

Indiabulls Housing Fin Q4 net profit jumps 24%

FE BUREAU
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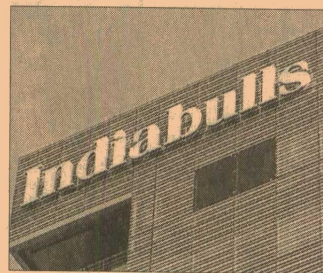
INDIABULLS HOUSING FINANCE (IBHFL) on Monday reported a 24.4% year-on-year (y-o-y) rise in its consolidated net profit to ₹841 crore for the March quarter. On a standalone basis, the net profit stood at ₹822 crore.

Gagan Banga, vice-chairman and MD of IBHFL, said: "The macros for mid-income affordable housing have never been better. Factoring in subsidies under the Pradhan Mantri Awas Yojana and tax deductions against home loan repayments, EMIs for mid-income affordable housing is now considerably lower than the rent cheque making home ownership very affordable and much cheaper than renting."

According to Banga, the lender is focused on home loans and its home loan book is expanding at a pace faster than other mortgage loans.

Its cost of funds fell to 8.39% in March and its spreads were a tad higher at 3.24% at the end of the quarter.

In FY17, IBHFL opened 43 new branches in Tier-II towns and cities for Smart City home loans, which it said already contribute to 7% of incremental home loan disbursements. On the asset quality front, the lender's gross non-performing assets (NPAs) remained flat at 0.85% of its total advances.



Total outstanding loans stood at ₹91,301 crore in the quarter under review and grew at a compound annual growth rate (CAGR) of 27% in the last five years. The balance sheet of the mortgage lender stood at ₹1.04 lakh crore. The average ticket size of its loan against property (LAP) portfolio is ₹73 lakh with a maximum loan to value (LTV) ratio of 65% and an average term of seven years.

It said that while CRISIL grades LAP loans on aspects such as past payment track record, nature of business and financial performance, nature of property, and loan attributes such as ticket size, lending scheme and loan tenure; ICRA grades LAP loans on aspects such as financial strength, business and management, collateral strength, quality and enforceability and attributes of the loan itself.