.69
ROTA (%)	3.31	3.12

A; Audited

About ICCL

Incorporated on July 7, 2006, as 'Indiabulls Infrastructure Credit Limited', Indiabulls Commercial Credit Ltd. (ICCL – NBFCND-SI) is a wholly-owned subsidiary of Indiabulls Housing Finance Ltd. (IBHFL; rated 'CARE AAA; Stable'). The company was renamed to 'Indiabulls Commercial Credit Limited' in 2015. As on June 30, 2019, ICCL's AUM of Rs.16,327 crore consists of Loan against Property loans (50%) and corporate mortgage Loans (50%) which includes Real estate, Lease rental discounting.

(Rs. Crore)

Brief Financials (Standalone) - ICCL	FY18 (A)	FY19 (A)
	Ind AS	Ind AS
Total income	928	1,761
PAT	269	323
Asset under management (AUM)	8,264	17,598
Total Assets (net of intangibles)	8,488	17,102
Net NPA (%)	0.40	0.84
ROTA (%)	4.32	2.52

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 (Rs. Crore)	Rating assigned along with rating outlook
Debentures - Non-convertibles Debentures	08-Jul-16	INE244L07028	9.05%	07-Jul-23	40.00	CARE AA+; Negative
Debentures - Non-convertibles Debentures	29-Jun-18	INE244L07044	8.85%	29-Jun-21	200.00	CARE AA+; Negative
Debentures - Non-convertibles Debentures (Proposed)	NA	-	NA	NA	1,760.00	CARE AA+; Negative
Debt - Subordinate Debt	08-Nov-17	INE244L08018	8.45%	08-Nov-27	60.00	CARE AA+; Negative
Debt - Subordinate Debt	05-Jan-18	INE244L08059	8.45%	05-Jan-28	50.00	CARE AA+; Negative
Debt - Subordinate Debt	30-Nov-17	INE244L08026	8.45%	30-Nov-27	40.00	CARE AA+; Negative
Debt - Subordinate Debt	02-May-18	INE244L08059	8.80%	02-May-28	100.00	CARE AA+; Negative
Debt - Subordinate Debt	28-Mar-18	INE244L08042	8.85%	28-Mar-28	100.00	CARE AA+; Negative
Debt - Subordinate Debt	02-May-19	INE244L08042	9.71%	28-Mar-28	5.00	CARE AA+; Negative
Debt - Subordinate Debt (Proposed)	NA	-	NA	NA	845.00	CARE AA+;

Name of the Instrument	Date of Issuance	ISIN	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating assigned along with rating outlook
						Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07127	8.66%	25-Sep-23	20.73	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07150	8.75%	25-Sep-28	0.06	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07093	8.80%	25-Sep-21	901.09	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07168	8.84%	25-Sep-28	12.40	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07135	8.90%	25-Sep-23	0.91	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07101	8.90%	25-Sep-21	947.32	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07143	9%	25-Sep-23	75.22	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07176	9.10%	25-Sep-28	0.35	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured)	25-Sep-18	INE244L07184	9.20%	25-Sep-28	13.96	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07051	0.00%	25-Sep-20	0.10	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07077	0.00%	25-Sep-21	0.07	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07069	0.00%	25-Sep-20	8.73	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured) - ZCB	25-Sep-18	INE244L07085	0.00%	25-Sep-21	19.07	CARE AA+; Negative
Public Issue of Non-convertibles Debentures (Secured) (Proposed)	NA	-	NA	NA	3,000.00	CARE AA+; Negative
Public Issue of Non-Convertible Debentures (Unsecured) (Proposed)	NA	-	NA	NA	500.00	CARE AA+; Negative
Fund-based – LT-Term Loan	NA	-	NA	10-Jun-23	15,000.00	CARE AA+; Negative
Commercial Paper Issue	NA	-	NA	Upto 1 year	8,000.00	CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating history			
			Rated Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debentures-Non Convertible Debentures	LT	2,000	CARE AA+; Negative	1) 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 (15-Mar-18) 2) CARE AAA; Stable (02-Nov-17) 3) CARE AAA; Stable (17-Jul-17)	1) CARE AA+ (23-Nov-16) 2) CARE AA+ (14-Jul-16)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Rated Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
2.	Fund-based - LT-Term Loan	LT	15,000	CARE AA+; Negative)	1) 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 (27-Mar-18) 2) CARE AAA; Stable (17-Jul-17)	1) CARE AA+ (23-Nov-16)
3.	Debt-Subordinate Debt	LT	1,200	CARE AA+; Negative	1) 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 (15-Mar-18) 2) CARE AAA; Stable (02-Nov-17)	-
4.	Commercial Paper issue	ST	8,000	CARE A1+	1) CARE A1+ (24-Sep-19) 2) CARE A1+ (12-Apr-19)	1) CARE A1+ (25-Jul-18) 2) CARE A1+ (12-Sep-18)	-	-
5.	Public issue of secured redeemable non-convertible debentures	LT	5,000	CARE AA+; Negative	1) 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 (14-Jan-19) 2) CARE AAA; Stable (17-Aug-18)	-	-
6.	Public issue of unsecured redeemable non-convertible debentures	LT	500	CARE AA+; Negative	1) 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 (14-Jan-19)	-	-

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

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

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About CARE Ratings:

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