

Indiabulls Housing Finance to raise Rs. 25,000 crore in FY17

Priya Kansara

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Sees surge in share of individual home loans

Mumbai, June 14:

Indiabulls Housing Finance plans to raise almost double the amount it borrowed incrementally in FY16. The company is looking to raise Rs. 25,000 crore in FY17 as it aims to grow its loan book by about 25 per cent or at least Rs. 15,000-16,000 crore.

The company's loan book stood at Rs. 68,700 crore, growing 31.5 per cent in FY16 over FY15. Its borrowings increased by Rs. 13,600 crore or 29 per cent in the same period to stand at Rs. 61,090 crore.

Robust rise in the loan book will be fuelled by individual home loans. "By FY18, individual home loans will form 60 per cent of our loan book, followed by 20 per cent each by loans against property and developer loans. Every quarter, the share of individual home loans will rise," said Ashwini Kumar Hooda, Deputy Managing Director of the company. The three formed 52 per cent, 25 per cent and 23 per cent respectively, in FY16.

Affordable housing

The robust loan book growth guidance (led by individual home loans) comes on the back of the company's focus on affordable housing, which is witnessing strong demand in non-metro and urban areas. The company's average ticket size in individual home loans is Rs. 25 lakh or a range of Rs. 20-40 lakh. "Affordable housing demand is fairly benign. Entry level houses are being bought across the country," Hooda said.

The company is also bullish on the loan against property space with average loan ticket size of Rs. 70 lakh, unlike banks, which have an average of Rs. 1.5-2.5 crore. "There are only four-five players, such as HDFC, HDFC Bank, ICICI Bank and Axis Bank (to some extent) in the Rs. 50-70 lakh loan range. Hence, there is no pressure on yields and our loan to value ratio in the space is lower than 50 per cent," Hooda said.

More than half of the Rs. 25,000 crore will come from issuance of bonds, while the rest will come through securitisation and term loan(s) from banks.

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