



A.K. Stockmart Pvt. Ltd.



Public Issue of Secured Rated Listed Redeemable Non-
Convertible Debentures
Of

INDIABULLS HOUSING FINANCE LIMITED
Tranche I Issue
December 9, 2021- December 20, 2021





INDIABULLS HOUSING FINANCE LIMITED

INVESTMENT RATIONALE

- The issue offers yields ranging from 8.35 % to 9.26 % depending up on the Category of Investor and the option applied for.
- Credit Rating of " CRISIL AA (Stable)" for an amount of up to Rs. 2,000 Crore, by CRISIL Ratings Limited, " BWR AA+ (Stable)" for an amount of up to Rs. 2,000 Crore, by Brickwork Limited.
- The NCDs are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). For the purpose of the Issue, BSE shall be the Designated Stock Exchange.

COMPANY PROFILE

- Indiabulls Housing Finance Ltd (IBHFL) is one of the largest housing finance companies ("HFCs") in India in terms of AUM. It is a non-deposit taking HFC registered with the NHB. IBHFL focus primarily on long-term secured mortgage-backed loans, majority of their loan book comprises of secured loans. IBHFL primarily offer housing loans and loans against property to target client base of salaried and self-employed individuals and micro, small and medium-sized enterprises ("MSMEs") and corporates.
- IBHFL also offer mortgage loans to real estate developers in India in the form of lease rental discounting for commercial premises and construction finance for the construction of residential premises. A majority of its assets under management ("AUM") comprise of housing loans, including in the affordable housing segment, as defined by the RBI.
- As of March 31, 2021, housing loans and non-housing loans constituted 65% and 35%, respectively of their consolidated AUM. IBHFL have now shifted to an asset-light business model, focusing on co-lending of loans along with banks, other financial institutions and credit funds and an increased sell down of their loan portfolio.
- As of September 30, 2021, IBHFL has a network of 135 offices spread across 92 cities which gives us a pan-India presence. As of September 30, 2021, IBHFL has a direct sales team of over 1,496 employees who are located across network.
- For the six months ended September 30, 2021 and the Fiscal Years 2021, 2020 and 2019, consolidated total revenue from operations was Rs 4,553.49 crores, Rs 9,927.42 crores, Rs13,216.44 crores and Rs 17,019.62 crores, respectively. For the six months ended September 30, 2021, consolidated profit for the period was Rs 568.03 crores and for the Fiscal Years 2021, 2020 and 2019, consolidated net profit for the period attributable to shareholders of the Company was, Rs 1,201.59 crores, Rs 2,199.80 crores and Rs 4,090.53 crores, respectively
- As of March 31, 2021, 2020 and 2019, the company standalone CRAR (%) was 22.84%, 22.82% and 20.83%, respectively. The company standalone CRAR (%) is computed in accordance with the NHB Directions for Fiscals 2019 and 2020 and the RBI Master Directions for Fiscal 2021. As of September 30, 2021, the company standalone CRAR (%) was 21.68% as computed in accordance with the RBI Master Directions. The regulatory minimum requirement for CRAR (%) was 14% for March 31, 2021, 13% for March 31, 2020 and 12% for March 31, 2019.
- As at September 30, 2021 and March 31, 2021, 2020 and 2019, the company consolidated gross NPAs as a percentage of their consolidated AUM were 2.69%, 2.66%, 1.84% and 0.88%, respectively, and their consolidated net NPAs (which reflect our gross NPAs less provisions for ECL on NPAs (Stage 3) for the six months ended September 30, 2021 and the years ended March 31, 2021, 2020 and 2019, as a percentage of their consolidated AUM were 1.53%, 1.59%, 1.24% and 0.69%, respectively.

Source: Draft Shelf Prospectus dated 3rd December, 2021

Disclaimer: Invest only after referring to the final prospect

STRENGTHS

- ***One of the largest pan-India HFCs with strong financial performance and credit ratings***

IBHFL is one of the largest HFCs in India in terms of AUM. Its geographical reach within India across Tier I, Tier II and Tier III cities enables to target and grow their customer base. IBHFL offer loans to their target client base of salaried and self-employed individuals and MSMEs. IBHFL's presence across India allows them to undertake loan processing, appraisal and management of customer relationships in an efficient and cost-effective manner. Further, it's a well-capitalized HFC with a strong financial track-record.

- ***Access to diversified funding sources***

Over the years, IBHFL has developed a diversified funding base and has established strong relationships with lenders. Its lenders include PSUs and private banks, and other financial institutions. As at September 30, 2021, their consolidated borrowings (other than debt securities) were Rs 32,179.18 crores, consolidated debt securities were Rs 26,552.53 crores and consolidated subordinated liabilities were Rs 4,690.33 crore. IBHFL strong financial performance, capitalization levels and credit ratings give considerable comfort to their lenders and enable to borrow funds at competitive rates, thereby lowering our overall cost of borrowings. As at September 30, 2021, the company consolidated borrowings (i.e., the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities) were through banks and financial institutions (50.53%), issuances of non-convertible debentures and other debt instruments, including perpetual and subordinated debt (49.26%) and lease liability (0.21%).

- ***Prudent credit and collection policies***

IBHFL has separate policies tailored for retail loans and for loans to real estate developers. These policies are aimed at supporting the growth of business by minimising the risks associated with growth in the loan book. IBHFL also has an experienced collections team which, with their legal team, have enabled to maintain high collection efficiencies through economic cycles. IBHFL centralized credit analysis processes combined with dedicated collections team help maintain the quality and growth of total AUM.

- ***Effective use of technology***

IBHFL e-Home Loans facility is a technological platform that gives our home loan customers access to paperless loans through their computers or mobile devices. With this technology, the entire process of loan origination (from loan application to approval) is managed through computers and mobile devices so there is no need for a branch visit.

- ***Significant Experience in Providing Loans to Self-Employed Individuals and MSMEs***

IBHFL primarily provide loans against property to self-employed individuals, proprietorships and MSMEs. These loans are secured against the cash-flow of businesses and through mortgages of, among others, business premises and self-occupied residential properties of customers. IBHFL has over a decade of experience with loans against property ("LAP"), with demonstrated portfolio performance across business cycles including the global financial crisis, demonetisation, GST transition as well as the liquidity squeeze of the last three years.

- ***Experienced Board of Directors and Senior Management Team***

IBHFL Board of Directors comprises a diversified mix of professionals, who have experience and expertise in the fields of banking and regulatory affairs, business, legal affairs and taxation, among others. A number of senior management team members have been with the company since the commencement of the operations.

Source: Draft Shelf Prospectus dated 3rd December, 2021

Disclaimer: Invest only after referring to the final prospectus

ISSUE STRUCTURE

Particulars	Details		
Issuer	Indiabulls Housing Finance Limited		
Lead Managers	Edelweiss Financial Services Limited, IIFL Securities Limited & Trust Investment Advisors Private Limited		
Type and nature of instrument	Secured, redeemable, non-convertible Debentures.		
Base Issue	Rs 200 crores		
Option to retain Oversubscription Amount	Rs 800 crores		
Tranche I Issue Opening Date	December 9, 2021		
Tranche I Issue Closing Date	December 20, 2021		
Pay-in Date	Application Date. The entire Application Amount is payable on Application		
Interest Payment Date	Please see the section titled “Terms of the Issue” on page 90 of Tranche I Prospectus		
Tenor	Please see the section titled “Terms of the Issue” on page 90 of Tranche I Prospectus		
Redemption Amount	Please see the section titled “Terms of the Issue” on page 90 of Tranche I Prospectus		
Face Value (in Rs. / NCD)	Rs 1,000 per NCD		
Issue Price (in Rs. / NCD)	Rs 1,000 per NCD		
Minimum application	Rs 10,000		
In multiples of	1 NCD		
Debenture Trustee	IDBI Trusteeship Services Limited		
Registrar	KFin Technologies Private Limited		
Listing	The NCDs are proposed to be listed on NSE and BSE. BSE shall be the Designated Stock Exchange for this Issue. The NCDs shall be listed within 6 Working Days from the date of Issue Closure. For more information see “Other Regulatory and Statutory Disclosures” on page 58		
Issuance mode of the instrument	In dematerialised form only		
Trading mode of the instrument	In dematerialised form only		
Mode of settlement	Please see the section titled “Terms of the Issue” on page 90 of Tranche I Prospectus		
All covenants of the issue	As agreed in the Debenture Trust Deed, executed/to be executed in accordance with applicable law.		
Depositories	NSDL and CDSL		
Asset cover and description regarding Security	The Secured NCDs proposed to be issued will be secured by a first ranking pari passu charge on present and future receivables and current assets of the Issuer for the principal amount and the interest thereon as specifically set out in and fully described in the Debenture Trust Deed. The NCDs will have a minimum asset cover of 1.25 times on the principal amount and interest thereon at all times during the tenor of the NCDs. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a charge on pari passu or exclusive basis thereon for its present and future financial requirements, provided that a minimum- security cover of 1.25 times on the principal amount and accrued interest thereon, is maintained, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.		
Credit Ratings	Rating agency	Instrument	Rating symbol
	CRISIL	Non-Convertible Debentures	CRISIL AA/Stable
	Brickwork	Non-Convertible Debentures	BWR AA+/Stable
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or Securities Issuance Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.		
Issue documents	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form and the Debenture Trust Deed, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue. For further details, see “Material Contracts and Documents for Inspection” on page 142.		

While the NCDs are secured to the tune of 125% of the principal and interest amount or as per the terms of offer document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained and the recovery of 125% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Source: Draft Shelf Prospectus dated 3rd December, 2021

Disclaimer: Invest only after referring to the final prospectus

THE SPECIFIC TERMS OF EACH OPTION OF NCDs

Series	I	II	III	IV*	V	VI	VII	VIII
Frequency of Interest Payment	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual	Monthly
Minimum Application	Rs 10,000 (10 NCDs) across all Series							
Face Value/ Issue Price of NCDs (Rs/ NCD)f	Rs 1,000							
In Multiples of thereafter (Rs)	Rs 1,000 (1 NCD)							
Type of Instrument	Secured NCDs							
Tenor	24 Months	24 Months	24 Months	36 Months	36 Months	36 Months	60 Months	60 Months
Coupon (% per annum) for NCD Holders in Category I & II	8.35%	NA	8.05%	8.50%	NA	8.20%	8.75%	8.43%
Coupon (% per annum) for NCD Holders in Category III & IV	8.75%	NA	8.42%	9.00%	NA	8.66%	9.25%	8.89%
Effective Yield (per annum) for NCD Holders in Category I & II	8.35%	8.35%	8.36%	8.49%	8.50%	8.51%	8.75%	8.76%
Effective Yield (per annum) for NCD Holders in Category III & IV	8.75%	8.75%	8.75%	8.99%	9.00%	9.00%	9.24%	9.26%
Mode of Interest Payment	Through various modes available							
Amount (Rs / NCD) on Maturity for NCD Holders in Category I & II	Rs 1,000	Rs 1,174.00	Rs1,000	Rs 1,000	Rs 1,277.60	Rs 1,000	Rs 1,000	Rs 1,000
Amount (Rs/ NCD) on Maturity for NCD Holders in Category III & IV	Rs 1,000	Rs 1,182.70	Rs 1,000	Rs 1,000	Rs 1,295.35	Rs 1,000	Rs 1,000	Rs 1,000
Maturity / Redemption Date (Years from the Deemed Date of Allotment)	24 Months	24 Months	24 Months	36 Months	36 Months	36 Months	60 Months	60 Months
Put and Call Option	Not Applicable							

*Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

ALLOCATION RATIO:

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
30%	10%	30%	30%

Source: Draft Shelf Prospectus dated 3rd December, 2021
Disclaimer: Invest only after referring to the final prospectus

INVESTOR CATEGORIES AND ALLOTMENT

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individuals ("HNIs")	Retail Individual Investors
<ul style="list-style-type: none"> Public financial institutions scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; Provident funds, pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ; Mutual Funds registered with SEBI; Resident Venture Capital Fund registered with IRDA; Insurance Companies registered with IRDA; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; Systemically Important Non-Banking Financial Company registered with the Reserve Bank of India and having a net worth of more than Rs. 5,000 million as per the last audited financial statements; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India. 	<ul style="list-style-type: none"> Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Public/private charitable/ religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or unincorporated body of persons. 	<ul style="list-style-type: none"> Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs 1 million across all options of NCDs in this Issue. 	<ul style="list-style-type: none"> Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs 1 million across all series of NCDs in this Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than Rs 20,000 in any of the Issue (Including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

APPLICATIONS CANNOT BE MADE BY

The following categories of persons, and entities, shall not be eligible to participate in the Tranche I Issue and any Applications from such persons and entities are liable to be rejected:

- Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- Foreign nationals;
- Persons resident outside India;
- Foreign Institutional Investors;
- Foreign Portfolio Investors;
- Non Resident Indians;
- Qualified Foreign Investors;
- Overseas Corporate Bodies**;
- Foreign Venture Capital Funds; and
- Persons ineligible to contract under applicable statutory/regulatory requirements.

*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872

**The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Source: Draft Shelf Prospectus dated 3rd December, 2021

Disclaimer: Invest only after referring to the final prospectus

Key Operational and Financial Parameters:

Our key operating and financial metrics (on a standalone basis) as at March 31, 2021, 2020 and 2019 are as follows:

Parameters	₹ in crores unless otherwise stated		
	As at and for the year ended March 31,		
	FY2019	FY2020	FY2021
Balance Sheet			
Property, plant and equipment and other intangible assets	140.52	127.64	113.78
Investments	25925.95	16166.76	10017.75
Cash and cash equivalents	13356.59	11491.60	11245.42
Financial assets (excluding Cash and cash equivalents and Investments)	79158.97	62646.88	59633.24
Non-financial assets (excluding Property, plant and equipment and other intangible assets)	1520.68	2219.69	2462.08
Total Assets	120102.71	92652.57	83472.27
Debt Securities	48188.39	32092.12	29164.70
Borrowings (other than Debt Securities)	43686.81	36609.92	29558.67
Subordinated liabilities	4329.38	4338.60	4348.71
Financial liabilities (excluding Debt Securities, Borrowings (other than Debt Securities) and Subordinated liabilities)	5222.68	3838.49	4255.22
Equity (equity share capital and other equity)	17258.92	14929.60	15522.21
Total liabilities and equity	120102.71	92652.57	83472.27
Statement of Profit and Loss			
Total revenue from operations	15407.35	11399.23	8654.64
Total Expenses	10291.50	8868.58	7360.62
Profit for the Year	3729.26	2159.91	1058.40
Total Comprehensive Income for the Year	3662.42	198.03	356.14
Earnings per equity share			
Basic	87.37	50.52	23.71
Diluted	86.85	50.51	23.71
Additional information			
Net worth	17258.92	14929.60	15522.21
Assets Under Management	104160.32	81223.07	69217.34
Interest Income (Including Treasury Income)	15149.13	11143.08	8600.48
Finance Costs	9057.11	7709.60	6308.04
Gross NPA (%)	0.83%	1.68%	2.21%
Net NPA (%)	0.66%	1.09%	1.27%
CRAR - Tier I Capital (%)	14.33%	15.05%	16.27%
CRAR - Tier II Capital (%)	6.50%	7.77%	6.57%
Total Debts to Total asset	80.10%	78.83%	75.56%
Interest coverage ratio	163.78%	146.50%	136.87%
Bad Debts to Loan Assets	0.11%	0.16%	0.77%

Debt Equity Ratio of the Company as on September 30, 2021:

Prior to The Issue (as of September 30, 2021)	3.97
Post The Issue*	4.11

*The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹2,000 crores from the proposed Issue. The actual debt-equity ratio post the Issue would

depend on the actual position of debt and equity on the Deemed Date Allotment.

Source: Draft Shelf Prospectus dated 3rd December, 2021

Disclaimer: Invest only after referring to the final prospectus

DISCLAIMER:

‘The investors shall invest only on the basis of information contained in the final prospectus’

This document has been prepared by A. K. STOCKMART (P) LTD. and/or its affiliate/ group/ associate company(ies) (together referred to as “A.K. Group”) and the contents of this disclaimer are applicable to this document and to any and all written or oral communication(s) made by A.K. Group or its directors, employees, associates, representatives and agents.

The information contained in this document is strictly confidential and solely for the information of the recipients. The information should not be reproduced or redistributed or passed on, directly or indirectly in any form, to any other person/ entity or published, in whole or in part, for any purpose whatsoever. This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject A.K. Group to any registration or licensing requirements within such jurisdiction.

This document is meant for assistance purpose only and does not constitute an offer or recommendation to buy or sell any products or services of A.K. Group or any of its third party client(s). The recipients should act and rely on the information/ data contained in this document only after understanding all associated risk parameters. Any action/ decision taken by the recipients on the basis of the information contained in this document shall be the sole responsibility of the recipients and neither A.K. Group nor its directors, employees, associates, representatives or agents shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise to the recipients from or in connection with the use of the information/ data contained in this document.

The information in this document is subject to change. A.K. Group reserves the right to add, modify, alter and delete any content of this document at its sole and absolute discretion without any prior notice and without assigning any reason whatsoever. The information/ data contained in this document is as of the date hereof. A.K. Group does not undertake any obligation to update such information/ data for any subsequent event(s) that may occur thereafter, and does not explicitly or implicitly guarantee that such information/ data is complete and accurate in all respects as of date hereof or that it will continue to be complete and accurate in future.

The copyright and other intellectual property rights of this document vests exclusively with A.K. Group.

This disclaimer is to be regarded as part of this document. If sections or individual terms of this statement are not legal or correct, the content or validity of the other parts remain uninfluenced by this fact.

A.K. Stockmart Pvt. Ltd.

30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400 021
Tel. No.: 91-22-67546500 / 67544744 Fax.: 91-22-67544666

CIN: U67120MH2006PTC158932