



## Press Release India Home Loans Limited

**August 24, 2023**

The revised press release is provided in relation to the Press Release published on June 28, 2023. The revised press release mentions the following:

Detailed indicative term sheet and detailed explanation of covenants of the rated instrument/facilities as per the regulator guidelines.

Link to the press release dated June 28, 2023, published on Infomerics' website:

<https://www.infomerics.com/admin/uploads/PR-IHLL-28062023.pdf>

### Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Fund Based Facility – Term Loans	98.70 (Reduced from 151.54)	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer not cooperating)	Reaffirmed and moved to ISSUER NOT COOPERATING category	Simple
Non -Convertible Debentures	20.00	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer not cooperating)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Proposed Long Term Facility	10.30	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer not cooperating)	Reaffirmed and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>129.00</b>			

*\*Issuer did not cooperate; based on best available information.*

### Details of Facilities are in Annexure 1

#### Detailed Rationale:

The revision in ratings assigned to various bank facilities and NCDs of India Home Loans Limited (IHLL) reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk to meet its debt servicing in a timely manner. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

### **Non-cooperation by Issuer:**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated May 31, 2023, June 1, 2023, June 02, 2023, June 09, 2023, June 15, 2023, June 20, 2023, June 22, 2023 and June 23, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the rating of bank loan facilities and NCDs aggregating to INR 129.00 Crore of India Home Loans Limited has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D; ISSUER NOT COOPERATING; based on best available information.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Non- Banking Financial Companies](#)

[Criteria for default-recognition](#)

### **About the Company:**

IHLL is registered as a Non-deposit taking Housing Finance Company with the National Housing Bank (NHB), and qualifies for Priority Sector Lending as per RBI guidelines and is listed on the Bombay Stock Exchange since 1995. The company was initially incorporated as 'Manoj Housing Finance Co. Ltd.' in 1990, which was later acquired in 2008 by Mr. Mahesh Pujara and his associates, where the name was subsequently changed to India Home Loans Limited (IHLL). IHLL operates through its head office in Mumbai with the central branch in Ahmedabad.



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### Financials: Standalone

For the year ended / INR. Crore*	31-03-2022	31-03-2023
	<b>Audited</b>	<b>Audited</b>
Total Income	30.48	23.19
PAT	1.94	0.64
Tangible Net Worth	43.29	44.49
Total Debt	125.49	90.83
Total Loan Assets	155.11	97.57
<b>Ratios</b>		
ROTA (%)	0.99	0.39
Total CAR (%)	52.21%	47.70%
Gross NPA(%)	4.29%	4.60%
Net NPA (%)	3.09%	4.22%
Overall Gearing Ratio (x)	2.90	2.04

\*Classification as per Infomerics' standards

The rating downgrade necessarily factors in the inadequate cash flows as per financials of 31 March 2023, for timely servicing of the debt obligations over the near term, including the NCD falling due for redemption.

**Status of non-cooperation with previous CRA:** CARE Ratings vide its press release dated July 15, 2022, has classified the case under Issuer Not Co-operating category on account of non-submission of relevant information.

**Any other information: NA**

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years				
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (14-Jul-2022)	Date(s) & Rating(s) assigned in 2021-22 (15-Jul-2021)	Date(s) & Rating(s) assigned in 2021-22 (June 30, 2021)	Date(s) & Rating(s) assigned in 2021-22 (June 25, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Fund Based Facilities – Term Loans	Long Term	98.70	IVR D; ISSUER NOT COOPERATING *)	IVR D	IVR D	IVR BBB-; Under Credit Watch with Developing	IVR BBB-; Under Credit Watch with Developing	-



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							Implications	Implications	
2.	NCDs	Long Term	20.00	IVR D;ISSUER NOT COOPERATING*)	IVR C	IVR C	IVR BBB-; Under Credit Watch with Developing Implications		-
3	Proposed Long Term Facility	Long Term	10.30	IVR D;ISSUER NOT COOPERATING*)	IVR D	-	-	-	-

*\*Issuer did not cooperate; based on best available information*

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit [www.infomerics.com](http://www.infomerics.com).



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**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities – Term Loans	--	--	Up to March, 2027	98.70	IVR D;ISSUER NOT COOPERATING *)
NCDs	--	--	Up to June, 2023	20.00	IVR D; ISSUER NOT COOPERATING*)
Proposed Long Term Facility	--	--	--	10.30	IVR D; ISSUER NOT COOPERATING*)

*\*Issuer did not cooperate; based on best available information*

### \*Major Terms & conditions of NCD

Name of Trustee	IDBI Trusteeship Services Limited
Size of the Issue	INR20.00 Crore
ISIN Number	INE274E07012
Date of Issuance	30-Jun-20
Coupon Rate	11% P.A.
Maturity Date	30-Jun-23
Purpose	Onward Lending

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not Applicable**



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### Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:

Nature of the Instrument Non-Convertible Debenture Non-financial covenant	Detailed Explanation	
Price at which the security is being offered, including premium if any, along with justification of the price	<p>The Debentures are being offered at face value of INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture.</p> <p>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value</p>	
Terms of raising of securities:	Duration, if applicable	36 (Thirty Six) months from the Deemed Date of Allotment.
	Rate of Interest	11.00 % P.A.
	Mode of Payment	credit through RTGS system, wherein the subscription amounts on the Debentures should be paid into the account set out in the Application Form
	Mode of Repayment	electronic mode of transfer like RTGS/NEFT/direct credit.
	Redemption	The Debentures will be redeemed on June 30, 2023 ("Final Redemption Date").
	Business Day Convention	As set out in the DTD.
		a) If any due date on which any interest or additional interest is payable falls on a day which is not a business day, the payment to be made on such due date shall be made on the succeeding business day
		b) If any due date on which any Outstanding Principal Amounts are payable falls on a day which is not a business day, the payment to be made on such due date shall be made on the preceding business day
Purpose and objects of the Issue/Offer		C) If the Final Redemption Date falls on a day which is not a business day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding business day.
		To raise debt to the extent of upto Rs. 20,00,00,000/- (Rupees Twenty Crores only).





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	<p>a) The funds raised by the Issue shall be utilized by the Company solely for general corporate purposes of the Company and in the ordinary course of business of the company (including repayment of any existing Financial Indebtedness).</p> <p>b) The Company shall not use the proceeds of the Issue towards :</p> <ul style="list-style-type: none"> <li>i. any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities;</li> <li>ii. any speculative purposes;</li> <li>iii. any activity specified by the investors;</li> <li>iv. any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to nonbanking financial companies, or, which results in a breach of the RBI's master circular no. DBR.BP.BC.No.5/21.04.172/20 15-16 dated July 1,2015 on "Bank Finance to Non-Banking Financial Companies (NBFCs)"; and/or</li> <li>v. in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities).</li> </ul>
Principal terms of assets charged as (a) security, if applicable	<p>a) The Debentures shall be collateralised on or prior to the 90 (ninety) calendar days from Deemed Date of Allotment ("Initial Security Creation Date") by way of (A) a first ranking exclusive and continuing charge to be created pursuant to an unattested deed of hypothecation, dated on or about the Deemed Date of Allotment, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee ("Deed of Hypothecation") over the book debts/loan receivables of the Company as described therein (the "Charged Receivables"), and (B) such other security interest as may be agreed between the Company and the Debenture Holders «A) and (B) above are collectively referred to as the "Transaction Security").</p> <p>b) Commencing from the Initial Security Creation Date, the charge over the Charged Receivables shall at all times be (A) at least 1.05 (one decimal zero five) times the value of the principal amounts outstanding under the Debentures together with any accrued Interest, additional interests, costs, fees, charges, and other amounts payable by the Company in</p>



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	<p>respect of the Debentures ("Outstanding Amounts"), and (B) the value of the principal receivables of the book debts/loan receivables comprising the Charged Receivables shall be at least 1.05 (one decimal zero five) times the value of the Outstanding Amounts (collectively, the "Security Cover"). The Security Cover shall be maintained at all times commencing from the Initial Security Creation Date until the date on which all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever obligations of the Company to the Debenture Holders and the Debenture Trustee ("Secured Obligations") have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Trustee and Debenture Holders. The value of the Charged Receivables for this purpose shall be the amount reflected as the value thereof in the books of accounts of the Company.</p> <p>c) The Debenture Trustee may invoke or claim under any of the personal guarantees provided by the Personal Guarantors, without being obligated or having to take recourse to the other Personal Guarantor.</p> <p>d) It is hereby clarified that each of the Personal Guarantors are jointly and severally liable in respect of the obligations of the Company under the DTD, and any action or proceedings initiated by the Debenture Trustee against anyone of the Personal Guarantor will not in any way impact, diminish, discharge or waive off the liabilities of the other Personal Guarantor.</p> <p>e) The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:</p> <ol style="list-style-type: none"><li>i. all the Charged Receivables that will be charged to the Debenture Trustee shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to the security in respect of the Debentures and be dealt with only under the directions of the Debenture Trustee;</li><li>ii. the Company shall not create any charge, lien or other encumbrance upon or over the Charged Receivables or any part thereof except in favour of the Debenture Trustee nor</li></ol>
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	<p>will it do or allow anything that may prejudice the security in respect of the Debentures;</p> <p>iii. the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the security in respect of the Debentures and to maintain the same undiminished and claim reimbursement thereof.</p> <p>iv. to create the security over the Charged Receivables as contemplated in the DID on or prior to the Initial Security Creation Date by executing the required duly stamped documents/instruments and to register and perfect the security interest created thereunder by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in relation thereto as soon as practicable and no later than 30 (thirty) calendar days from the date of creation of security pursuant to the Deed of Hypothecation;</p> <p>v. commencing from the Initial Security Creation Date until the Secured Obligations are irrevocable and unconditionally discharged, the Company shall, within 10 (ten) calendar days of the end of each month, provide a list of specific loan receivables/identified book debts over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover to the Debenture Holders and the Debenture Trustee;</p> <p>vi. the Company shall, within the timelines prescribed in the Deed of Hypothecation, add fresh receivables to the Charged Receivables so as to ensure that the Security Cover is maintained or to replace such Charged Receivables that do not satisfy the eligibility criteria prescribed in the Deed of Hypothecation. Without prejudice to the foregoing, the Company will replace all book debts/loan receivables comprising the</p>
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	<p>Charged Receivables that are overdue by 90 (ninety) days or more with fresh book debts/loan receivables that fulfil the eligibility criteria prescribed in the Deed of Hypothecation promptly and in no case later than 15 (fifteen) business days of any book debts/loan receivables becoming overdue by 90 (ninety) days or more;</p> <p>vii. the Company shall, on a half yearly basis, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Charged Receivables from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Charged Receivables;</p> <p>viii. commencing from the Initial Security Creation Date, the security interest created on the Charged Receivables shall be a continuing security; and</p> <p>ix. commencing from the Initial Security Creation Date, the Charged Receivables shall satisfy the eligibility criteria set out in the Deed of Hypothecation</p>
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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)