



Indiabulls Housing Finance Limited

(CIN: L65922DL2005PLC136029)

Unaudited Financial Results – Q1 FY 2014-15
July 24, 2014

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.

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Investor Contact

Ramnath Shenoy

investor.relations@indiabulls.com

+91 22 6189 1444

Media Contact

Rahat Ahmed

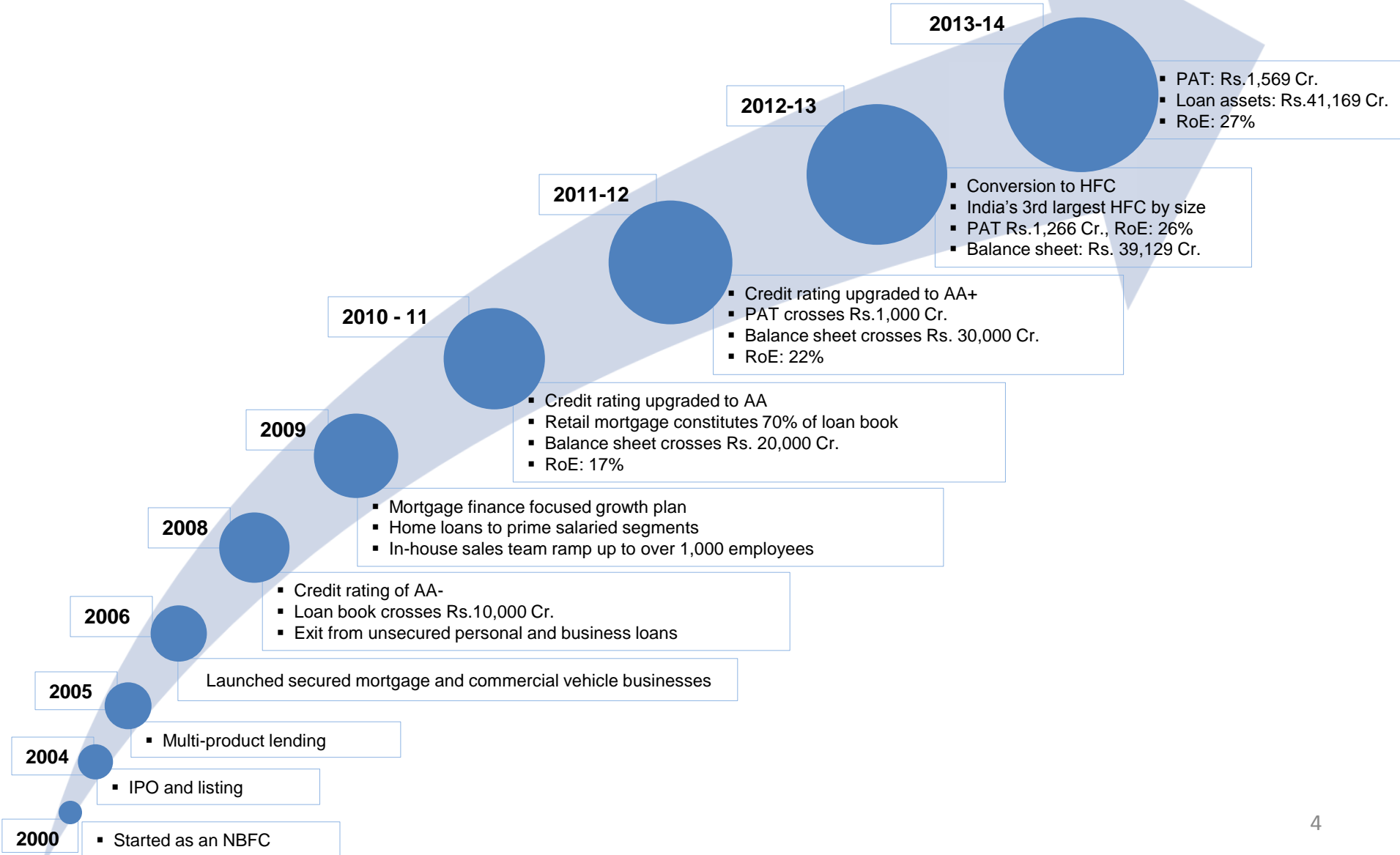
mediaquery@indiabulls.com

+91 22 6189 1155

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Our Journey



Business Update

Business Update

Key Financial Highlights: Q1 FY14-15

	Q1 FY 13-14	Q1 FY 14-15	Growth (%)
Total Revenues (Rs. Cr.)	1,344.0	1,602.8	19.3%
NII (Rs. Cr.)	598.8	701.2	17.1%
PAT (Rs. Cr.)	351.5	423.8	20.6%
EPS (Rs.)	11.15	12.68	

The company had cash, cash equivalents and investments in liquid debt instruments of Rs. 7,391.8 Crs as at 30th June, 2014. The company receives income from its cash, cash equivalents and investments in liquid debt instruments through the quarter, which appears in 'Other Income'.

- In this quarter, ICRA, an associate of Moody's Investors Service, upgraded IBHFL's rating to AA+ citing steady improvement in operating and financial indicators, tight control over asset quality, robust capitalization, comfortable liquidity and a well diversified resource profile.
- An interim dividend of Rs. 8/-per share of face value of Rs. 2/-, amounting to 400%, has been declared. Total dividend outflow (including Corporate Dividend Tax) is Rs. 313 Cr.

Business Summary

- | | | |
|---------------------|---|----------------|
| • Loans Outstanding | : | Rs. 42,014 Cr |
| (June 30, 2014) | : | (US\$ 7.00 bn) |

- | | | |
|----------------------------|---|------|
| • Loan Book CAGR (6 years) | : | 26 % |
|----------------------------|---|------|

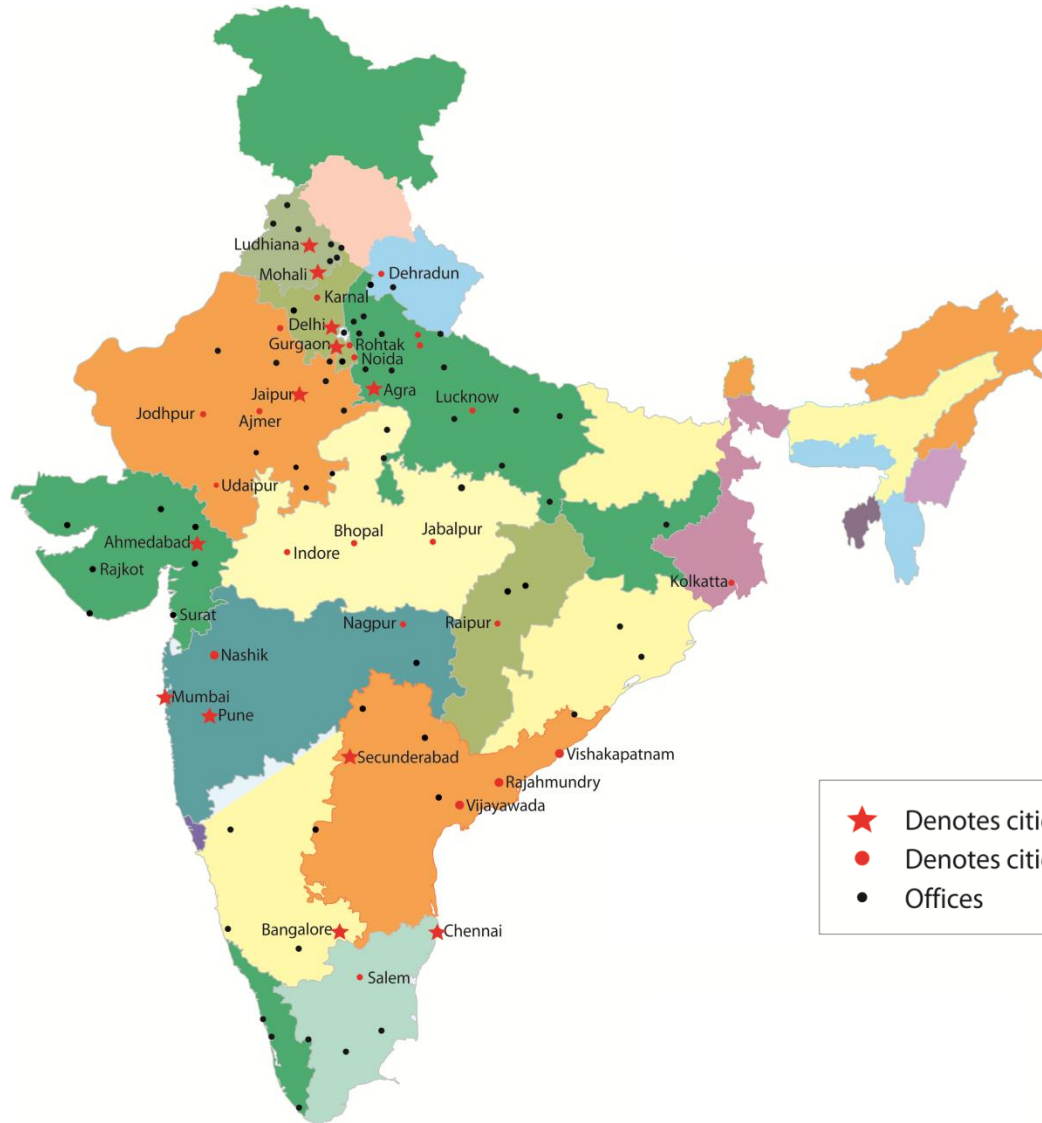
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|--|---|-----------|
| • Cumulative Loans given to retail Customers | : | 6.04 Lacs |
|--|---|-----------|

- | | | |
|--|---|-----------------|
| • Cumulative Loans Disbursed till date | : | Rs. 89,965 Cr |
| | : | (US\$ 14.99 bn) |

- | | | |
|----------------------------------|---|-----|
| • Cost to Income Ratio (FY 2014) | : | 17% |
|----------------------------------|---|-----|

- | | | |
|-----------------------------------|---|-----|
| • Profit After Tax CAGR (6 years) | : | 20% |
|-----------------------------------|---|-----|

Country-wide Reach



★ Denotes cities with 3 or more offices
● Denotes cities with 2 offices
● Offices

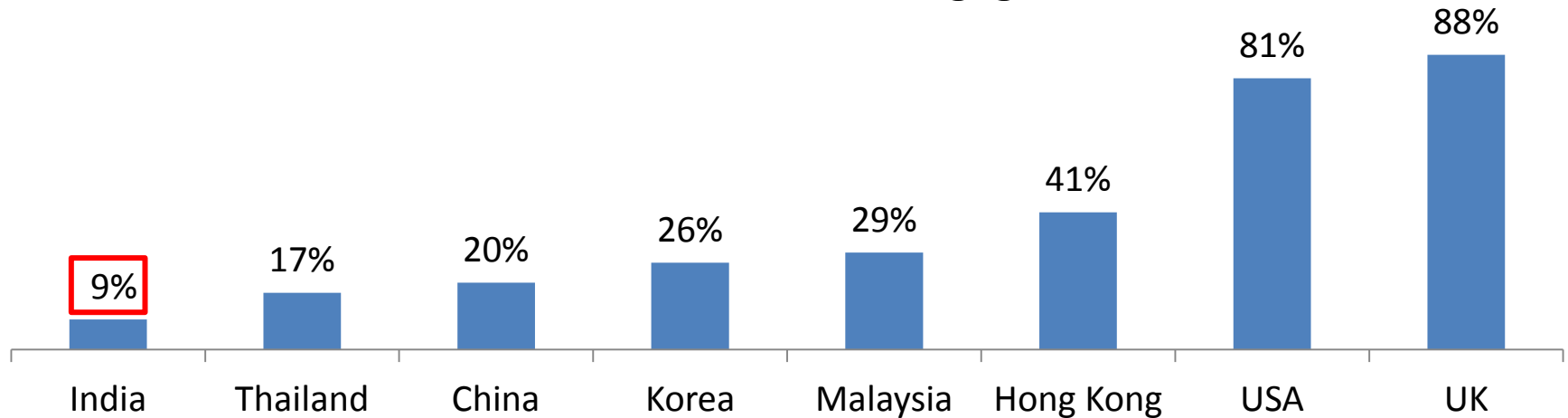
Number of Outlets

FY 10	140
FY 11	163
FY 12	180
FY 13	200
FY 14	205
Q1 FY15	209

Indian Mortgage Market

Indian Mortgage Market

Headroom for Growth - Low Mortgage Penetration

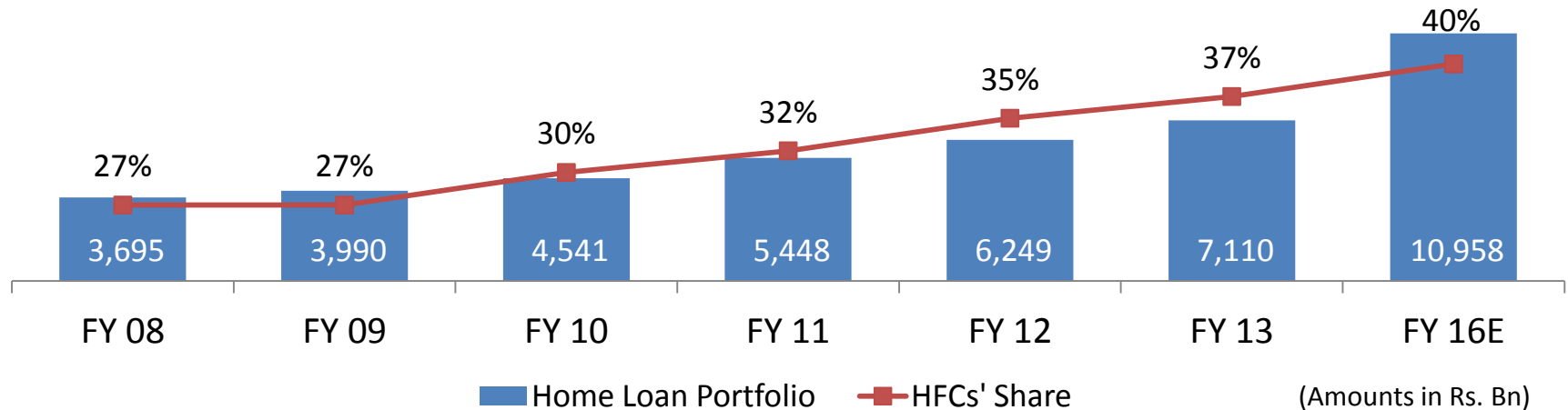


Source: National Housing Bank, 2013

- 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 the recent 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 5.80% 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

1 – NHB Report, 2012

2 – CRISIL Report

3 – Census 2011

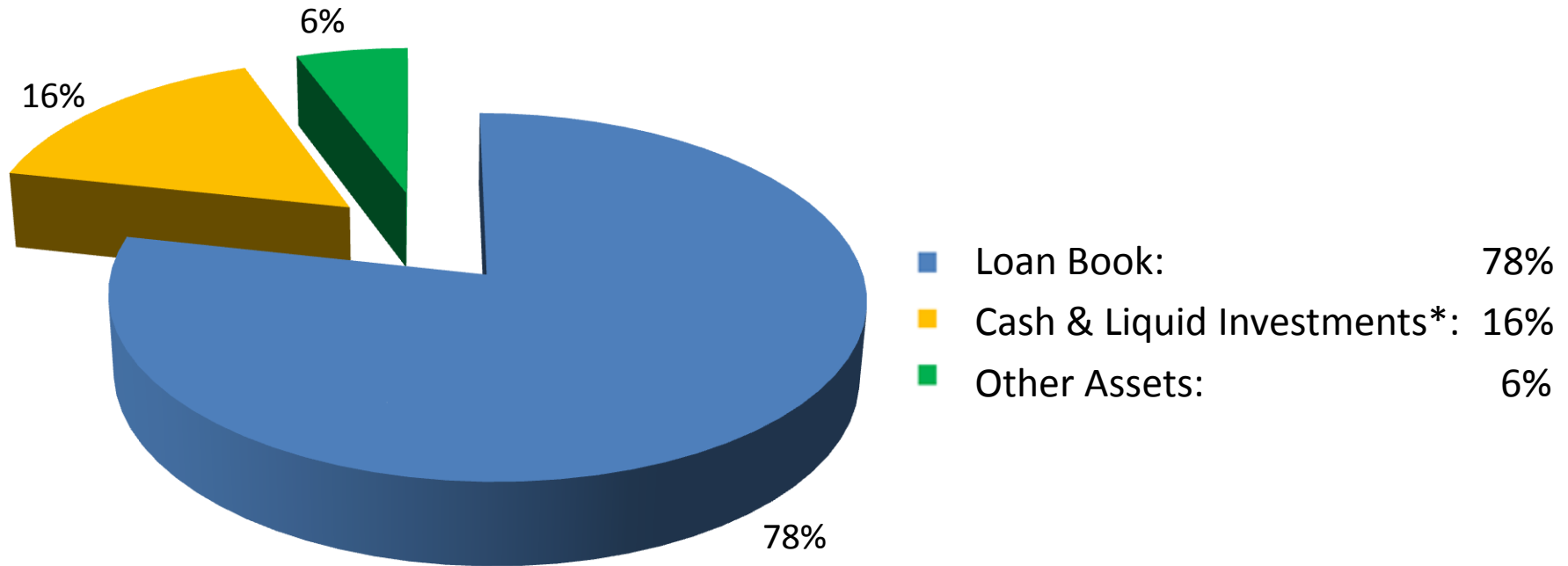
Indian Mortgage Market

Tax Incentives – Low Effective Interest Rates

Particular	2000	2010	2015
Loan Amt (Rs)	2,500,000	2,500,000	2,500,000
Nominal Interest Rate(%)	13.25%	9.25%	10.25%
Max deduction for interest allowed	75,000	150,000	200,000
Deduction Principal	20,000	100,000	150,000
Tax Rate applicable	34.50%	30.90%	30.90%
Tenor(Yrs)	15	15	15
Total amount paid per year	384,521	327,878	326,985
Interest component	327,893	227,878	253,100
Principal component	56,628	100,000	73,885
Tax amount saved	32,775	77,250	108,150
Effective Interest paid on home loan	295,118	150,628	144,950
Effective interest rate on home loan	11.80%	6.03%	5.80%

Financial and Operational Highlights

Balance Sheet Assets

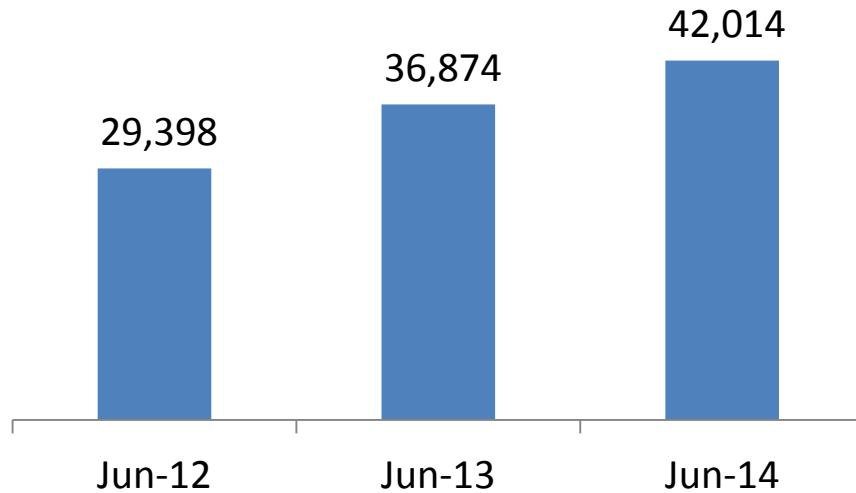


Total Assets	
As at June 30, 2014	Rs. 46,359 Cr. (US\$ 7.73 bn)
As at June 30, 2013	Rs. 41,566 Cr. (US\$ 6.93 bn)

* Cash, Cash Equivalents and Investments in Liquid Debt Instruments
US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 60

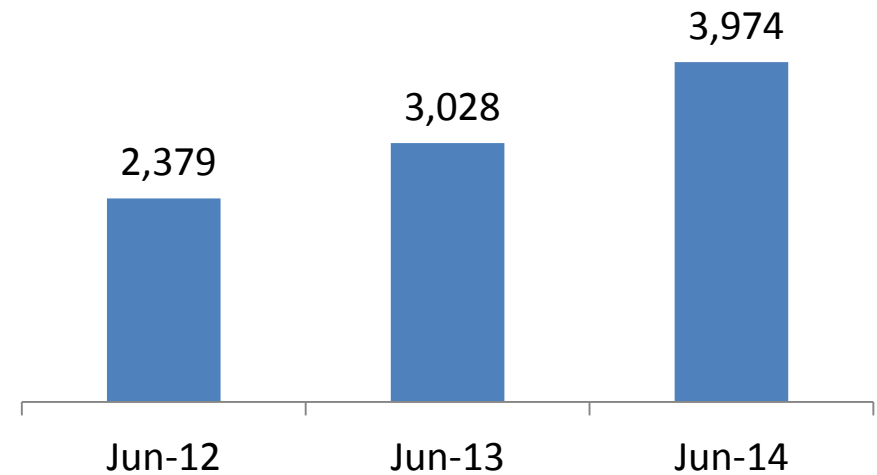
Loan Book Growth

Total Loan Assets (Rs. Cr.)



Loans Sold (Rs. Cr.)

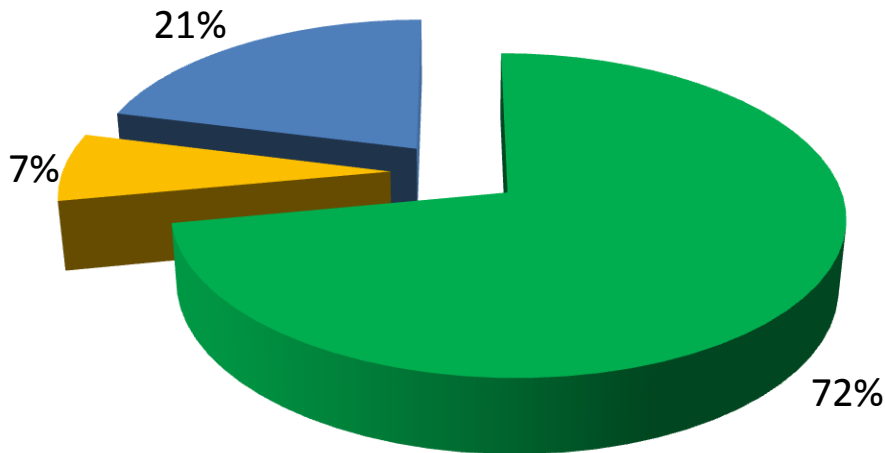
(in preceding 12 months)



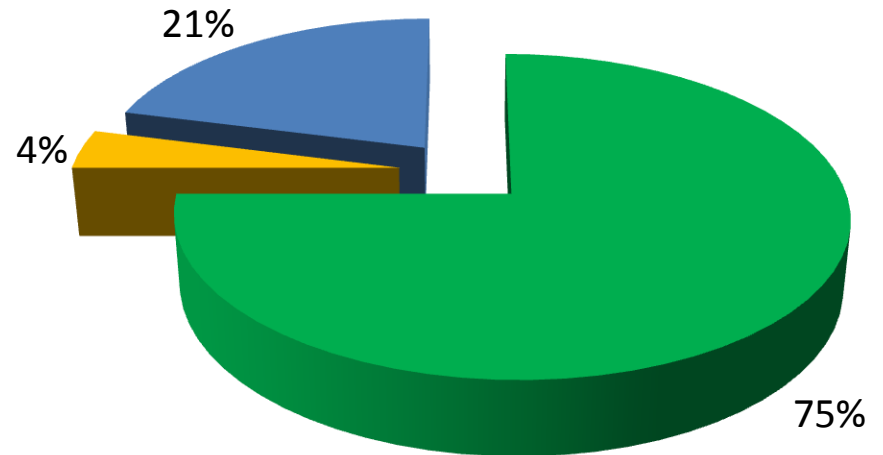
- Loans sold (outstanding as on 30th June, 2014): Rs. 5,618 Cr. – on which spread at 3.4% p.a. is to be earned over the life of the loan

Asset Composition

Q1 FY 13-14



Q1 FY 14-15

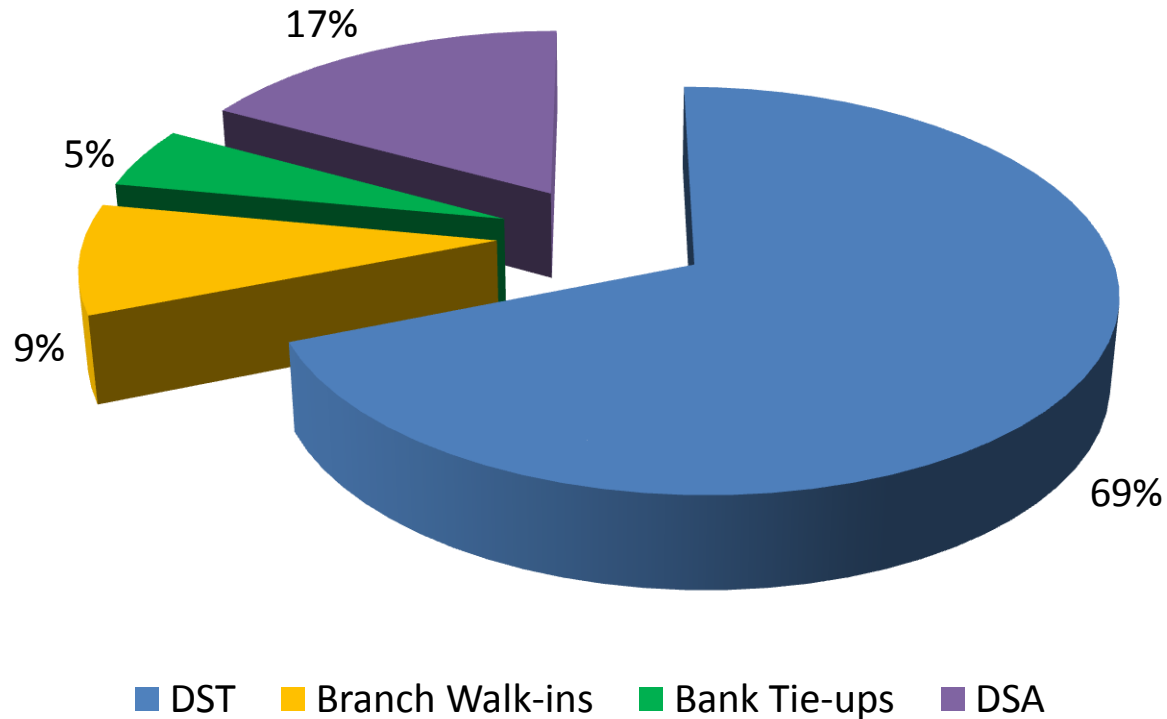


■ Mortgage ■ Commercial Vehicle Loans ■ Corporate Mortgage Loans

- Home loans, which forms the majority of incremental disburseals, are disbursed at an average ticket size of Rs. 24 Lacs; average LTV of 70% (at origination)

Mortgage Loans' Sourcing

78% of Mortgage loans are sourced in-house



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

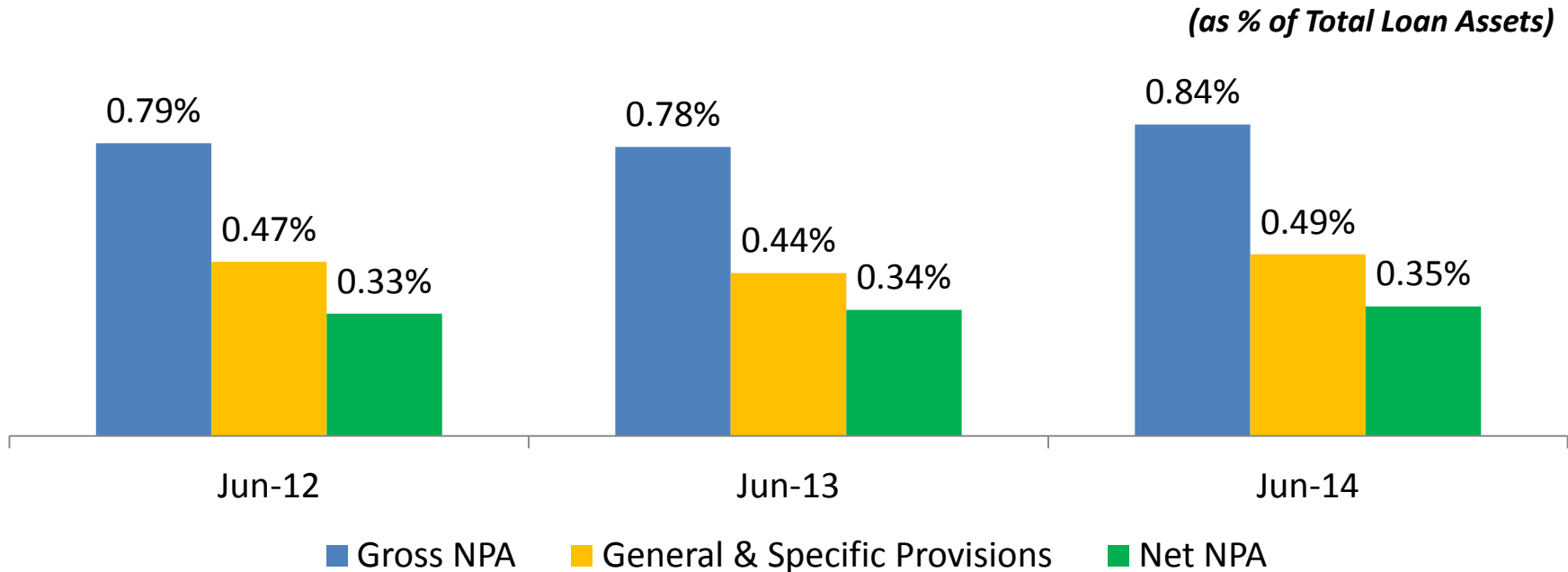
Conservative Home Loan Profile

Average Loan Size	24 Lacs
Maximum Loan to Value	80%
Average Loan to Value	70% (at origination)
Average Loan Term	13 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

Conservative Loan Against Property Profile

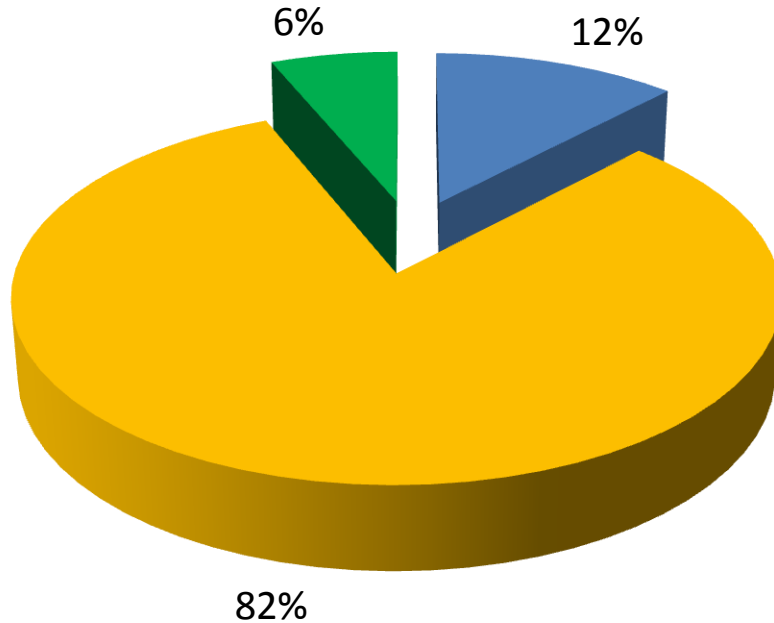
Average Loan Size	68 Lacs
Maximum Loan to Value	65%
Average Loan to Value	49% (at origination)
Average Loan Term	7 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

Asset Quality



- NPA's continue to remain within the target range despite a prolonged depressed economic environment and a resultant weak phase of the credit cycle
- Standard Asset Provision pool of Rs. 307.38 Cr. is over and above General and Specific Provision pool and is not netted off against Gross NPAs in calculation of Net NPAs
- The company has created additional floating provisions of Rs. 45 Cr. to mitigate cyclical and to build a buffer that can be drawn down in adverse circumstances

Liabilities



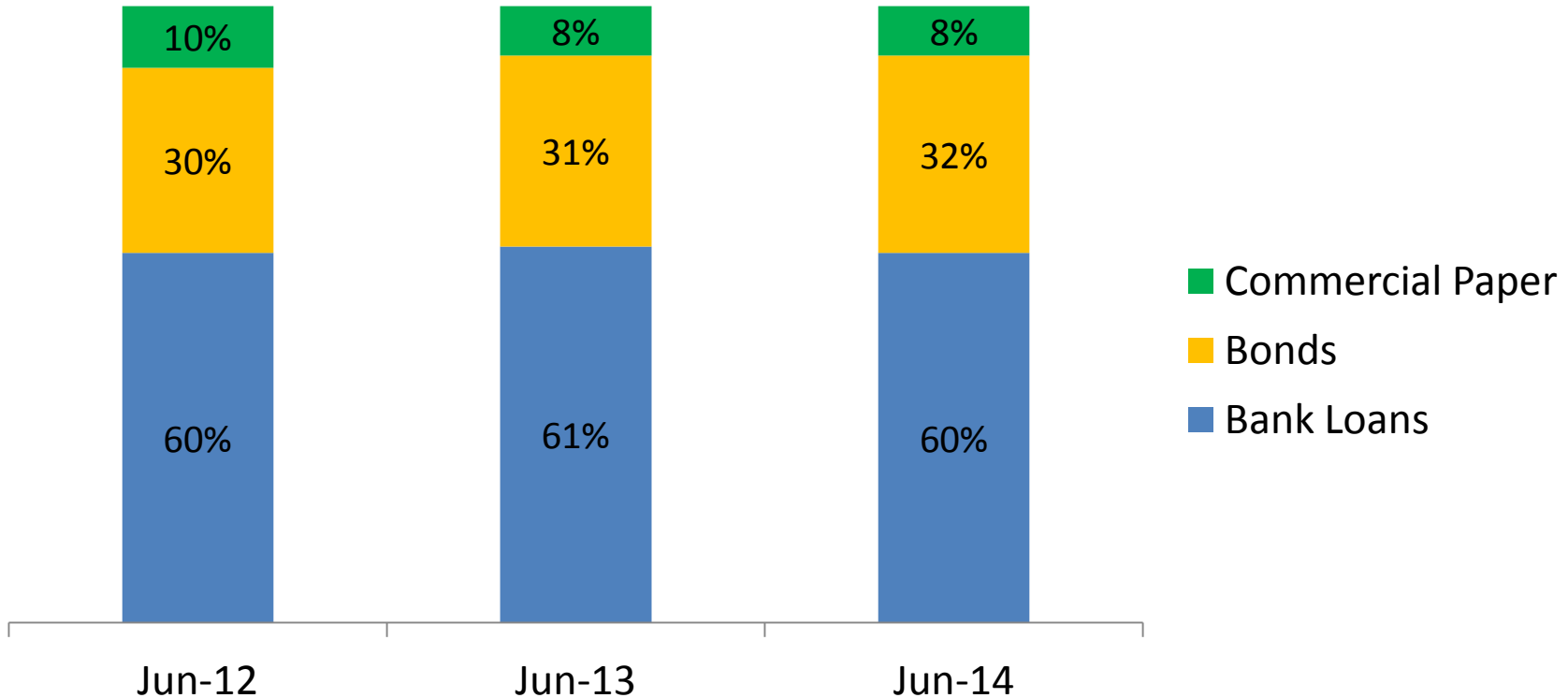
■ Share Holder's Funds:	Rs. 5,649 Cr. (US\$ 0.94 bn)
■ Borrowings:	Rs. 37,864 Cr. (US\$ 6.31 bn)
■ Other Liabilities:	Rs. 2,845 Cr. (US\$ 0.47 bn)

Total Liabilities:

As of June 30, 2014: Rs. 46,359 Cr. (US\$ 7.73 bn)

As of June 30, 2013: Rs. 41,566 Cr. (US\$ 6.93 bn)

Diversified Borrowing Programme

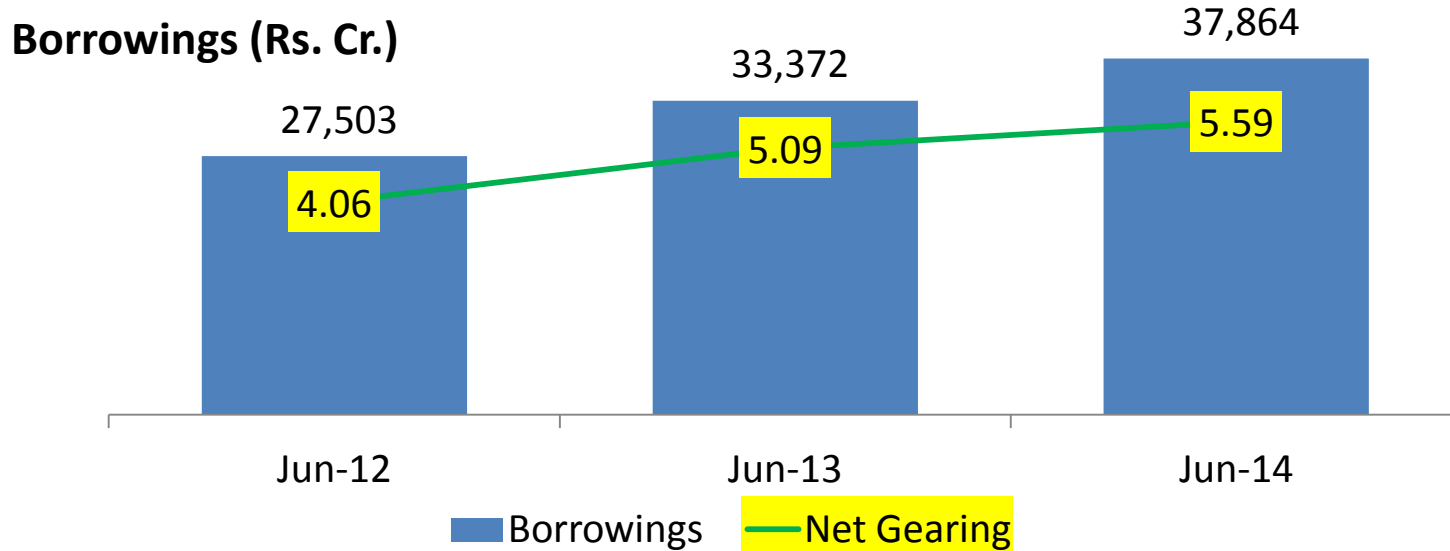


Total Borrowings:

As of June 30, 2014: Rs. 37,864 Cr. (US\$ 6.31 bn)

As of June 30, 2013: Rs. 33,372 Cr. (US\$ 5.56 bn)

Diversified Borrowing Programme



Net Gearing: Borrowings Net of 'Cash & Cash Equivalents' and 'Investments in Liquid Debt Instruments'

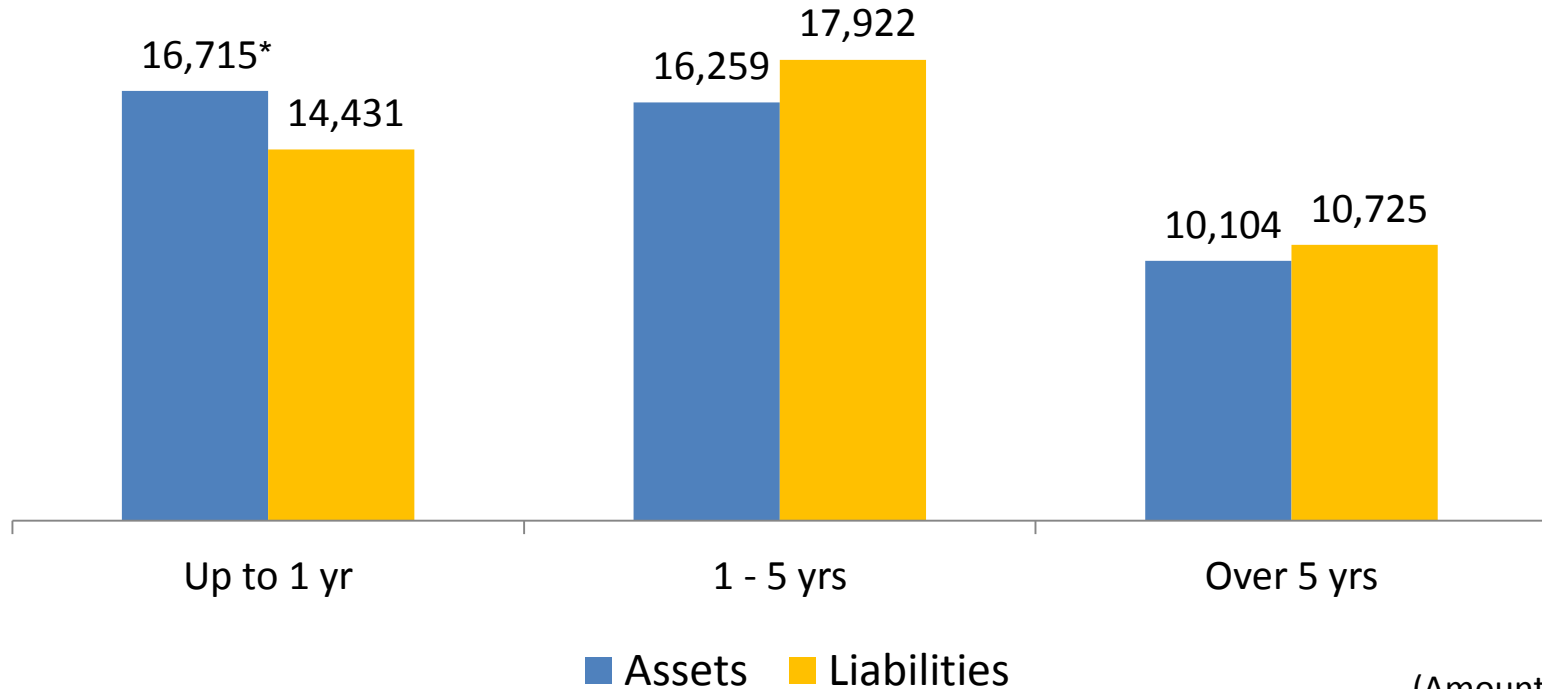
Total Borrowings (Rs. Cr.)			Contribution in Incremental Borrowing
	Jun-13	Jun-14	Last 12 months
Bank Loans	20,352	22,490	48%
Bonds	10,200	12,175	44%
CP	2,820	3,199	8%
Total	33,372	37,864	100%

- Amongst its lenders, the company now counts 112 strong relationships: 26 PSU banks, 16 Private and Foreign banks and 70 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

- Headroom to grow: Net gearing: 5.59
- Steady book growth over last 20 quarters
- Declining cost to income ratio: 17.1% (for FY 2013-14)
- Technology driven quality customer service
- Stable and experienced management team
- In-house collections team, facilitates portfolio stability

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. 89,965 Cr. since inception

Awards and Accolades

**ASSOCHAM HFC
of the Year 2013-2014**



REAL ESTATE EXCELLENCE AWARD
Best Housing Finance Company of the Year
Presented by
Indiabulls Housing Finance Ltd.

**ISO 9001:2008
Certificate**



Certificate of Registration
IAB-ANZ IAF
QUALITY MANAGEMENT SYSTEM
INDIABULLS HOUSING FINANCE LIMITED
(Loan Operations)
*Indiabulls Housing Finance Ltd. - 485, 485, Village Vikar,
Phase-V, Gurgaon-122 016
Scope
Disbursement Management
This is to certify that the Quality Management System of the above mentioned
Organization meets the requirements of
ISO 9001:2008
MS: 200810112 28 January 2012
Certificate Number Date of Issue/Registration
28 January 2013 27 January 2014
Date of expiry
OISS Certification Services Pvt. Ltd.
100, Sector 29, Gurgaon
Approved by the Joint Recognition Bodies of Standards and Test Bodies
International

Rising Productivity Ratios

	FY 2012	FY 2013	FY 2014
No. Of Employees	4,243	4,072	4,099
No. Of Outlets	181	200	205
Profit Per employee (Rs. Cr.)	0.24	0.31	0.38
Asset Per employee (Rs. Cr.)	5.85	8.09	10.84
Cost Income Ratio	18.7%	18.0%	17.1%

Key Financial Metrics

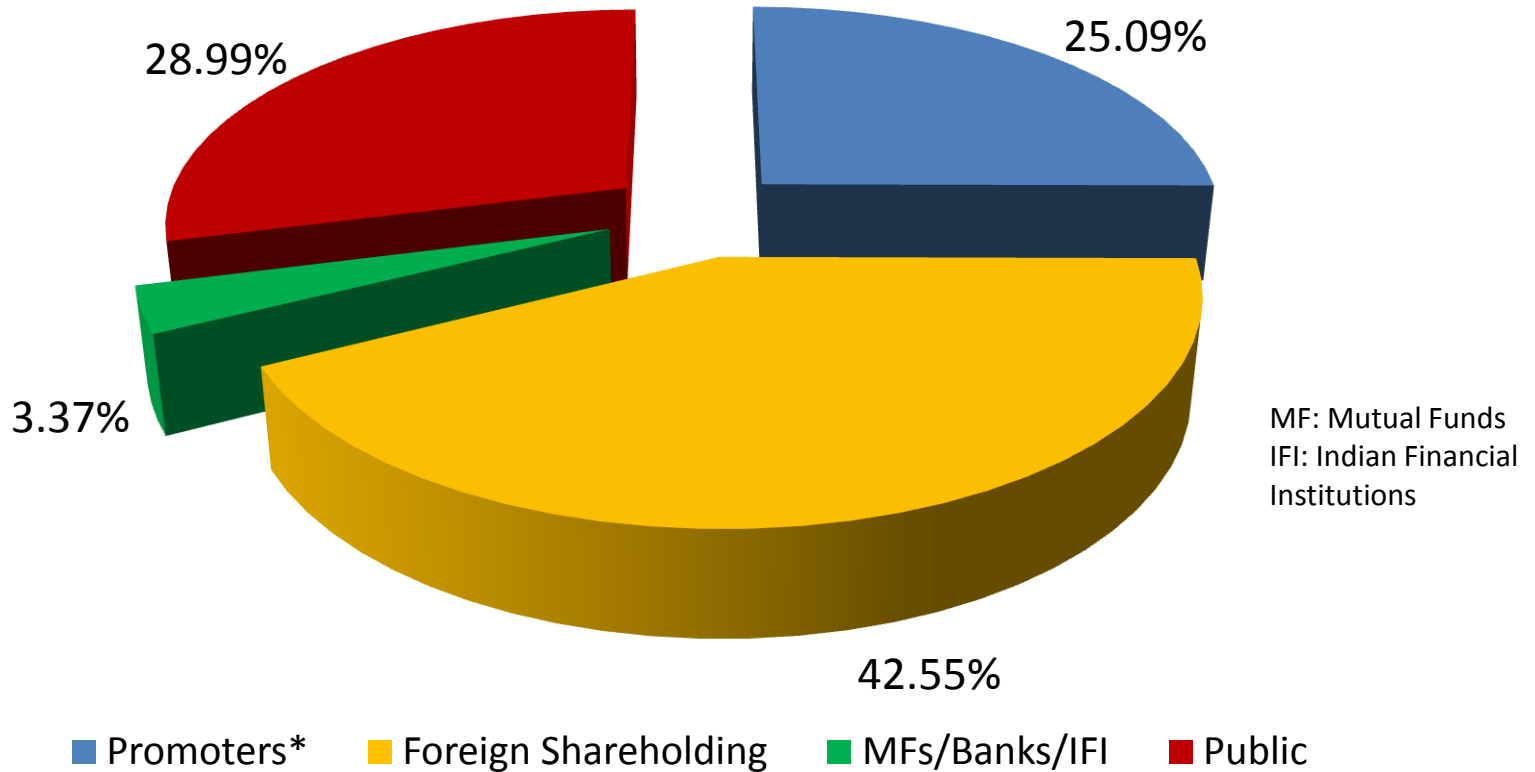
	FY 2012	FY 2013	FY 2014
Pre Tax ROAA (%)	4.9%	4.9%	4.8%
Post Tax ROAA (%)	3.7%	3.8%	3.8%
ROE (%)	22%	26%	27%
Capital Adequacy (%)	18.86%	18.47%	19.14%
- <i>Of which Tier I</i>	18.21%	14.96%	15.05%
- <i>Tier II</i>	0.65%	3.51%	4.09%

Valuations and Shareholding

Valuations and Returns

	Mar-12	Mar-13	Mar-14	Jun-14
Market Price per share (Rs.)	207.1	271.8	285.6	380.1
Market Capitalisation (US\$ Bn)	1.08	1.42	1.59	2.12
PE Ratio (times)	6.5	6.8	6.0	7.5
Price to Book Ratio (times)	1.3	1.6	1.7	2.3
Dividend per share (Rs.)	13	20	29	8
Foreign Shareholding (%)	38.7%	45.2%	41.1%	42.5%

Shareholding Pattern - As on 18th July 2014



* Consequent to the de-classification of the Promoters / Promoter Group Entities / Persons Acting in Concert with the Promoters (PACs) of the Company, intimated by the Company to the Exchanges on July 18, 2014, Mr. Rajiv Rattan, Priapus Properties Private Limited, Priapus Real Estate Private Limited, Priapus Developers Private Limited, Priapus Constructions Private Limited, Mr. Saurabh Kumar Mittal, Hespera Infrastructure Private Limited, Hespera Properties Private Limited, Hespera Real Estate Private Limited, Hespera Realty Private Limited and Hespera Realcon Private Limited have ceased to be the Promoters / Promoter Group Entities / PACs of the Company, with effect from July 18, 2014 and their names shall not be included, as such, in any future correspondences / filings by the Company with the Stock Exchanges / other statutory authorities.

Detailed Financials

Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	30.06.14 (Unaudited)	31.03.14 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	66.87	66.81
(b) Reserves and Surplus	5,580.11	5,640.17
(c) Money received against share warrants	-	-
(2) Minority Interest	1.94	1.91
(3) Non-Current Liabilities		
(a) Long-term borrowings	21,726.17	20,165.52
(b) Other Long term liabilities	0.22	0.22
(c) Long term provisions	356.88	368.39
(4) Current Liabilities		
(a) Short-term borrowings	9,619.89	9,147.40
(b) Trade payables	6.50	2.33
(c) Other current liabilities	8,045.02	8,143.77
(d) Short-term provisions	955.06	881.89
Total	46,358.66	44,418.41
II.Assets		
(5) Goodwill on Consolidation	70.04	70.04
(6) Non-current assets		
(a) Fixed assets	40.31	46.91
(b) Non-current investments	1,030.78	24.65
(c) Deferred tax assets (net)	77.35	184.75
(d) Long term loans and advances	31,512.46	31,030.23
(e) Other non-current assets	815.26	815.29
(7) Current assets		
(a) Current investments	5,094.95	2,922.34
(b) Trade receivables	0.87	0.63
(c) Cash and cash equivalents	2,296.81	4,419.04
(d) Short-term loans and advances	4,970.71	4,549.77
(e) Other current assets	449.12	354.76
Total	46,358.66	44,418.41

**Rs. 7,392 Cr. of
Cash & Cash
Equivalents and
Investments in
Liquid Debt
Instruments**

Consolidated Income Statement

		(Rupees in Crore)			
	Particulars	Quarter ended			Year ended
		30.06.14	31.03.14	30.06.13	31.03.14
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations				
	a) Income from Operations	1,318.84	1,244.08	1,155.71	5,186.51
	b) Other Operating Income	48.74	78.27	54.00	232.88
	Total Income from operations (net)	1,367.57	1,322.36	1,209.70	5,419.39
2	Expenses				
	a) Employee Benefits Expense	71.56	58.30	69.35	263.73
	b) Depreciation and Amortisation Expense	5.42	1.81	2.07	7.89
	c) Other Expenses	100.75	187.18	87.83	425.52
	Total Expenses	177.73	247.28	159.25	697.14
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,189.85	1,075.07	1,050.45	4,722.25
4	Other Income	235.21	246.27	134.25	541.92
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	1,425.06	1,321.34	1,184.71	5,264.17
6	Finance Costs	889.44	852.19	713.63	3,282.38
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	535.62	469.15	471.08	1,981.79
8	Exceptional Items	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	535.62	469.15	471.08	1,981.79
10	Tax Expense (including Deferred Tax and MAT credit entitlement)	111.85	17.64	119.58	413.25
11	Net Profit from Ordinary Activities after Tax (9-10)	423.77	451.51	351.50	1,568.54
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-
13	Net Profit for the period / year (11-12)	423.77	451.51	351.50	1,568.54
14	Minority Interest for the period / year	0.03	0.06	3.05	4.38
15	Net Profit from Ordinary Activities after Tax, Share of Profit of Associate and Minority Interest (13-14)	423.74	451.45	348.45	1,564.16
16	Paid-up Equity Share Capital	66.87	66.81	62.50	66.81
17	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2014				5,570.14
18	Minority Interest	1.94	1.91	147.92	1.91
19	Earnings per Share (EPS) before extraordinary items <i>*(EPS for the quarters are not annualised)</i>				
	-Basic (Amount in Rs.)	12.68*	13.52*	11.15*	47.96
	-Diluted (Amount in Rs.)	12.27*	13.44*	10.65*	47.47
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00
	Earnings per Share (EPS) after extraordinary items <i>*(EPS for the quarters are not annualised)</i>				
	-Basic (Amount in Rs.)	12.68*	13.52*	11.15*	47.96
	-Diluted (Amount in Rs.)	12.27*	13.44*	10.65*	47.47
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00

Thank you