



Indiabulls Housing Finance Limited

(CIN: L65922DL2005PLC136029)

Unaudited Financial Results – Q3 FY 2014-15
January 19, 2015



Safe Harbour Statement

This document contains certain forward-looking statements based on current expectations of Indiabulls management. Actual results may vary significantly from the forward-looking statements in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, and outside India, volatility in interest rates and in Securities markets, new regulations and government policies that might impact the business of Indiabulls, the general state of the Indian economy and the management's ability to implement the company's strategy. Indiabulls doesn't undertake any obligation to update these forward-looking statements.

This document does not constitute an offer or recommendation to buy or sell any securities of Indiabulls or any of its subsidiaries or associate companies. This document also doesn't constitute an offer or recommendation to buy or sell any financial products offered by Indiabulls.

Investor Contact

Ramnath Shenoy

investor.relations@indiabulls.com

+91 22 6189 1444

Media Contact

Rahat Ahmed

mediaquery@indiabulls.com

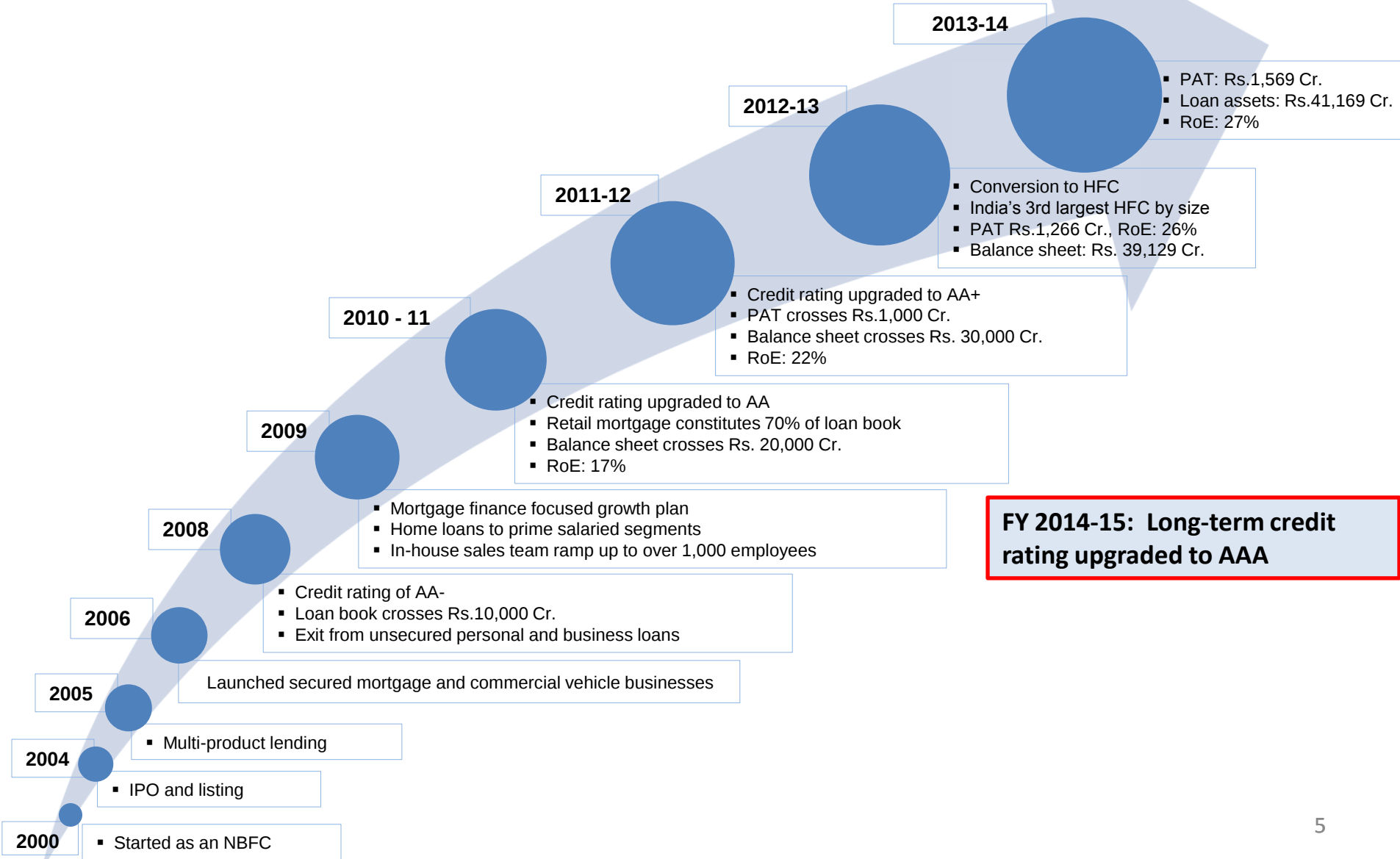
+91 22 6189 1155

Contents

	<u>Pg. No.</u>
1. Business Update	4
2. Operational Update	7
3. Indian Mortgage Market	11
4. Financial and Operational Highlights	17
5. Sustained Financial Performance	32
6. Key Ratios, Valuations and Shareholding	39
7. Detailed Financials	44

Business Update

Our Journey



Business Update

Key Financial Highlights: 9M FY 2014-15

	9M FY 14-15	9M FY 13-14	Growth (%)
Total Revenues (Rs. Cr.)	5,179.8	4,392.7	17.9%
NII (Rs. Cr.)	2,266.6	1,902.6	19.1%
PAT (Rs. Cr.)	1,350.2	1,117.0	20.9%
EPS (Rs.)	39.4	34.4	

Year-on-Year (Y-o-Y) Comparison – Q3 FY14-15 v/s Q3 FY13-14

	Q3 FY 14-15	Q3 FY 13-14	Growth (%)
Total Revenues (Rs. Cr.)	1,871.2	1,574.6	18.8%
NII (Rs. Cr.)	828.0	659.0	25.6%
PAT (Rs. Cr.)	478.1	395.1	21.0%
EPS (Rs.)	13.5	11.9	

The company had cash, cash equivalents and investments in liquid debt instruments of Rs. 7,813 Crs as at 31st December, 2014. The company receives income from its cash, cash equivalents and investments in liquid debt instruments through the quarter, which appears in 'Other Income'.

For Q3 FY15, dividend of Rs. 9/- per share of face value Rs. 2/- has been declared. With this, total dividend for 9MFY15 would be Rs. 26/- per share of face value of Rs. 2/- .

Operational Update

Business Summary

- Loans Outstanding

(December 31, 2014)

:

Rs. 48,078 Cr

:

(US\$ 7.75 bn)
- Loan Book CAGR (6 years)

:

26 %
- Cumulative Number of Retail Customers Served

:

6.30 Lacs
- Cumulative Loans Disbursed till date

:

Rs. 100,185 Cr

(US\$ 16.16 bn)
- Cost to Income Ratio (FY 2014)

:

17%
- Profit After Tax CAGR (6 years)

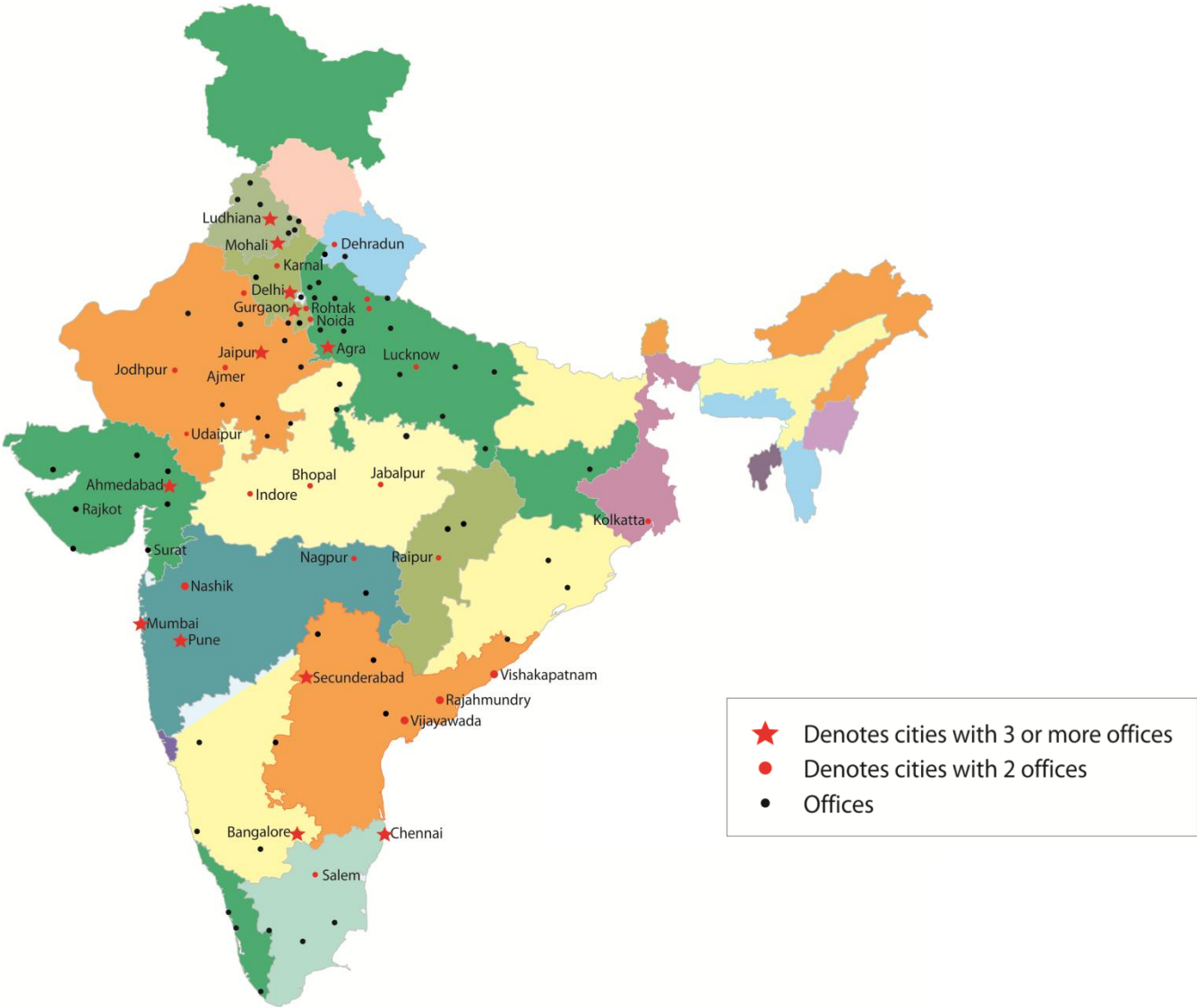
:

20%

Credit Ratings

	Long Term Rating	Short Term Rating
CARE Ratings	AAA	A1+
Brickwork Ratings	AAA	
CRISIL (A Standard & Poor's Company)	AA+	A1+
ICRA (An Associate of Moody's Investor Service)	AA+	A1+
India Ratings & Research (A Fitch Group Company)		A1+

Country-wide Reach



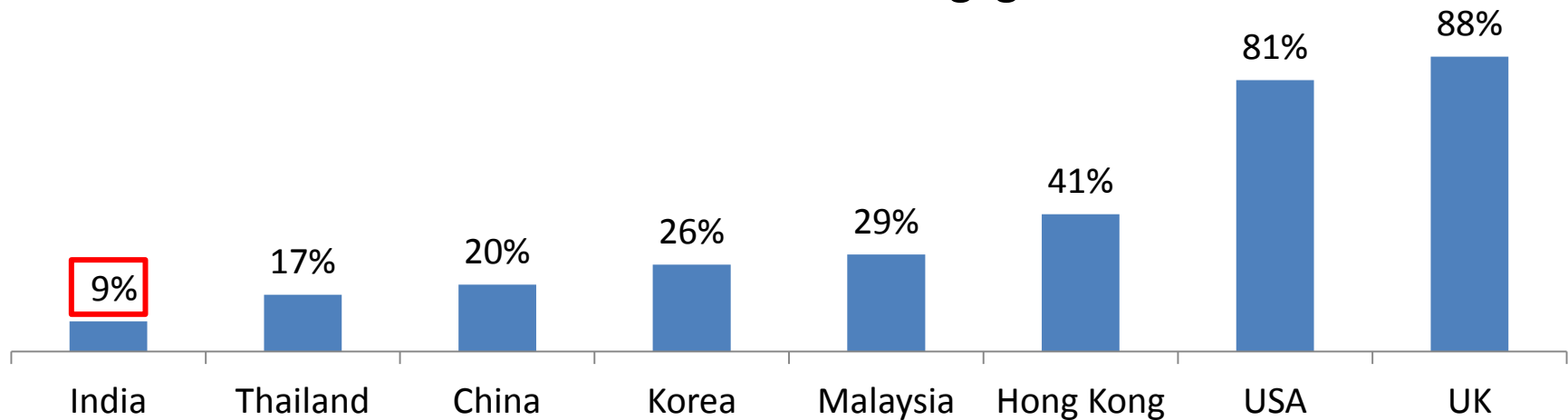
Indian Mortgage Market

Vast Affordable Housing Opportunity

- Urban Housing Shortage: estimated at 31.9 million units by 2016¹
 - Demand continues to increase due to rapid urbanization, growing trend of nuclear families and rising income
- Affordable Housing: Policy makers' focus on Home loans up to 50 Lacs (from sub 25 Lacs classified as priority sector lending)
 - HFCs are permitted to borrow through ECBs for lending towards affordable housing
 - IBHFL has already tied up facilities of \$ 200 million
- Government policy focus towards affordable housing
 - Relaxation of real estate FDI norms and REIT norms
 - Rs. 4,000 crores allocated for low-cost housing and Rs. 50,000 crores for urban housing²
 - Rs. 8,000 crores allocated to the Rural Housing Fund run by NHB²
- 2 million affordable housing units to be launched in the next 3 years

Indian Mortgage Market

Headroom for Growth - Low Mortgage Penetration

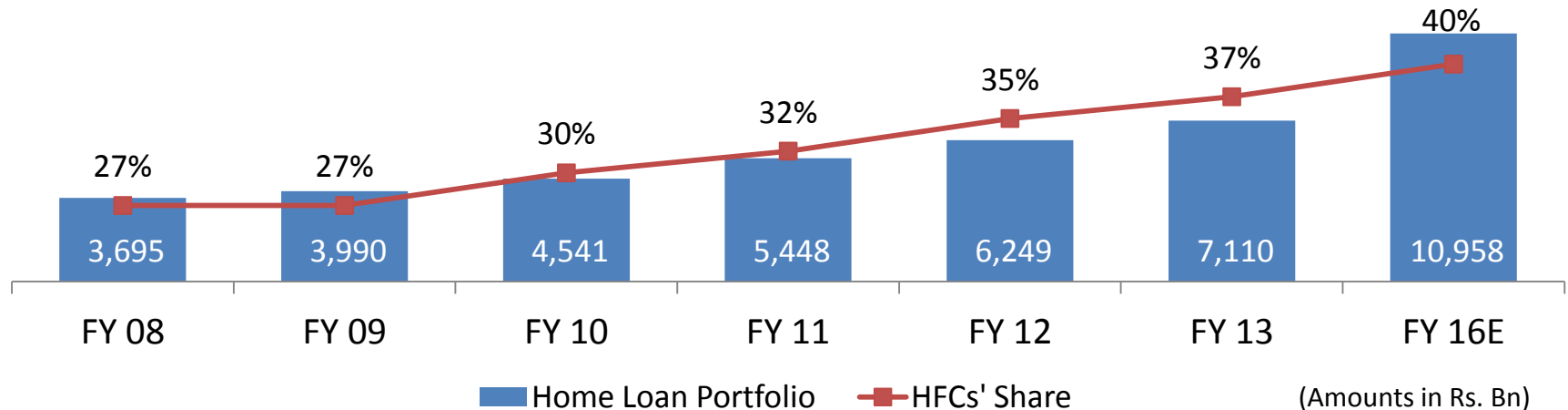


Source: National Housing Bank, 2013

- Lower mortgage penetration compared to advanced and emerging economies implies huge opportunity for growth
- Indian mortgage industry at an inflection point and is expected to grow five-fold in next 10 years
- In this year's budget, the Government has increased tax exemption limits on home loan repayments, effectively lowering the rate of interest
- Government has underlined support for affordable housing in the budget, which has been followed up by prompt steps by the regulator

Indian Mortgage Market

Growing HFC Market Share in a Steadily Expanding Home Loans Market



Source: RBI Database, NHB Reports, CRISIL, & ICRA Estimates

High demand growth driven by:

- Increasing Affordability: Rising disposable incomes coupled with low effective interest rate of only 4.22 % after tax benefits
- Average age of house owner has reduced to 35 years from 43 years in FY2000²
- Urbanisation to rise to 40% of population by 2025 from the current 31%¹
- Urban Housing Shortage: estimated at 31.9 million units by 2016²
- Favourable Demographics: 60% of the country's population is below 30 years of age³

Recent Government Policy Initiatives

- Housing for all by 2022: A major policy goal for the new government
 - 65 million new housing units
 - Government focus on making organised housing finance available to all
- 100 smart cities plan: Technologically integrated and planned townships
 - Large housing opportunity
 - Concentrated market and government focus to reduce delivery expenses and improve operating margins
- Jan Dhan Yojana: Access to organised banking for all – present coverage: 58%
 - Vast increase in organised banking infrastructure and reach
 - Ultimate benefit and knock on effect on credit off-take and growth

Indian Mortgage Market

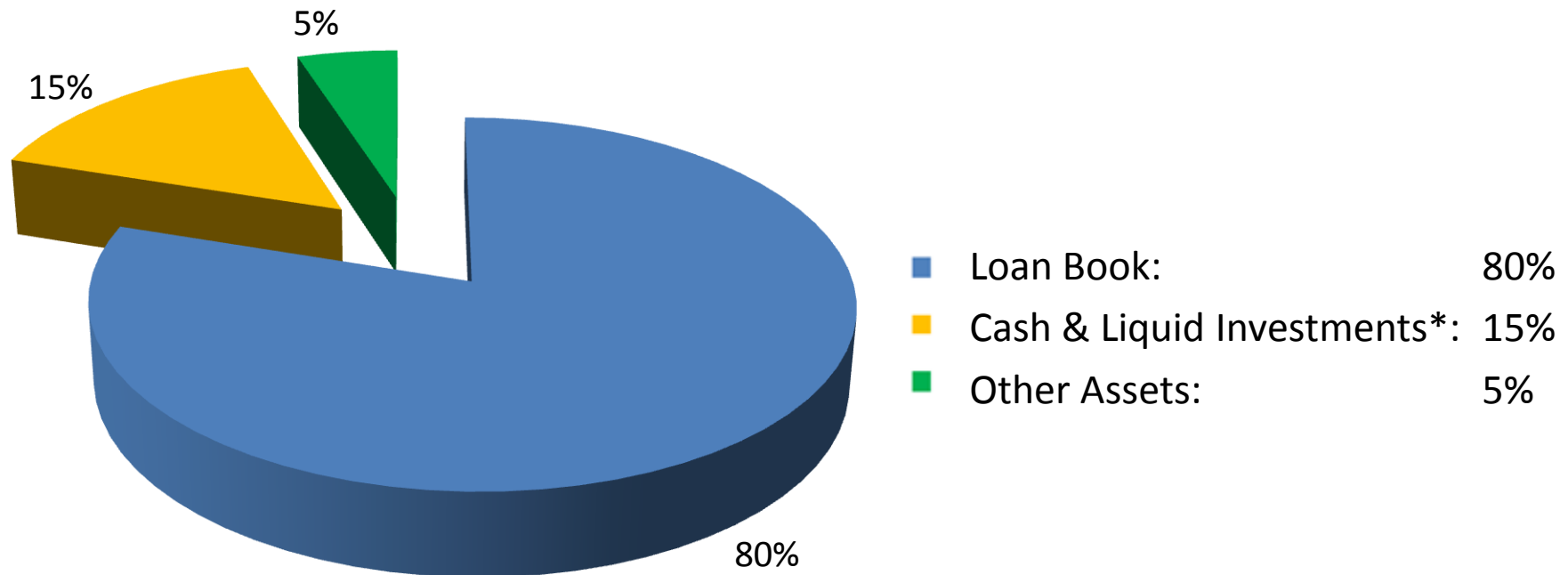
Tax Incentives – Low Effective Interest Rates

Particular	2015	2010	2000
Loan amt	2,000,000	2,000,000	2,000,000
Nominal Interest Rate(%)	10.15%	9.25%	13.25%
Max deduction for interest allowed	200,000	150,000	75,000
Deduction Principal	150,000	100,000	20,000
Tax Rate applicable	33.99%	30.90%	34.50%
Tenor (Yrs)	15	15	15
Total amount paid per year	350,267	282,302	307,617
Interest component	200,267	182,302	262,314
Principal component	150,000	100,000	45,303
Tax amount saved	118,965	77,250	32,775
Effective interest paid on home loan	81,302	105,052	229,539
Effective interest rate on home loan	4.22%	5.39%	11.61%

Amount in Rs.

Financial and Operational Highlights

Balance Sheet Assets

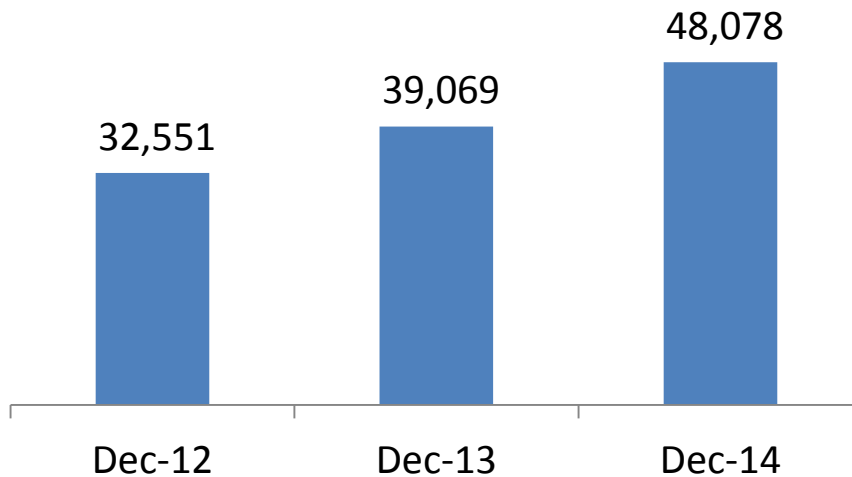


Total Assets	
As at December 31, 2014	Rs. 53,402 Cr. (US\$ 8.61 bn)
As at December 31, 2013	Rs. 43,750 Cr. (US\$ 7.06 bn)

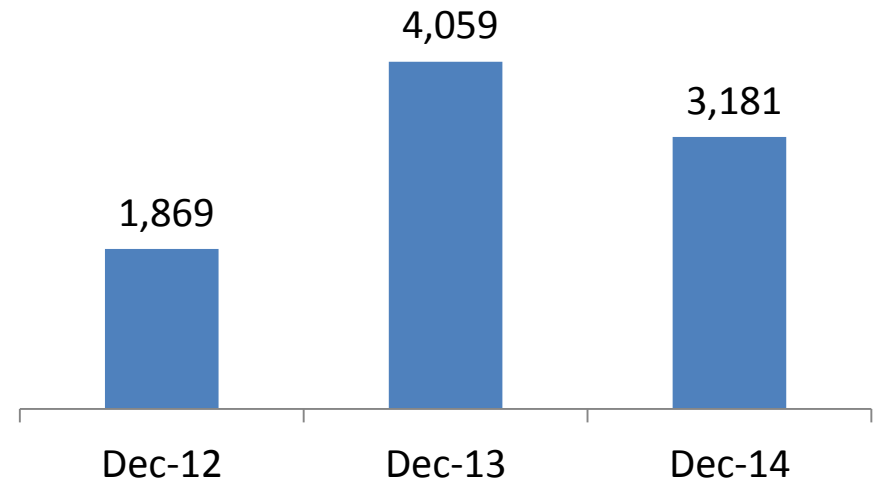
* Cash, Cash Equivalents and Investments in Liquid Debt Instruments
 US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 62

Loan Book Growth

Total Loan Assets (Rs. Cr.)



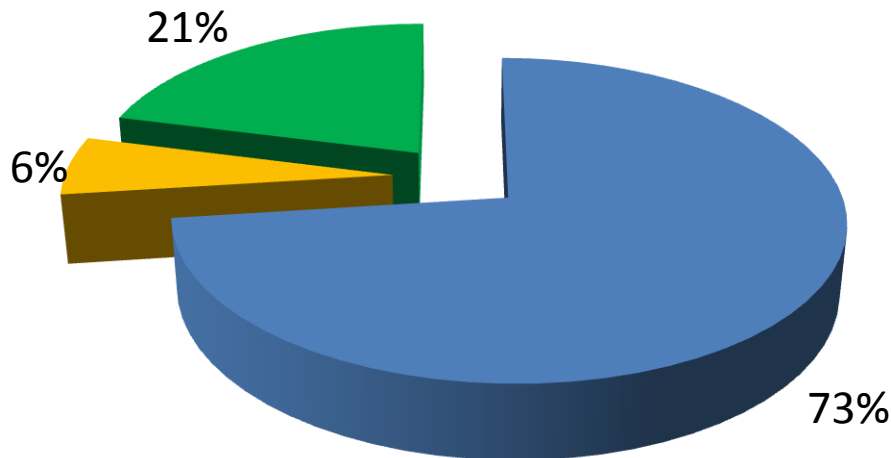
Loans Sold (Rs. Cr.) (in preceding 12 months)



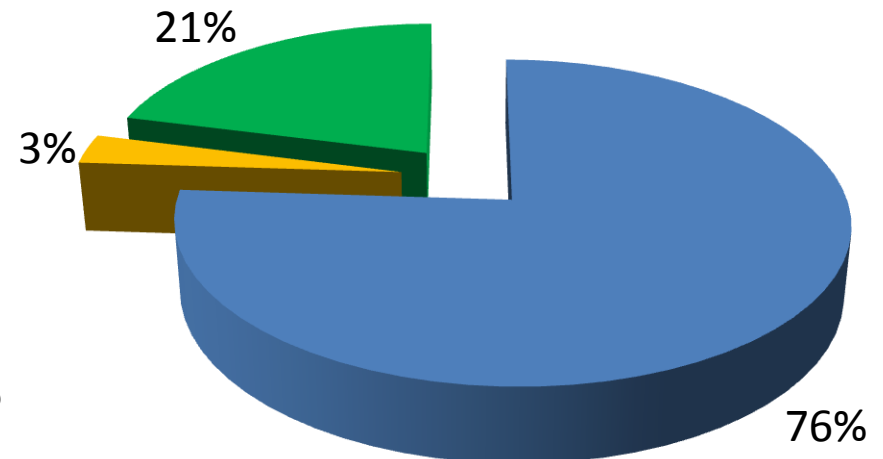
- Loans sold (outstanding as on 31st Dec, 2014): Rs. 5,410 Cr. – on which spread at 3.4% p.a. is to be earned over the life of the loan

Asset Composition

Q3 FY 13-14



Q3 FY 14-15



■ Mortgage
 ■ Commercial Vehicle Loans
 ■ Corporate Mortgage Loans

- Driven by the growth of the Home loans book, retail mortgage book growth has outpaced the growth of corporate mortgage book growth
- Home loans, which forms the majority of incremental disbursements, are disbursed at an average ticket size of Rs. 24 Lacs; average LTV of 71% (at origination)

Home Loan Profile:

Focus on Affordable Housing



Average Loan Size	24 Lacs
Maximum Loan to Value	80%
Average Loan to Value	71% (at origination)
Average Loan Term	13 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

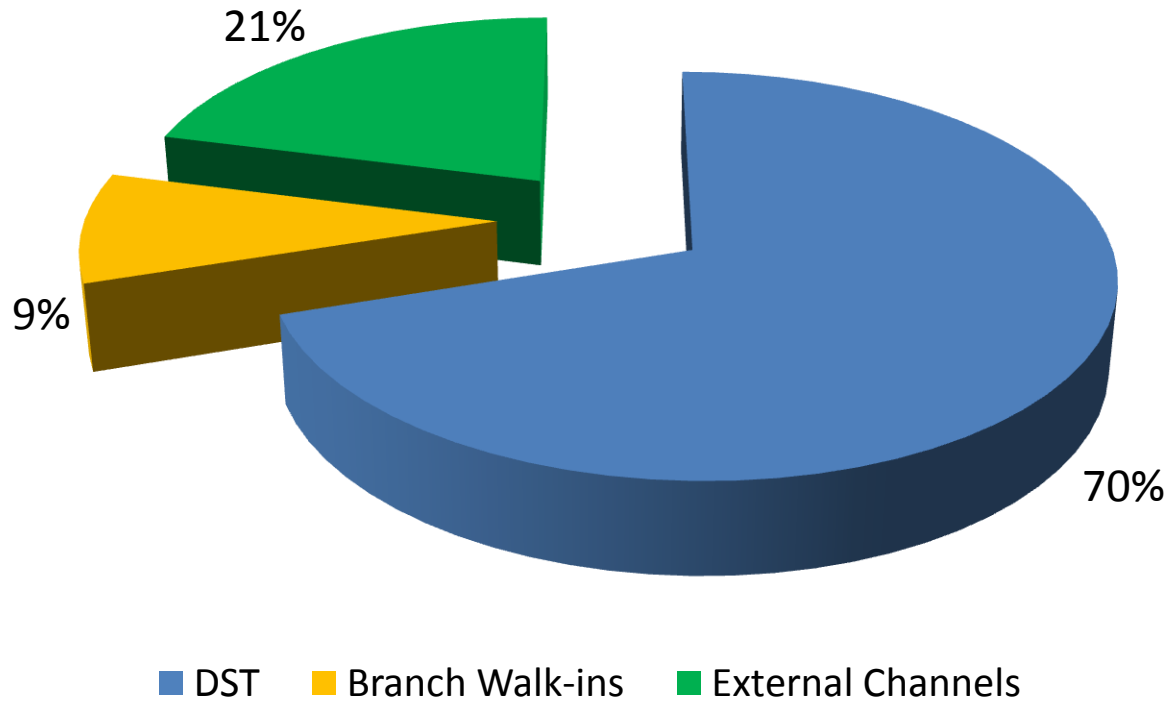
- RBI defines Affordable housing finance as housing loans to individuals up to Rs. 50 Lacs for houses of value up to Rs. 65 Lacs in the six metros and housing loans up to Rs. 40 Lacs for houses of value up to Rs. 50 Lacs in other towns / cities
- HFCs are permitted to borrow through ECBs for lending towards affordable housing. IBHFL has already tied up facilities of \$ 200 million

Conservative Loan Against Property Profile

Average Loan Size	68 Lacs
Maximum Loan to Value	65%
Average Loan to Value	49% (at origination)
Average Loan Term	7 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

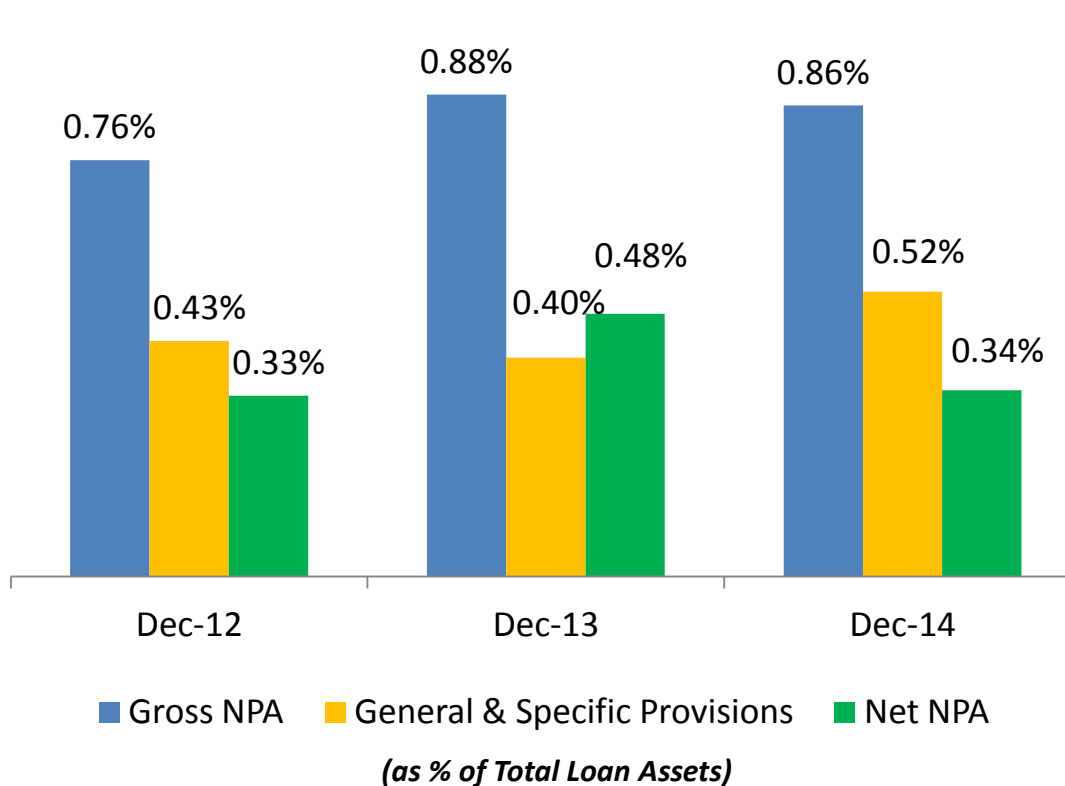
Mortgage Loans' Sourcing

79% of Mortgage loans are sourced in-house



- Increasing DST manpower and improving productivity will push in-house sourcing to over 80% in FY15

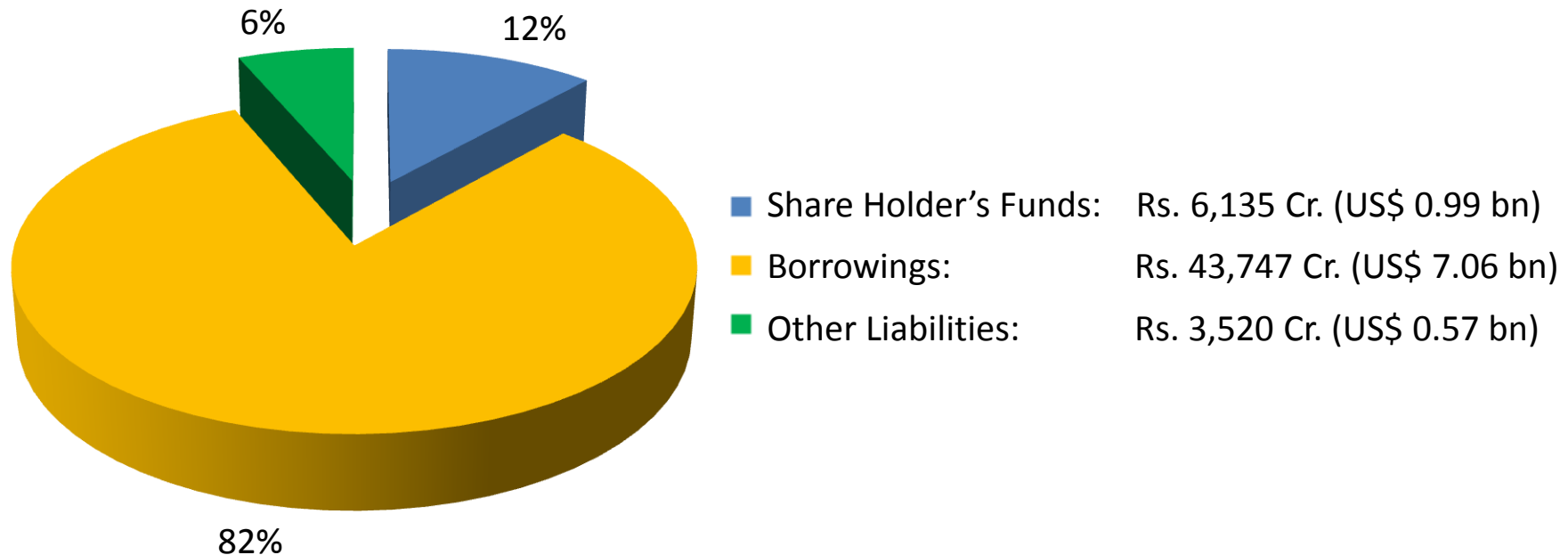
Asset Quality



As at Dec 31, 2014	
	(in Rs. Cr.)
NPA (3 months):	411.8
Provisions for Contingencies:	604.7
Of which	
NPAs:	247.2
Other provisioning:	357.5
Regulatory Provisioning:	365.9
Excess Provisioning Over Regulatory Provisioning:	238.8

- NPA's continue to remain within the target range. With the expected economic recovery, the pressure on NPA's is expected to ease
- Standard Asset Provision and Counter-cyclical Provision pool of Rs. 357.5 Cr is over and above General and Specific Provision pool and is not netted off against Gross NPAs in calculation of Net NPAs

Liabilities

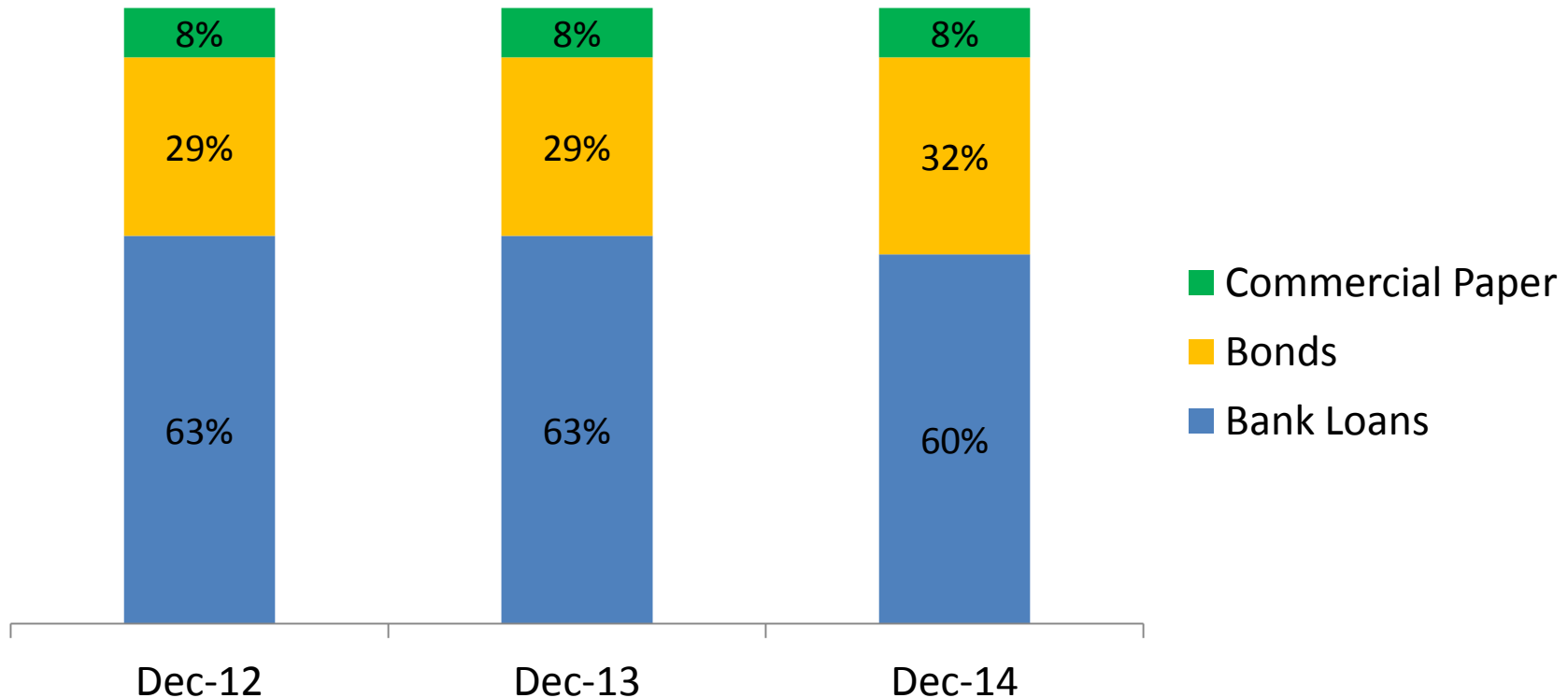


Total Liabilities:

As of December 31, 2014: Rs. 53,402 Cr. (US\$ 8.61 bn)

As of December 31, 2013: Rs. 43,750 Cr. (US\$ 7.06 bn)

Diversified Borrowing Programme

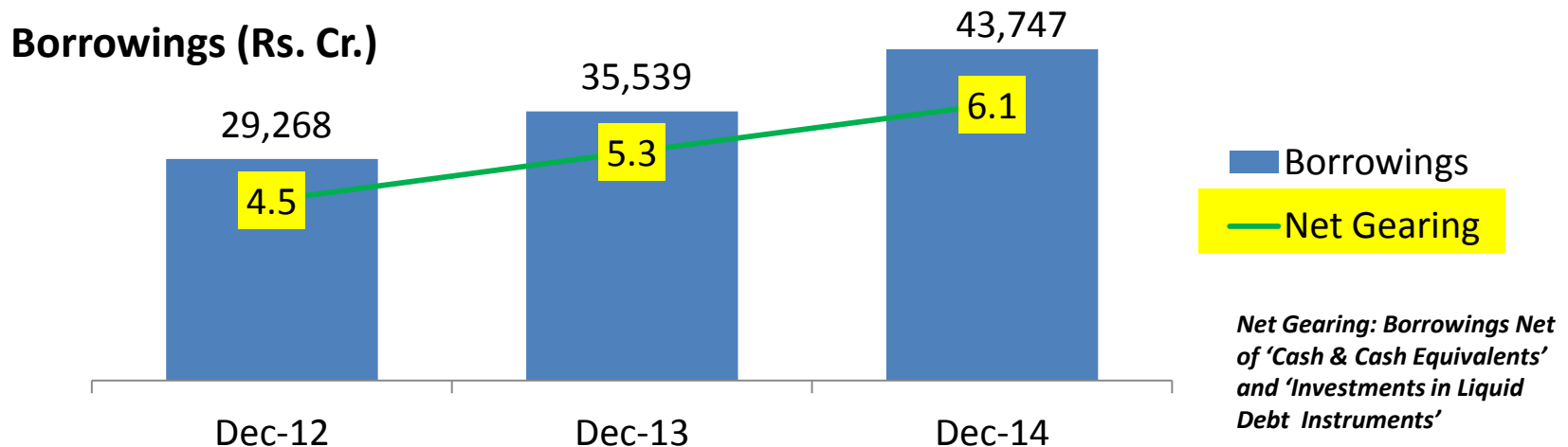


Total Borrowings:

As of December 31, 2014: Rs. 43,747 Cr. (US\$ 7.06 bn)

As of December 31, 2013: Rs. 35,539 Cr. (US\$ 5.73 bn)

Diversified Borrowing Programme



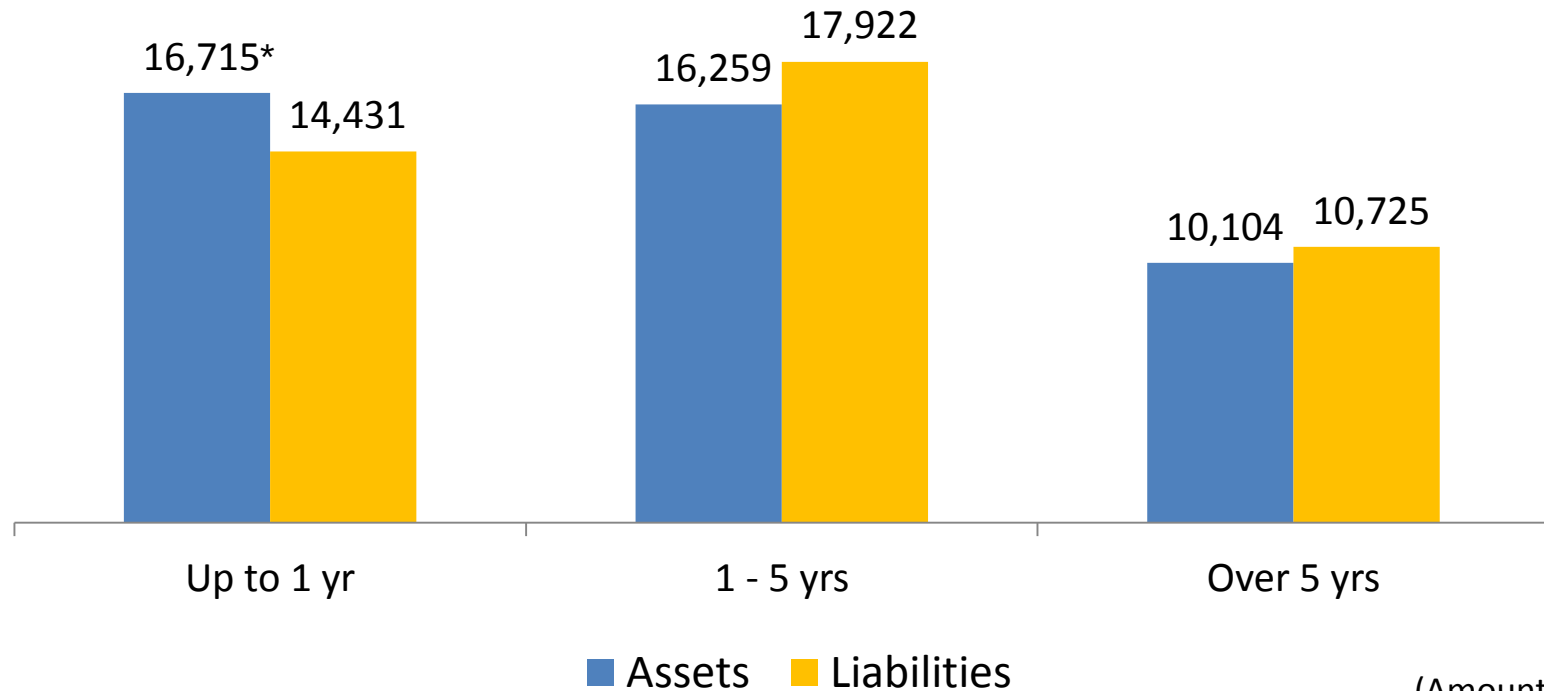
Total Borrowings (Rs. Cr.)			Contribution in Incremental Borrowing
	Dec-14	Dec-13	Last 12 months
Bank Loans	26,459	22,195	52%
Bonds	13,895	10,379	43%
CP	3,393	2,965	5%
Total	43,747	35,539	100%

- Bond issuances have been healthy and contributed 43% of the incremental borrowings in the last 12 months
- Amongst its lenders, the company now counts 126 strong relationships: 26 PSU banks, 16 Private and Foreign banks and 84 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others

Optimally Matched Balance Sheet

Maturity Profile

(As of March 31, 2014)



(Amounts in Rs. Cr.)

- * Assets in the 'Up to 1 Yr' bucket includes Rs. 7,341.4 Cr. of Cash, Cash equivalents and investments in liquid debt instrument
- The maturity profile reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank

Our Strengths

Corporate Strengths

- Highest credit rating of AAA
- Very strong board of directors
- Stable and experienced management team
- Headroom to grow: Net gearing: 6.1
- Steady book growth over last 22 quarters
- Declining cost to income ratio: 17.1% (for FY 2013-14)
- Technology driven quality customer service

Home Loan Strengths

- In-house sourcing & collection teams – low and stable NPA levels
- Low average loan to value ratios
- Emphasis on borrower cash flow stability during loan appraisal
- Experienced underwriting team - company has cumulatively disbursed over Rs. 1,00,185 Cr. since inception

Awards and Accolades

ASSOCHAM HFC of the Year 2013-2014



ISO 9001:2008 Certificate



NAREDCO Fastest growing HFC of the year 2013-2014



Eminent and Experienced Board of Directors

Board of Directors with pre-eminence and experience in diverse fields

- Mr. Sameer Gehlaut - Chairman of the board
- Mr. Gagan Banga - Vice Chairman and MD
- Dr. K.C. Chakrabarty - former Deputy Governor of the Reserve Bank of India
- Justice Surinder Singh Nijjar - retired Justice, Supreme Court of India
- Justice Bisheshwar Prasad Singh - retired Justice, Supreme Court of India
- Mrs. Manjari Kacker - former member of CBDT (Central Board of Direct Taxes)
- Brig. Labh Singh Sitara - honoured with the Dhyan Chand Award by the President of India
- Mr. Samsher Singh Ahlawat - 20 years of banking experience in senior management positions
- Mr. Prem Prakash Mirdha – Business background with expertise in SME sector
- Mr. Ashwini Kumar Hooda - Deputy Managing Director
- Mr. Ajit Kumar Mittal - Ex-Reserve Bank of India

Indiabulls Foundation: Corporate Social Responsibility

Indiabulls
HOME LOANS

Indiabulls Foundation E-learning (IBFE)

- Indiabulls Foundation has provided 3 highly sophisticated E-learning systems to Chikle Tribal Ashram School in Raigad District, enhancing the quality of education in the rural areas of Maharashtra



Health

- The Foundation provides primary health care services to the under-privileged population in Mumbai through 6 medically equipped mobile vans
- Each of these vans caters to approximately 15 to 16 locations per week and diagnoses approximately 80 to 100 patients per day



Nutrition

- The Foundation provides 'Paushtik Aahar - Nutrition Supplement' to more than 6,000 underprivileged malnourished children from 21 institutions in Mumbai, Thane and Raigarh districts



Rural Empowerment

- Indiabulls Foundation donated wheelchairs to 100 underprivileged physically challenged individuals in Chennai to provide them greater access and mobility



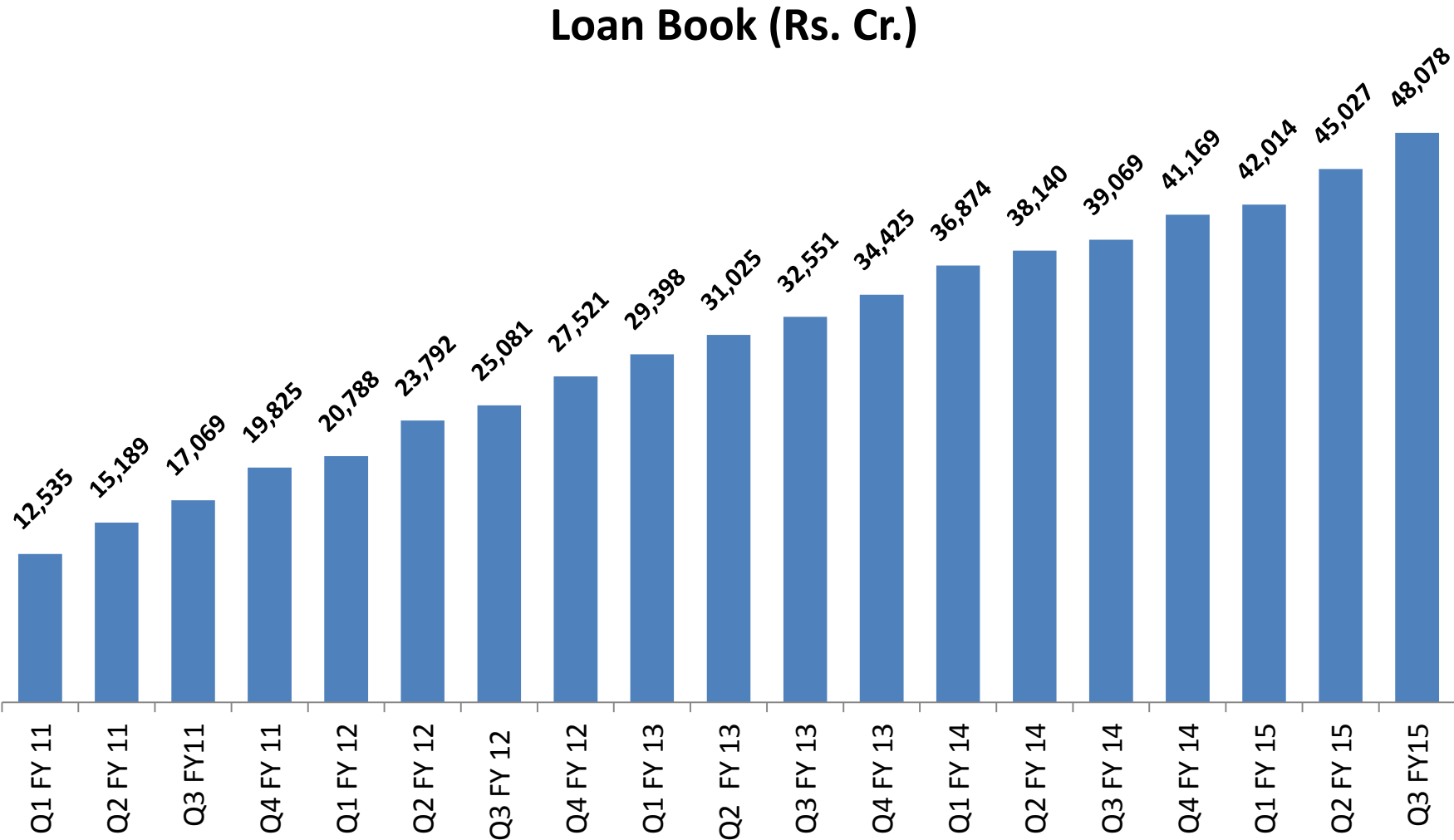
Education

- Indiabulls Foundation has offered scholarships to over 100 deserving students to pursue their education after 12th standard and launch a sustainable career
- The scholarships covers all the expenses of the entire course



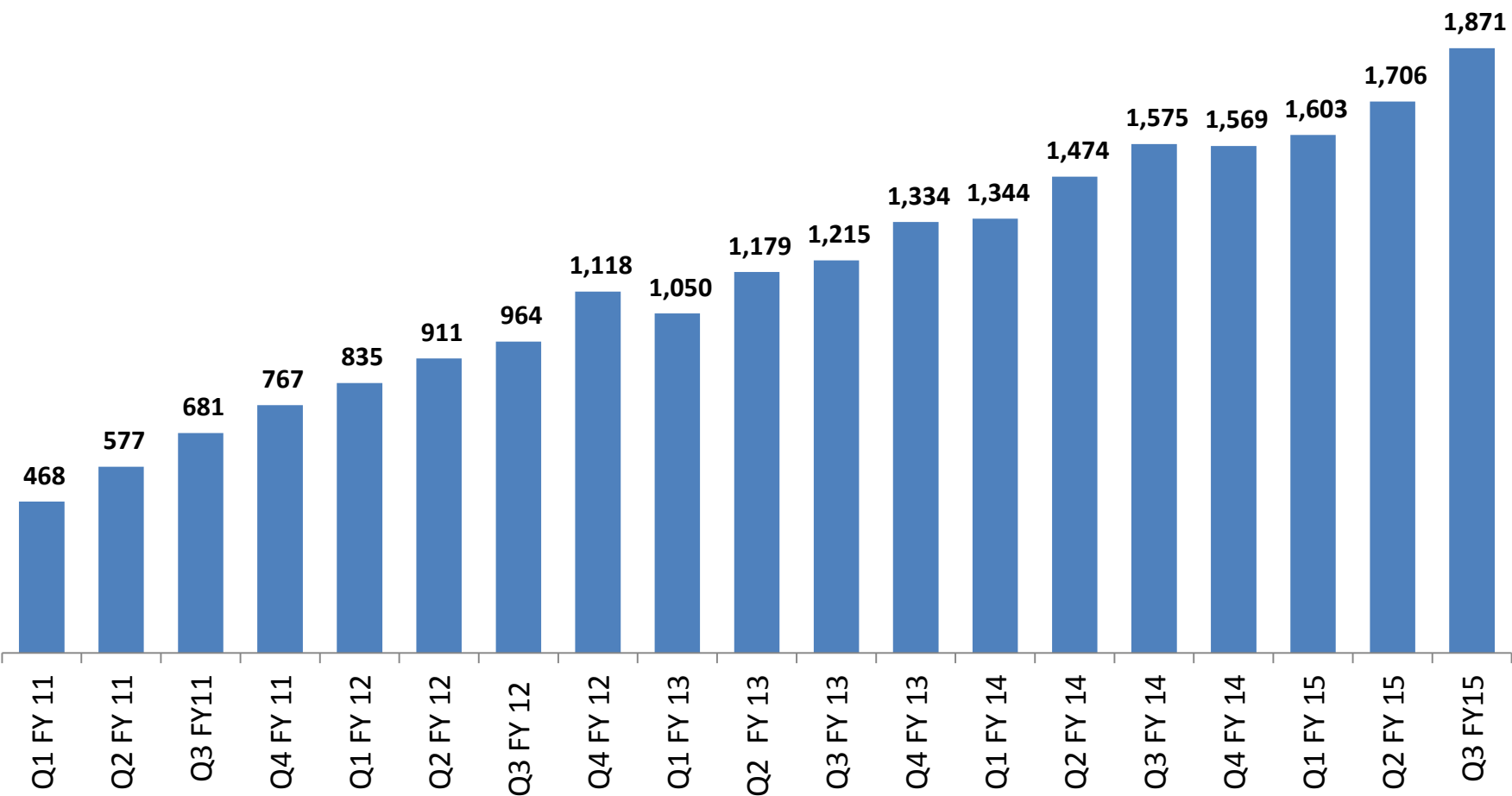
Sustained Financial Performance

Sustained Financial Performance



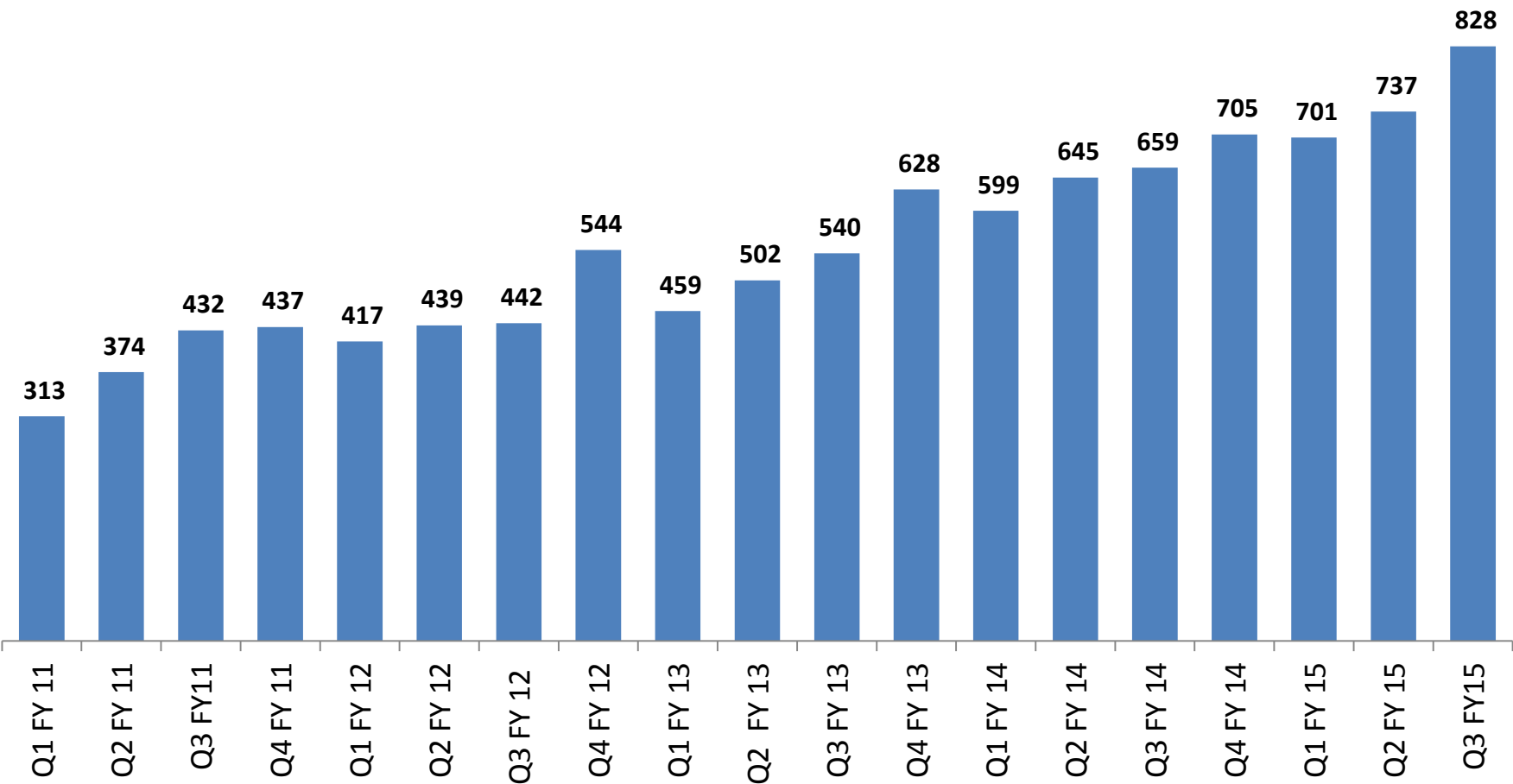
Sustained Financial Performance

Total Revenues (Rs. Cr.)



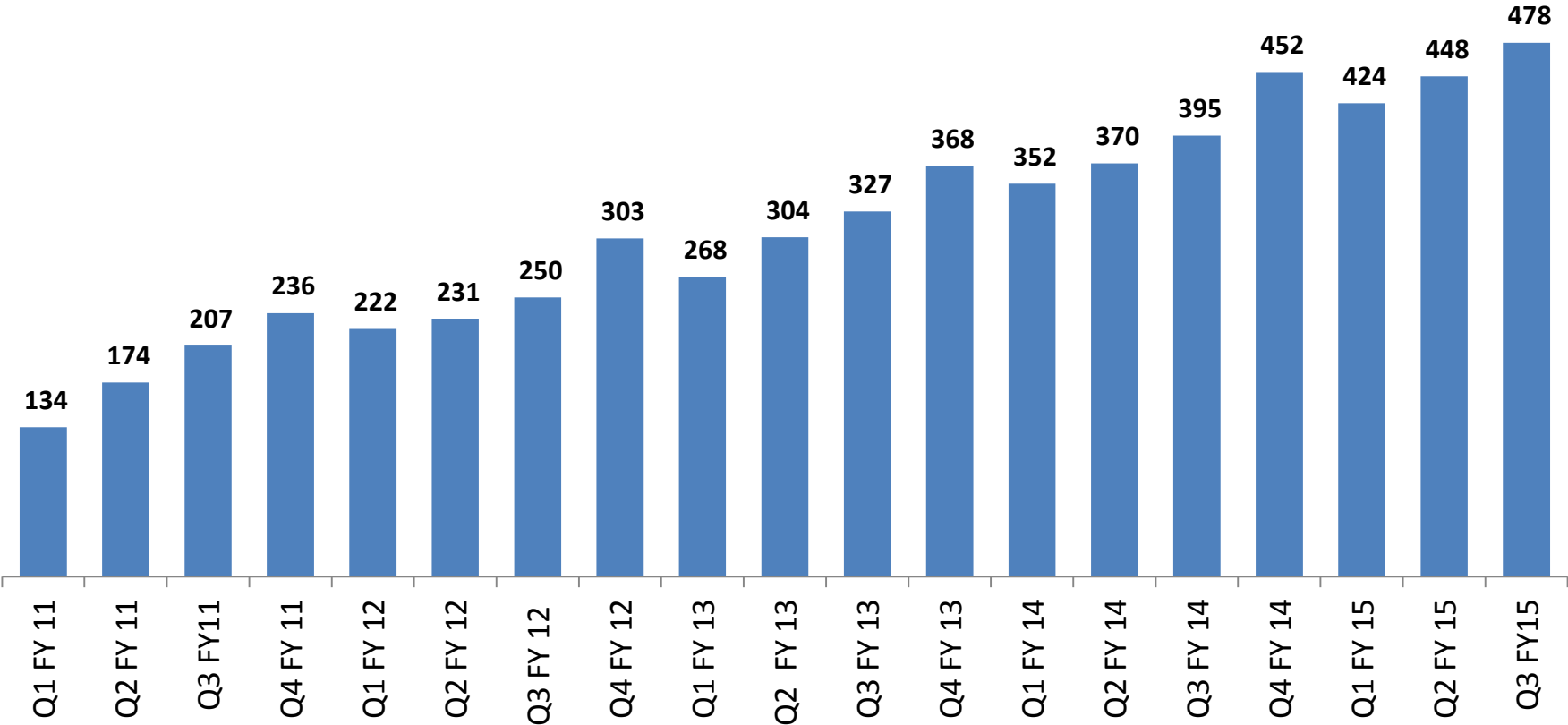
Sustained Financial Performance

Net Interest Income (Rs. Cr.)



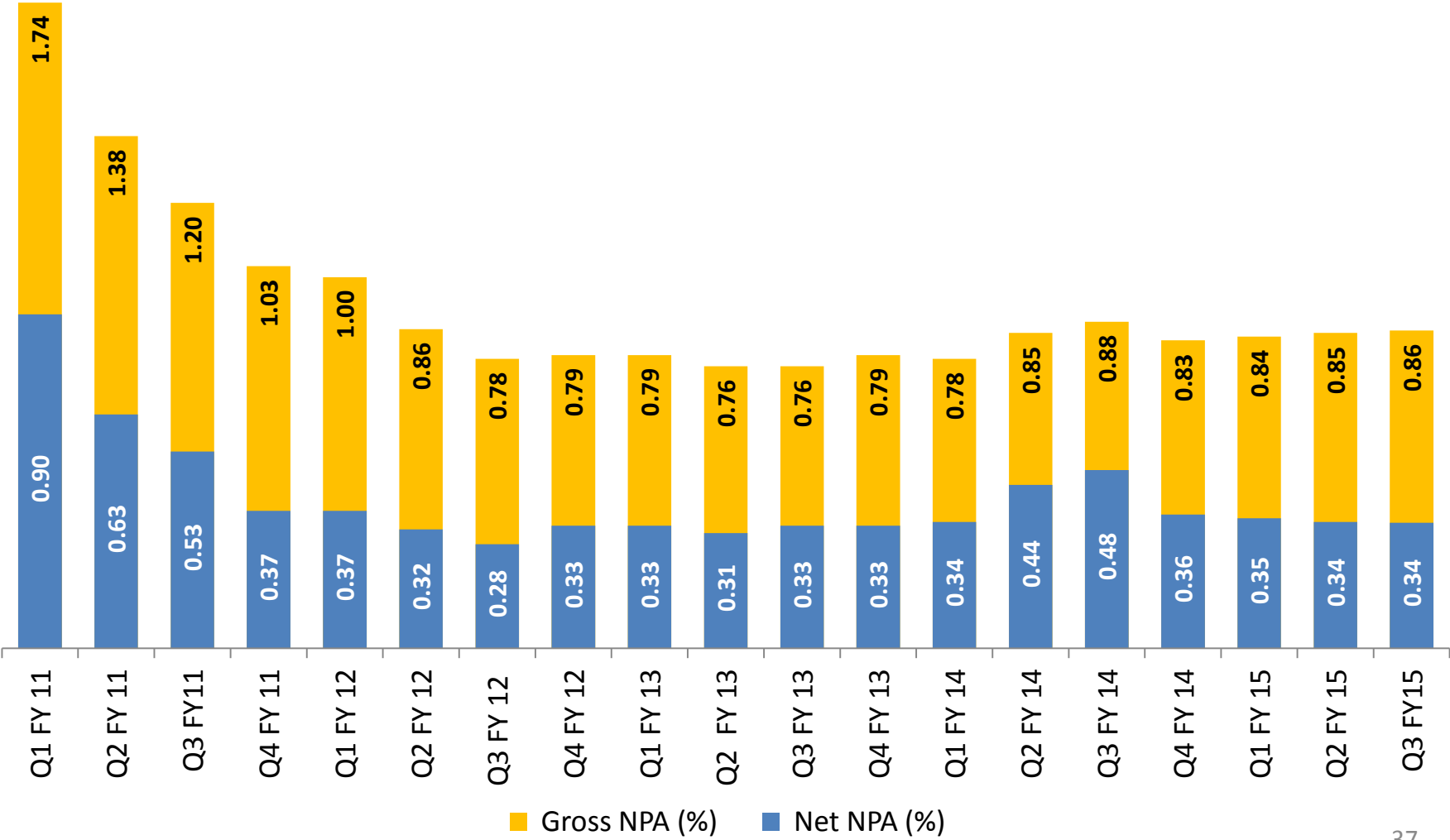
Sustained Financial Performance

Profit After Tax (Rs. Cr.)



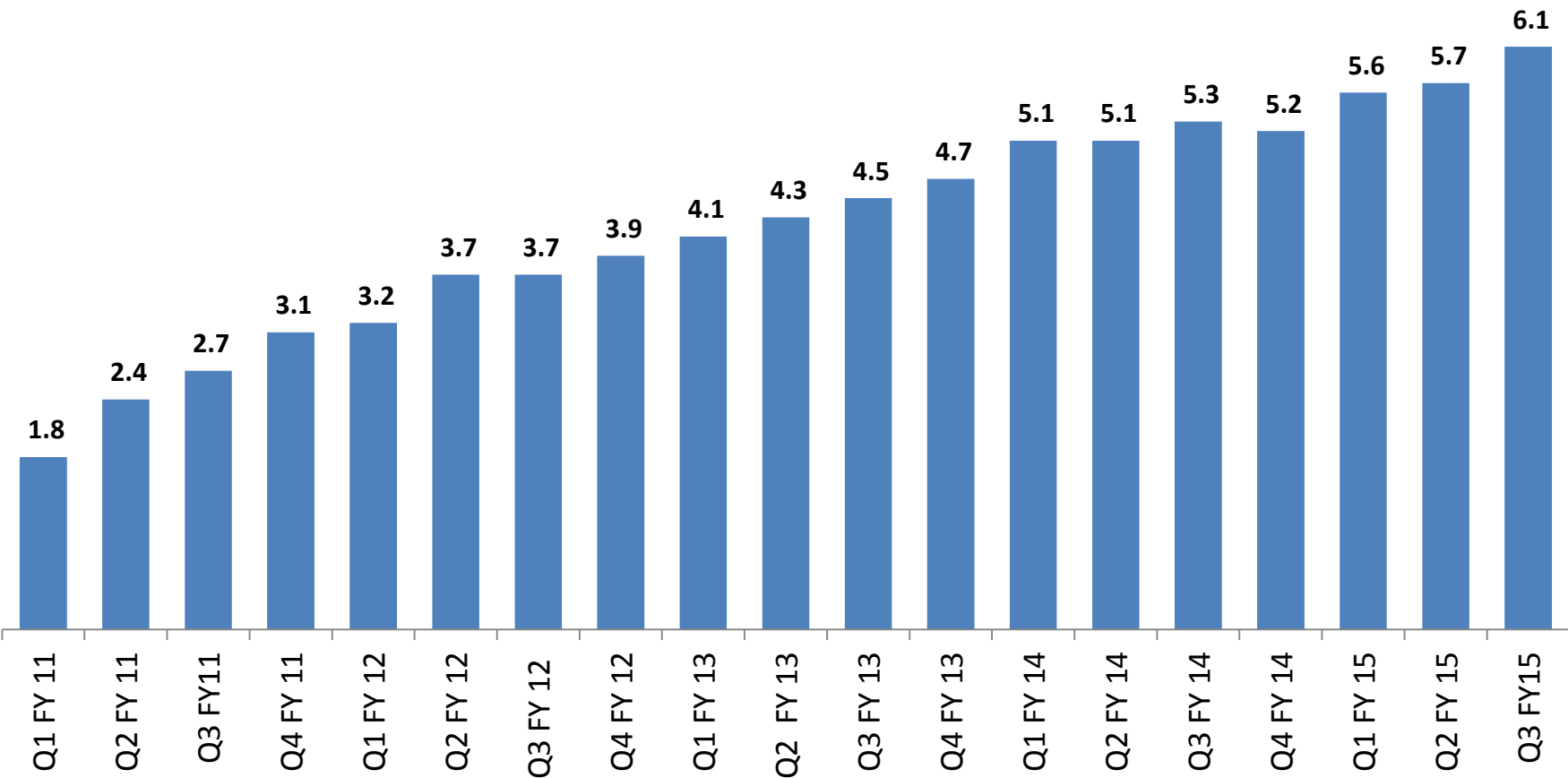
Sustained Financial Performance

Asset Quality (%)



Sustained Financial Performance

Net Gearing



Key Ratios, Valuations and Shareholding

Rising Productivity Ratios

	FY 2014	FY 2013	FY 2012
No. Of Employees	4,099	4,072	4,243
Profit Per employee* (Rs. Cr.)	0.38	0.31	0.24
Asset Per employee (Rs. Cr.)	10.84	8.09	5.85
Cost Income Ratio	17.1%	18.0%	18.7%

* Figure has been annualized

Rising Productivity Ratios

	FY 2014	FY 2013	FY 2012
Pre Tax RoAA (%)	4.8%	4.9%	4.9%
Post Tax RoAA (%)	3.8%	3.8%	3.7%
RoE (%)	27%	26%	22%
Capital Adequacy (%)	19.14%	18.47%	18.86%
- <i>of which Tier I</i>	15.05%	14.96%	18.21%
- <i>Tier II</i>	4.09%	3.51%	0.65%

* Capital Adequacy adjusted to Mar 14 mutual fund investment level

Valuations and Returns

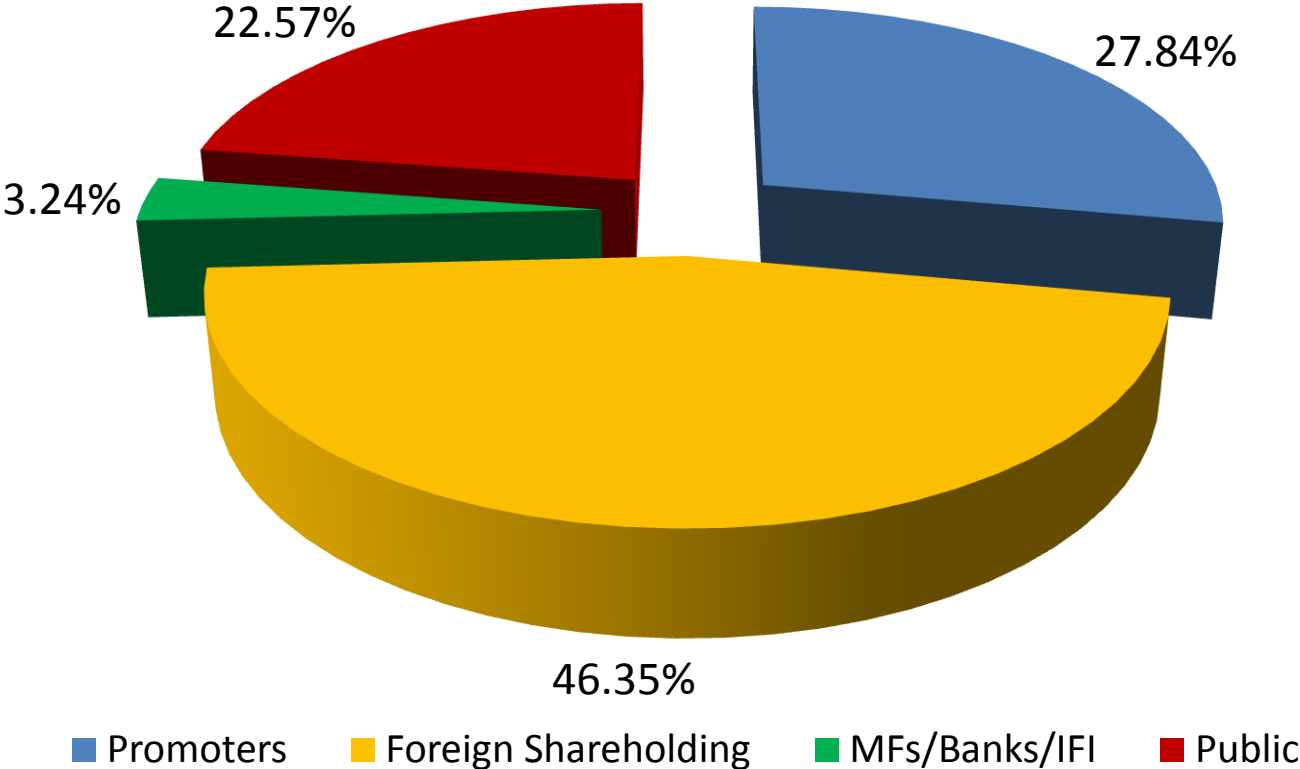
	Dec-14	Mar-14	Mar-13	Mar-12
Market Price per share (Rs.)	566.4 [#]	285.6	271.8	207.1
Market Capitalisation (US\$ Bn)	3.24	1.59	1.42	1.08
PE Ratio (times)	10.8	6.0	6.8	6.5
Dividend per share (Rs.)	26 [*]	29	20	13
Foreign Shareholding (%)	46.4%	41.1%	45.2%	38.7%

* Dividend for 9M FY 2015

Share price as on 16th Jan 2015

US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 62

Shareholding Pattern



Detailed Financials

Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	31.12.14 (Unaudited)	31.03.14 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	71.03	66.81
(b) Reserves and Surplus	6,059.42	5,640.17
(c) Money received against share warrants	-	-
(2) Share application money pending allotment	2.76	-
(3) Minority Interest	2.02	1.91
(4) Non-Current Liabilities		
(a) Long-term borrowings	25,590.49	20,165.52
(b) Deferred tax Liabilities (net)	0.01	-
(c) Other Long term liabilities	0.22	0.22
(d) Long term provisions	427.13	368.39
(5) Current Liabilities		
(a) Short-term borrowings	11,221.45	9,147.40
(b) Trade payables	4.36	2.33
(c) Other current liabilities	8,950.37	8,143.77
(d) Short-term provisions	1,072.46	881.89
Total	53,401.72	44,418.41
II. ASSETS		
(6) Goodwill on Consolidation	70.04	70.04
(7) Non-current assets		
(a) Fixed assets	47.10	46.91
(b) Non-current investments	1,029.77	24.65
(c) Deferred tax assets (net)	68.47	184.76
(d) Long term loans and advances	37,095.99	31,038.23
(e) Other non-current assets	800.52	815.29
(8) Current assets		
(a) Current investments	6,188.76	2,922.34
(b) Trade receivables	0.83	0.63
(c) Cash and cash equivalents	1,624.15	4,419.04
(d) Short-term loans and advances	5,967.87	4,549.77
(e) Other current assets	508.22	354.76
Total	53,401.72	44,418.41

**Rs. 7,813 Cr. of
Cash & Cash
Equivalents and
Investments in
Liquid Debt
Instruments**

Consolidated Income Statement

							(Rupees in Crore)
	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.14	30.09.14	31.12.13	31.12.14	31.12.13	31.03.14
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations						
	a) Income from Operations	1,618.12	1,438.22	1,432.35	4,375.17	3,942.42	5,186.51
	b) Other Operating Income	82.96	80.36	54.28	212.05	154.61	232.88
	Total Income from operations (net)	1,701.08	1,518.58	1,486.63	4,587.22	4,097.03	5,419.39
2	Expenses						
	a) Employee Benefits Expense	81.72	89.43	68.76	242.71	205.44	263.73
	b) Depreciation and Amortisation Expense	4.72	3.85	2.01	13.99	6.08	7.89
	c) Other Expenses	134.48	91.78	60.82	327.01	238.35	425.52
	Total Expenses	220.92	185.05	131.59	583.70	449.86	697.14
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,480.15	1,333.52	1,355.04	4,003.52	3,647.18	4,722.25
4	Other Income	170.15	187.18	87.94	592.54	295.65	541.92
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	1,650.31	1,520.70	1,442.98	4,596.07	3,942.82	5,264.17
6	Finance Costs	1,028.11	955.35	906.77	2,872.90	2,430.18	3,282.38
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	622.20	565.35	536.21	1,723.17	1,512.64	1,981.79
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	622.20	565.35	536.21	1,723.17	1,512.64	1,981.79
10	Tax Expense (including Deferred Tax and MAT credit entitlement)	144.09	117.06	141.07	373.00	395.61	413.25
11	Net Profit from Ordinary Activities after Tax (9-10)	478.11	448.29	395.15	1,350.17	1,117.03	1,568.54
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-	-
13	Net Profit for the period / year (11-12)	478.11	448.29	395.15	1,350.17	1,117.03	1,568.54
14	Minority Interest for the period / year	0.03	0.05	0.00	0.10	4.32	4.38
15	Net Profit from Ordinary Activities after Tax and Minority Interest (13-14)	478.08	448.25	395.15	1,350.07	1,112.71	1,564.16
16	Paid-up Equity Share Capital	71.03	71.02	66.74	71.03	66.74	66.81
17	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2014						5,570.14
18	Minority Interest	2.02	1.98	1.85	2.02	1.85	1.91
19	Earnings per Share (EPS) before extraordinary items						
	*(EPS for the quarters and nine months are not annualised)						
	-Basic (Amount in Rs.)	13.46	13.22*	11.89*	39.38	34.39*	47.96
	-Diluted (Amount in Rs.)	13.23	12.78*	11.81*	38.27	33.99*	47.47
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00	2.00	2.00
	Earnings per Share (EPS) after extraordinary items						
	*(EPS for the quarters and nine months are not annualised)						
	-Basic (Amount in Rs.)	13.46	13.22*	11.89*	39.38	34.39*	47.96
	-Diluted (Amount in Rs.)	13.23	12.78*	11.81*	38.27	33.99*	47.47
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00	2.00	2.00

Thank you