

The logo for Indiabulls, featuring the word "Indiabulls" in a white, serif font centered within a solid green rectangular background.

**Indiabulls**

**Indiabulls Housing Finance Limited**  
*Audited Financial Results – FY 2012-13*

*April 23, 2013*

# Safe Harbour Statement

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*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](mailto:investor.relations@indiabulls.com)

+91 22 6189 1444

**Media Contact**

R. Anand

[mediaquery@indiabulls.com](mailto:mediaquery@indiabulls.com)

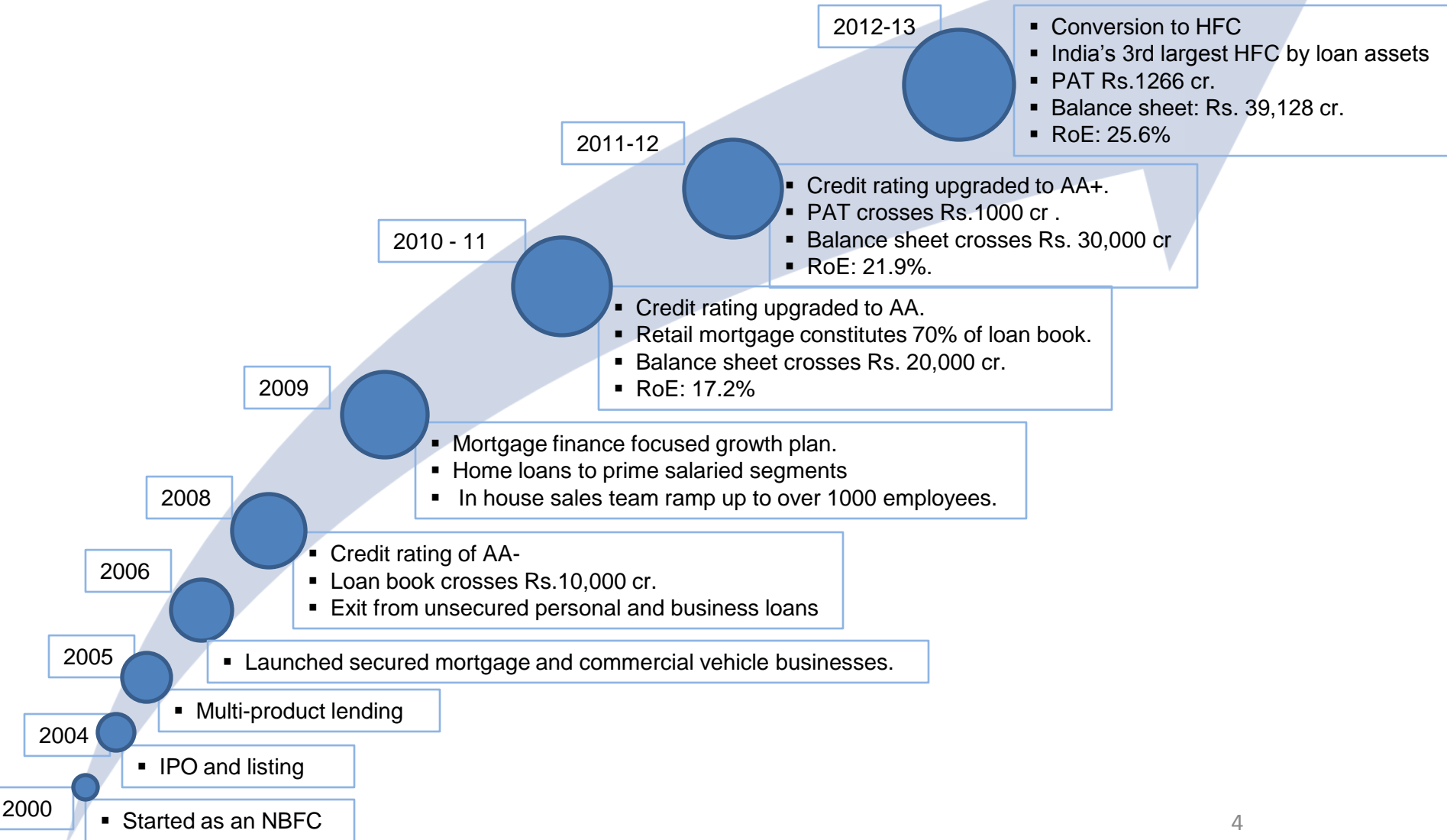
+91 22 6189 1602

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## Our Journey



# **Business Update**

# Business Update

## Key Financial Highlights: FY12-13

	FY 12-13	FY 11-12	Growth (%)
Total Revenues (Rs. Cr.)	4,777.87	3,827.68	24.82%
PBT (Rs. Cr.)	1,655.06	1,321.94	25.20%
PAT (Rs. Cr.)	1,265.99	1,006.37	25.80%
EPS (Rs.)	40.19	32.00	25.59%
RoE%	25.65	21.99	
CRAR%	18.47	18.86	

## Year-on-Year (Y-o-Y) Comparison – Q4 FY12-13 v/s Q4 FY11-12

	Q4 FY 12-13	Q4 FY 11-12	Growth (%)
Total Revenues (Rs. Cr.)	1,333.89	1,118.13	19.30%
PBT (Rs. Cr.)	481.07	375.14	28.24%
PAT (Rs. Cr.)	367.59	303.01	21.31%
EPS (Rs.)	11.73	9.64	21.68%

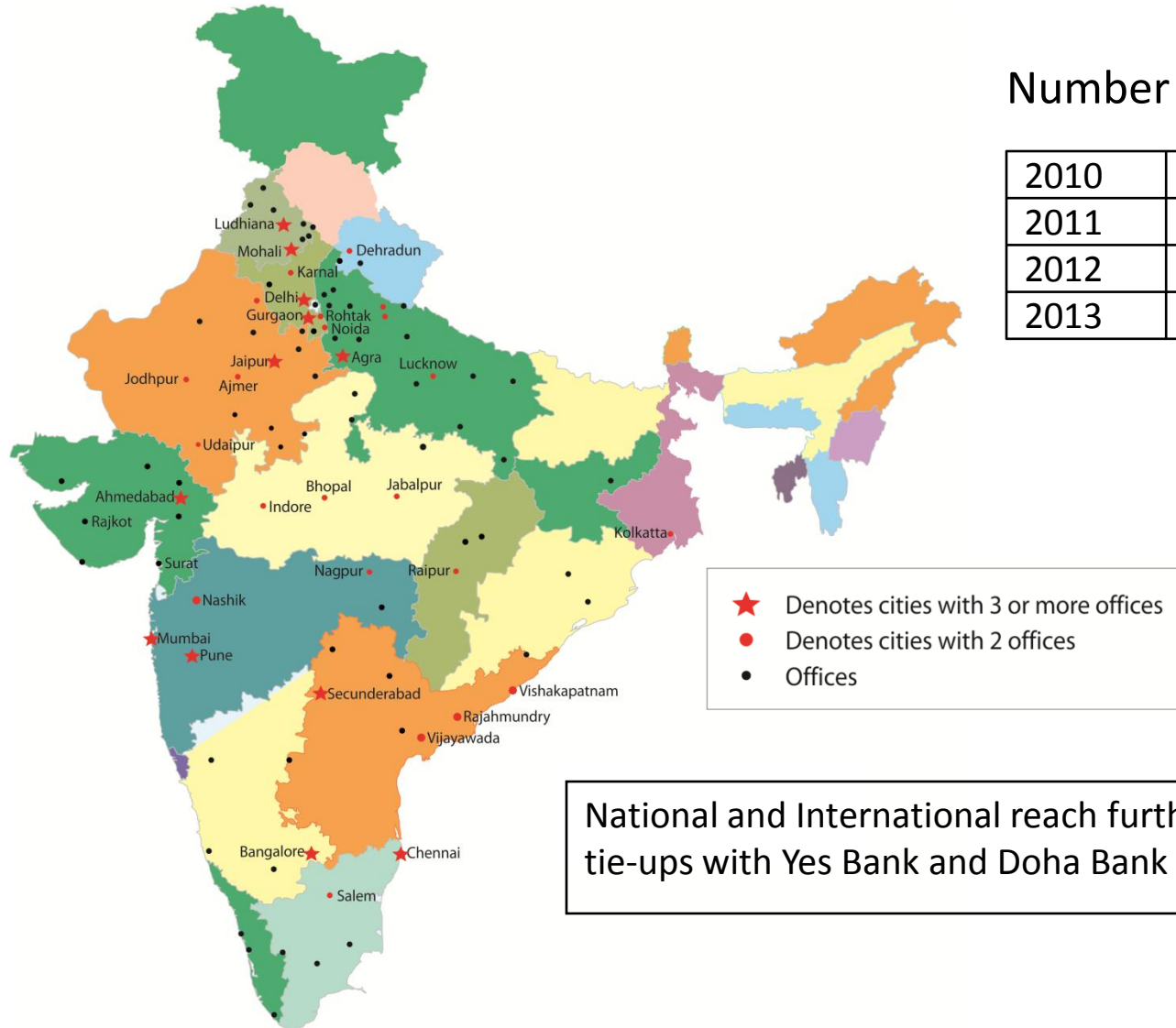
***Dividend of Rs. 6.5 per share has been declared. With this, the total dividend (including interim dividend of Rs. 13.5 per share already paid) will be Rs. 20 per share for FY 2012-13***

# Business Summary

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- Loans Outstanding : Rs. 34,425 Cr  
 (March 31, 2013) : (US\$ 6.38 bn)
- Loan Book CAGR (5 years) : 26%
- Cumulative Loans given to retail Customers : 5.49 Lakh
- Cumulative Loans Disbursed till date : Rs. 71,000 Cr  
(US\$ 13.15 bn)
- Cost to Income Ratio (FY 2013) : 18.0%
- Profit After Tax CAGR (5 years) : 19%

# Country-wide Reach



## Number of Outlets

2010	140
2011	163
2012	180
2013	200

Tier I	56
Tier II	87
Tier III	57
Total	200

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

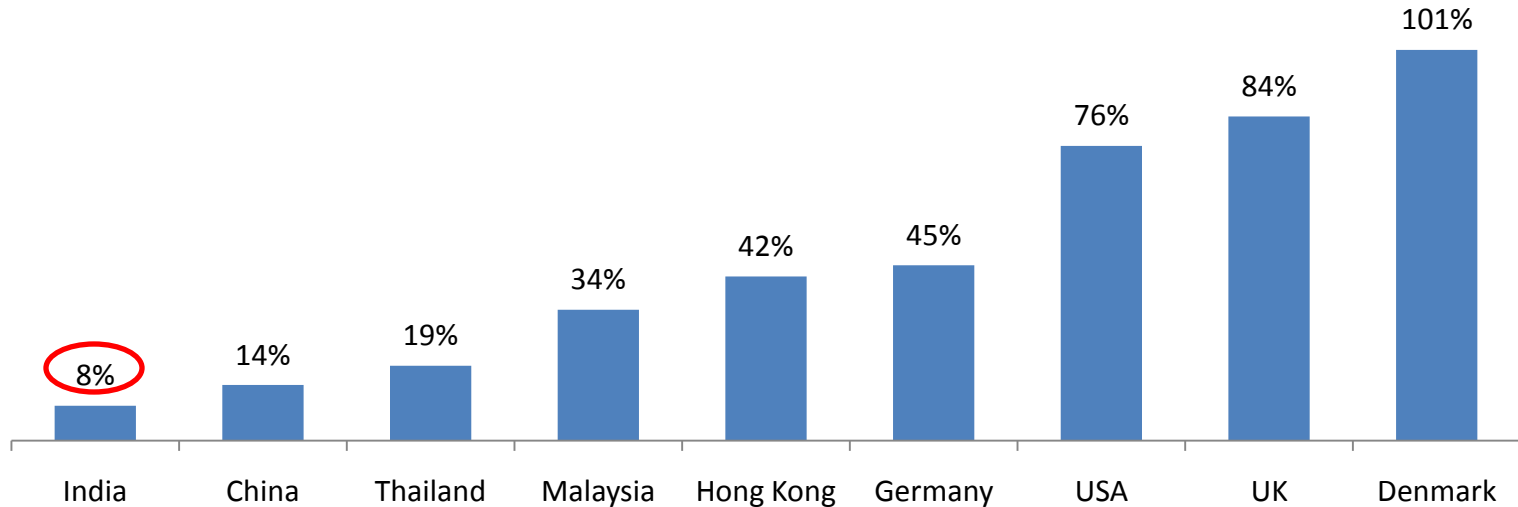
National and International reach further enhanced from sourcing tie-ups with Yes Bank and Doha Bank



# **Indian Mortgage Market**

# Indian Mortgage Market

## Headroom for Growth - Low Mortgage Penetration

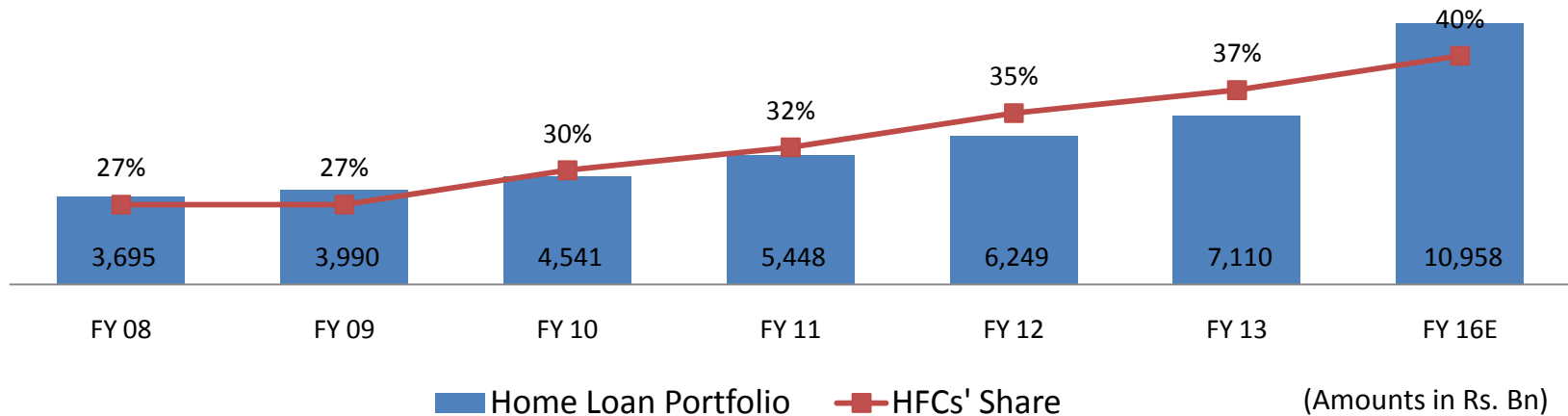


Source: European Mortgage Federation, 2011, HOFINET, 2011 & market estimates for India

- Lower mortgage penetration compared to advanced and emerging economies implies huge opportunity for growth
- Mortgage to GDP Ratio expected to improve to 12% by FY 15, supported by
  - Increasing Urbanization
  - Improved Affordability

# 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 5.69%
- Average age of house owner has reduced to 35 years from 43 years in FY2000<sup>2</sup>
- Urbanisation to rise to 40% of population by 2025 from the current 31%<sup>1</sup>
- Urban Housing Shortage: estimated at 31.9 million units by 2016<sup>2</sup>
- Favourable Demographics: 60% of the country's population is below 30 years of age<sup>3</sup>

1 – NHB Report, 2012

2 – CRISIL Report

3 – Census 2011

# Indian Mortgage Market

## Tax Incentives – Low Effective Interest Rates

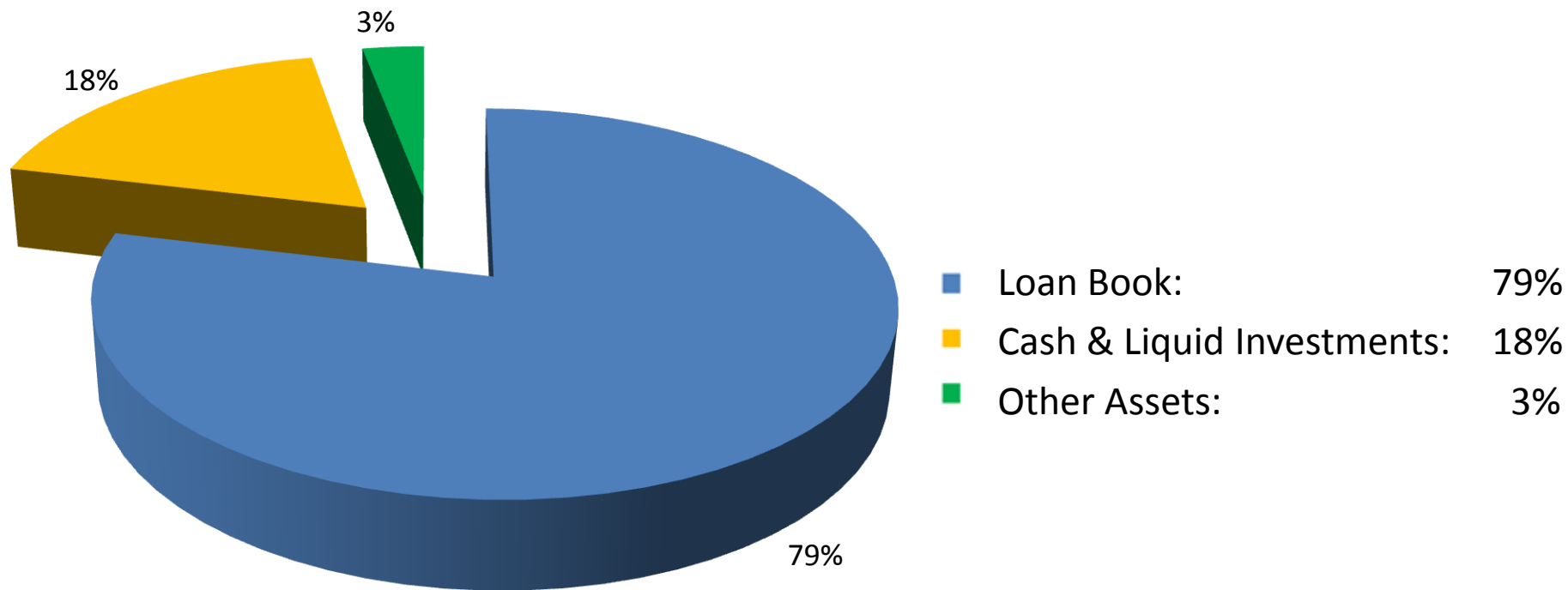
Particular	2013	2010	2000
Loan Amt (Rs)	2,500,000	2,500,000	2,500,000
<b>Nominal Interest Rate(%)</b>	<b>10.15%</b>	<b>9.25%</b>	<b>13.25%</b>
Max deduction for interest allowed *	250,000	150,000	75,000
Deduction Principal	100,000	100,000	20,000
<b>Tax Rate applicable</b>	<b>30.90%</b>	<b>30.90%</b>	<b>34.50%</b>
Tenor(Yrs)	15	15	15
Total amount paid per year	350,333	327,878	384,521
Interest component	250,333	227,878	327,893
Principal component	100,000	100,000	56,628
Tax amount saved	108,150	77,250	32,775
Effective Interest paid on home loan	142,183	150,628	295,118
<b>Effective interest rate on home loan</b>	<b>5.69%</b>	<b>6.03%</b>	<b>11.80%</b>

### Tax Exemption for Home Loans:

- For first-time home buyers, an additional tax exemption of Rs. 1 Lac has been announced in Budget 2013-14

# **Financial and Operational Highlights**

# Balance Sheet Assets



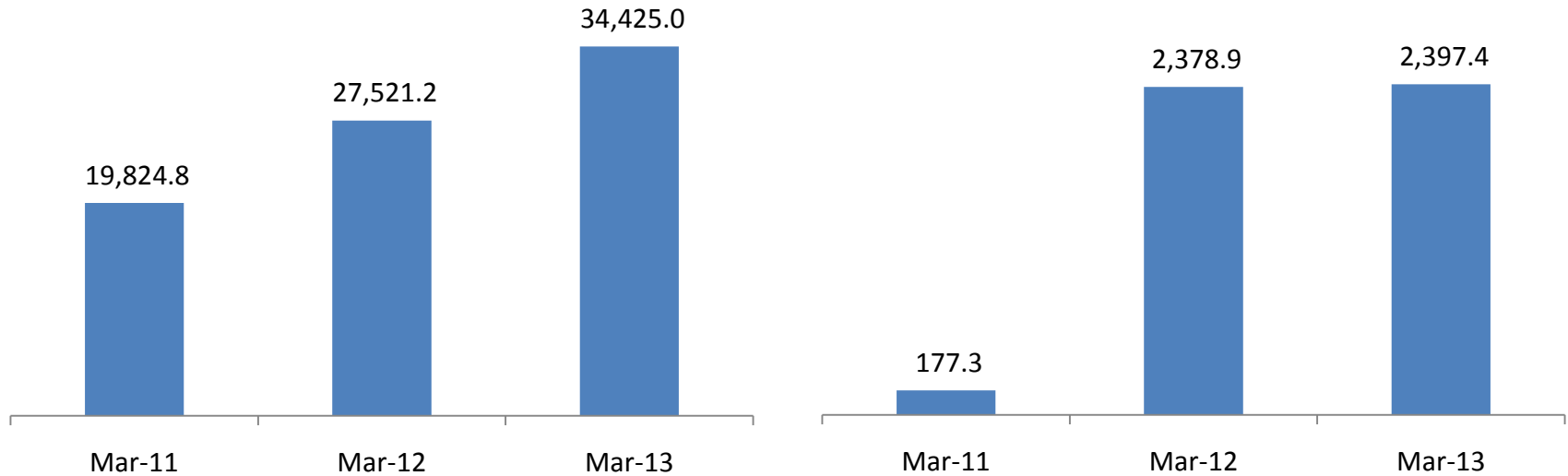
Total Assets	
As at March 31, 2013	Rs. 39,128 Cr. (US\$ 7.25 bn)
As at March 31, 2012	Rs. 32,225 Cr. (US\$ 5.97 bn)

\* Cash, Cash Equivalents and Investments in Liquid Debt Instruments  
 US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 54

# Loan Book Growth

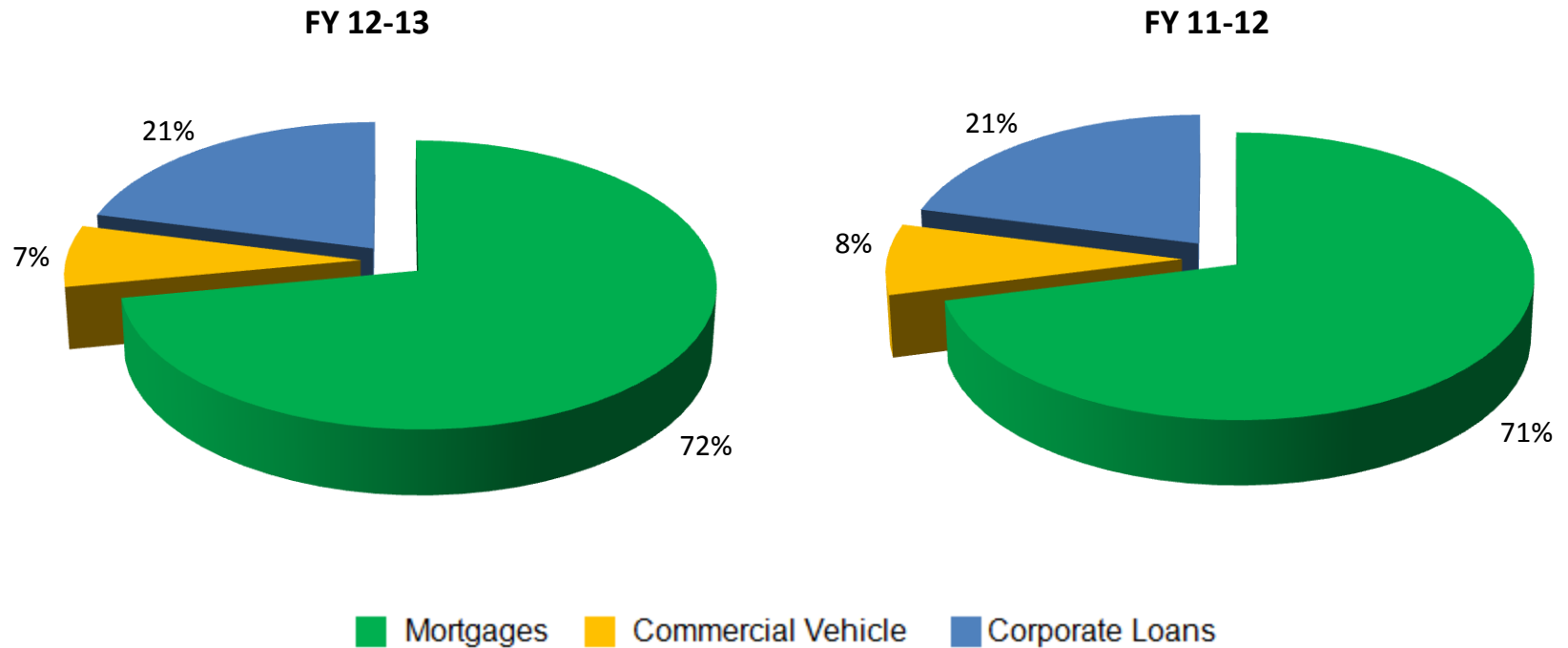
**Total Loan Assets (Rs. Cr.)**

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



- The growth in the loan book inclusive of loans sold in the previous 12 months is 25%
- Loans amounting to Rs. 2,397.4 were sold during the year ended Mar 31, 2012
- Loans sold (outstanding): Rs. 3,642.6 Cr. – on which spread at 3.1% p.a. is to be earned over the life of the loan

# Asset Composition

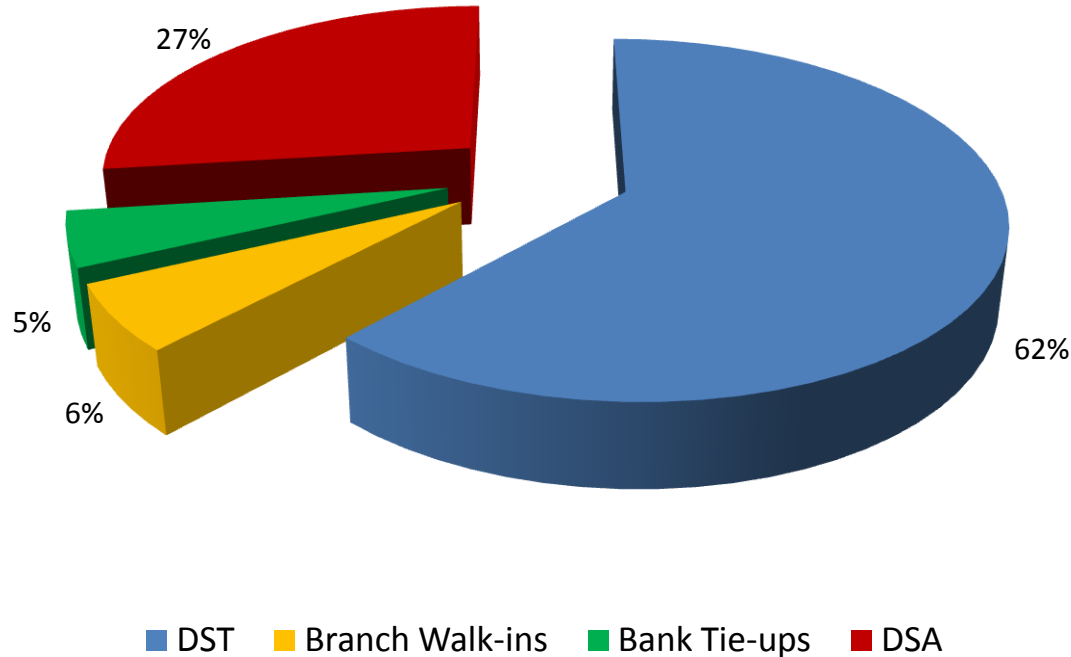


- Home loans, which forms the majority of incremental disburseals, are disbursed at an average ticket size of Rs. 24 lacs; average LTV of 65% (at origination)



# Mortgage Loans' Sourcing

68% of Mortgage loans are sourced in-house



- Increasing DST man power and improving productivity will push in-house sourcing to over 75% in FY14
- Bank tie-ups: Increased reach through Yes Bank and Doha Bank tie-ups will result in significant share of sourcing in FY14

# Conservative Home Loan Profile

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Average Loan Size	24 Lacs
Maximum Loan to Value	80%
Average Loan to Value	65% (at origination)
Average Loan Term	13 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

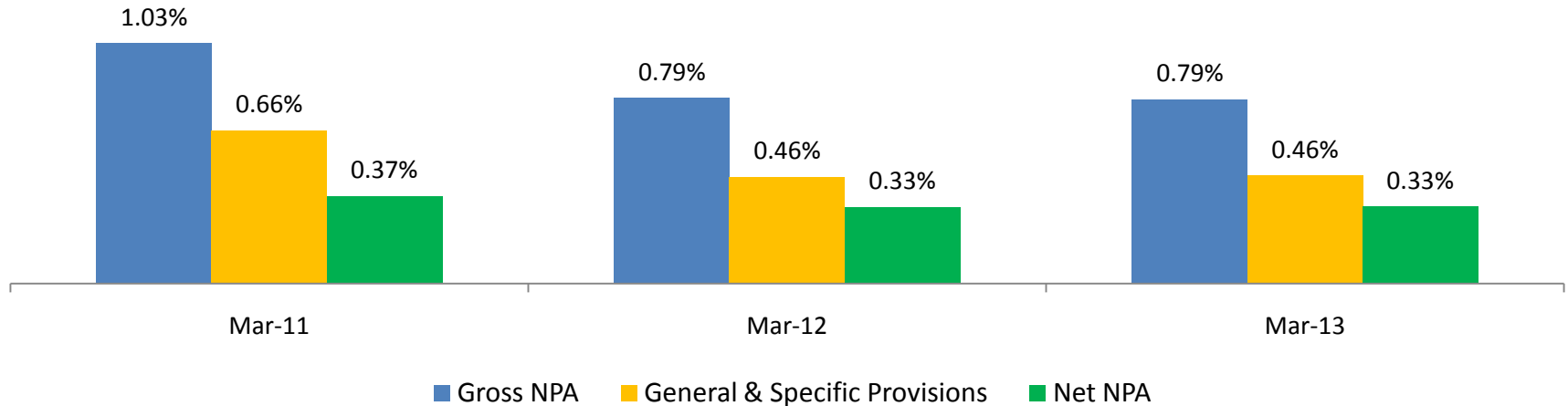
# Conservative Loan Against Property Profile

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Average Loan Size	65 Lacs
Maximum Loan to Value	65%
Average Loan to Value	48% (at origination)
Average Loan Term	7 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

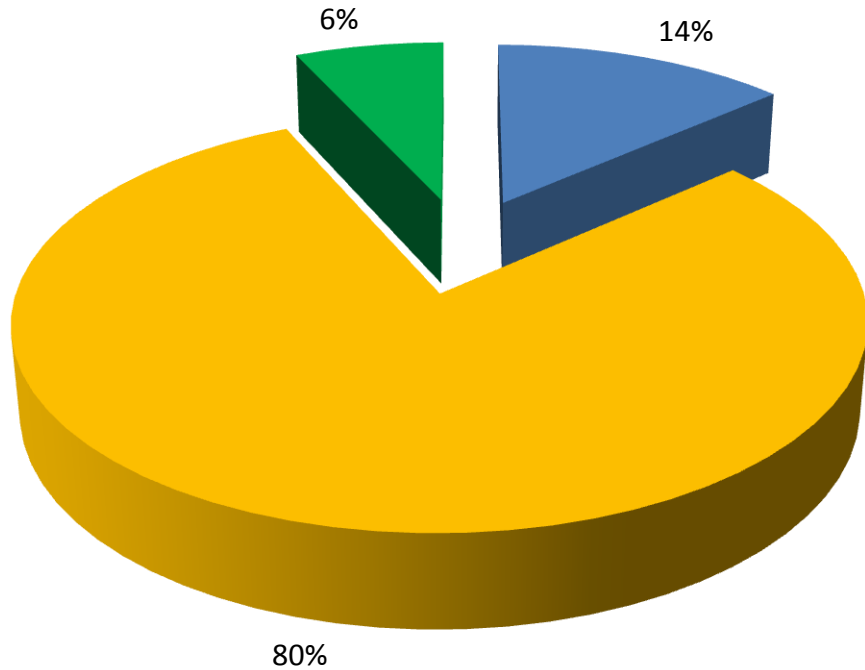
# Asset Quality

*(as % of Total Loan Book)*



- Focus on underwriting Low risk mortgage assets at low LTV's with emphasis on cash flows of borrowers has allowed the company to maintain low NPA levels
- Standard Asset Provision pool of Rs. 305.12 Cr. is over and above General and Specific Provision pool and is not netted off against Gross NPAs in calculation of Net NPAs

# Liabilities



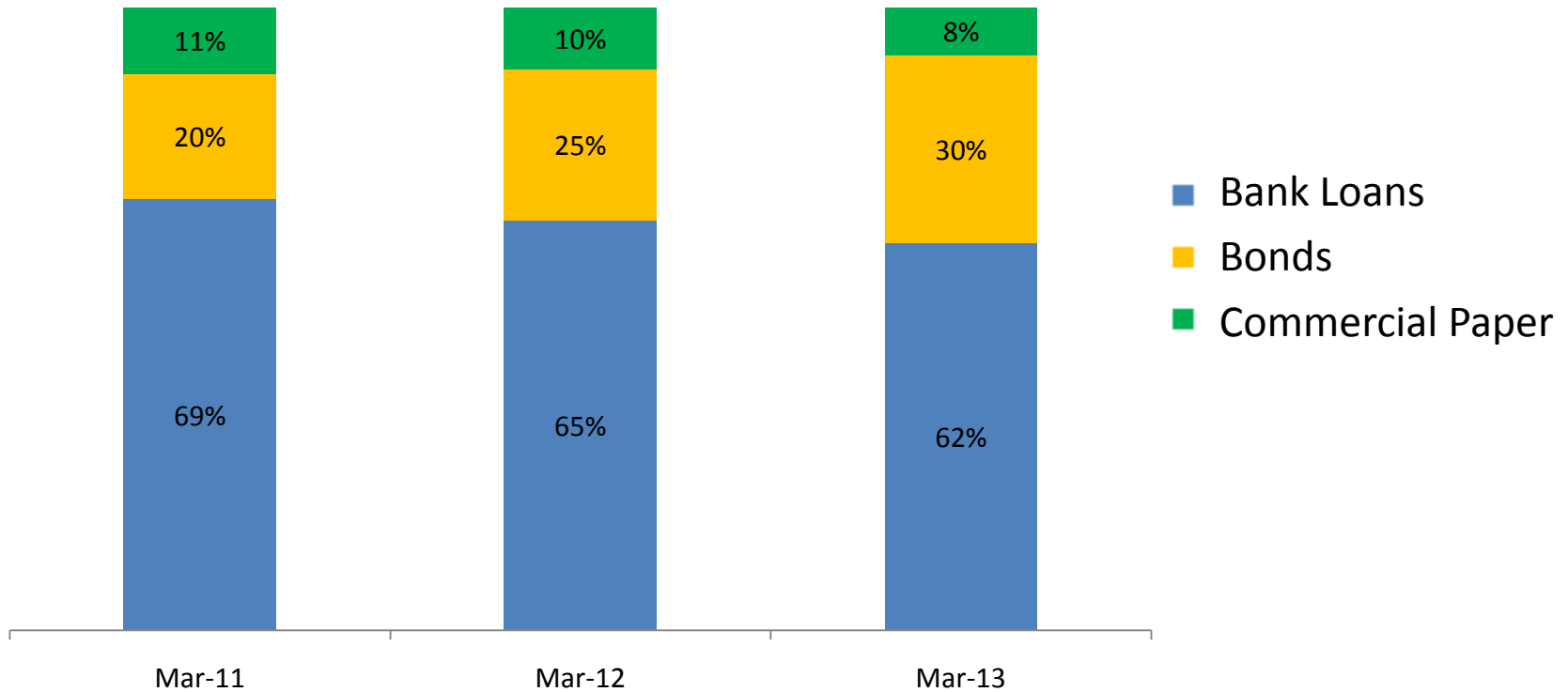
■ Share Holder's Funds:	Rs. 5,315 Cr. (US\$ 0.98 bn)
■ Borrowings:	Rs. 31,286 Cr. (US\$ 5.8 bn)
■ Other Liabilities:	Rs. 2,527 Cr. (US\$ 0.47 bn)

## Total Liabilities:

As of March 31, 2013: Rs. 39,128 Cr. (US\$ 7.25 bn)

As of March 31, 2012: Rs. 32,225 Cr. (US\$ 5.97 bn)

# Diversified Borrowing Programme

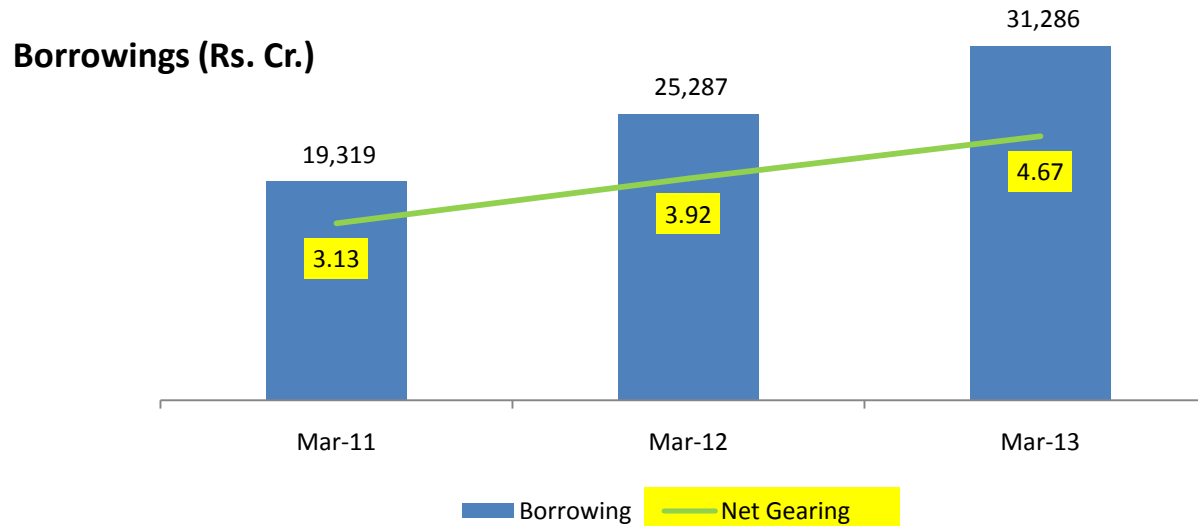


## Total Borrowings:

As of March 31, 2013: Rs. 31,286 Cr. (US\$ 5.8 bn)

As of March 31, 2012: Rs. 25,287 Cr. (US\$ 4.7 bn)

# Diversified Borrowing Programme



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

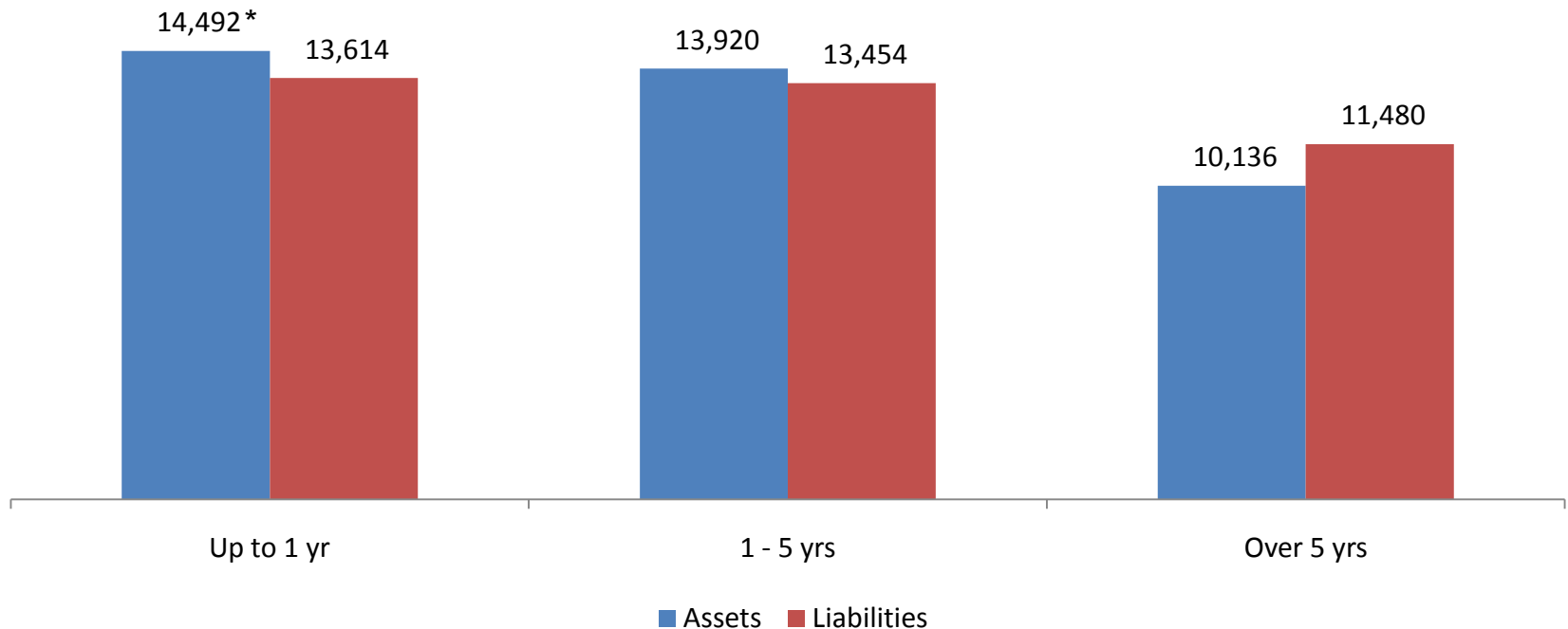
	Total Borrowings (Rs. Cr.)		Contribution in Incremental Borrowing
	Mar-13	Mar-12	Last 12 months
Bank Loans	19,485	16,418	51%
Bonds	9,406	6,378	51%
CP	2,395	2,491	-2%
<b>Total</b>	<b>31,286</b>	<b>25,287</b>	<b>100%</b>

- Amongst its lenders, the company now counts 94 strong relationships: 27 PSU banks, 15 Private and Foreign banks and 52 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others

# Optimally Matched Balance Sheet

## Maturity Profile

(As of March 31, 2013)



(Amounts in Rs. Cr.)

- \* Assets in the 'Up to 1 Yr' bucket includes Rs. 7,196.0 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

## 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. 70,000 Cr since FY06

## Corporate Strengths

- Stable and experienced management team
- Technology driven quality customer service
- Headroom to grow: CRAR: 18.5%; Net gearing: 4.67
- Steady book growth over last 15 quarters
- Declining cost to income ratio: 18.0% (for FY13)
- In-house collections team, facilitates portfolio stability

## Awards and Accolades

HFC of the Year



Best Employer Brand



## Rising Productivity Ratios

	FY 2013	FY 2012	FY 2011
No. Of Employees	4,072	4,243	4,512
No Of Outlets	200	181	163
Profit Per employee (Rs. Cr.)	0.31	0.24	0.17
Asset Per employee (Rs. Cr.)	8.09	5.85	3.71
Cost Income Ratio	18.0%	18.7%	23.4%

## Key Financial Metrics

	FY 2013	FY 2012	FY 2011
Pre Tax ROAA (%)	4.9%	4.9%	5.5%
Post Tax ROAA (%)	3.8%	3.7%	4.1%
ROE (%)	25.6%	21.9%	17.2%
Capital Adequacy (%)	18.47%	18.86%	20.09%
- <i>Of which Tier I</i>	14.96%	18.21%	19.89%
- <i>Tier II</i>	3.51%	0.65%	0.20%

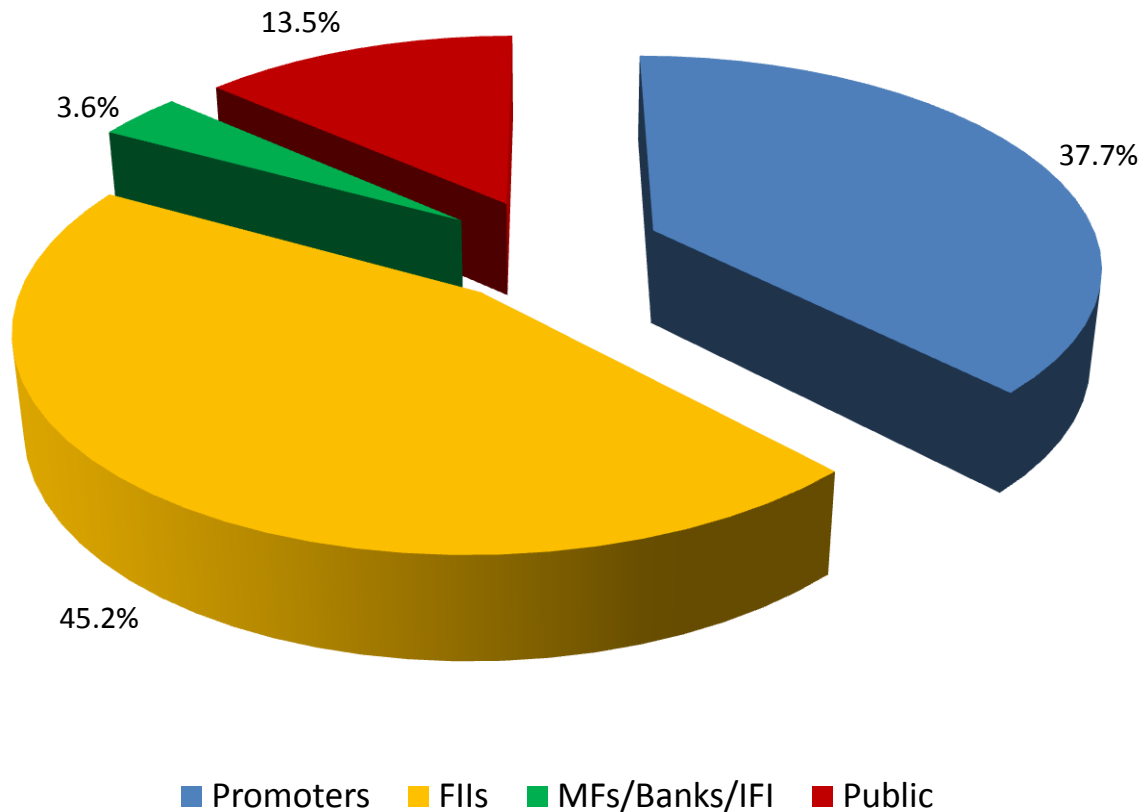
# **Valuations and Shareholding**

# Valuations and Returns

	Mar-13	Mar-12	Mar-11
Market Price per share* (Rs.)	271.8	207.1	154.8
Market Capitalisation* (US\$ Bn)	1.57	1.19	0.89
PE Ratio (times)	6.8	6.5	6.5
Book Value per share (Rs.)	165.4	157.7	146.0
Price to Book Ratio (times)	1.6	1.3	1.1
Dividend per share (Rs.)	20	13	10
Dividend as % of PAT	49%	41%	42%
Foreign Shareholding (%)	45.2%	38.7%	43.5%

\*Share prices as of 31<sup>st</sup> Mar for the respective years

# Shareholding Pattern



FII: Foreign Institutional Investors  
MF: Mutual Funds  
IFI: Indian Financial Institutions

# **Detailed Financials**

# Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	31.03.13	31.03.12*
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	62.50	62.36
(b) Reserves and Surplus	4,993.26	4,843.10
(c) Money received against share warrants	112.82	-
<b>(2) Minority Interest</b>	144.87	131.50
<b>(3) Liabilities</b>		
(a) Borrowings	31,285.78	25,286.71
(b) Other liabilities	1,331.87	893.92
(c) Provisions	1,194.85	1,006.35
(d) Trade payables	2.85	1.62
<b>Total</b>	<b>39,128.80</b>	<b>32,225.56</b>
<b>II.Assets</b>		
<b>(4) Assets</b>		
(a) Fixed assets	45.61	44.51
(b) Loans and advances	30,782.89	25,481.96
(c) Investments <sup>#</sup>	2,307.89	1,796.78
(d) Cash and cash equivalents	4,888.18	4,195.56
(e) Other assets	937.86	575.67
(f) Deferred tax assets (net)	164.13	109.77
(g) Trade receivables	2.24	21.31
<b>Total</b>	<b>39,128.80</b>	<b>32,225.56</b>

\* Figures pertaining to March 31, 2012 are the figures of Indiabulls Financial Services Limited (the erstwhile holding company) as a consolidated entry.  
# Includes Liquid Investments of Rs. 2292.73 Crore (Previous Year Rs. 1780.06 Crore)

**Rs. 7,196.0 Cr of  
Cash & Cash  
Equivalents and  
Investments in  
Liquid Debt  
Instruments**



# Consolidated Income Statement

		(Rupees in Crore)				
Particulars		Quarter ended			Year ended	
		31.03.13 (Unaudited)	31.12.12 (Unaudited)	31.03.12 (Unaudited)	31.03.13 (Audited)	31.03.12 (Audited)
1	<b>Income from operations</b>					
	a) Income from Operations	1,212.98	1,147.76	962.28	4,452.42	3,412.88
	b) Other operating Income	110.46	57.38	142.78	277.00	350.36
	<b>Total Income from operations (net)</b>	<b>1,323.44</b>	<b>1,205.14</b>	<b>1,105.06</b>	<b>4,729.42</b>	<b>3,763.24</b>
2	<b>Expenses</b>					
	a) Employee benefits expense	52.23	56.41	53.12	224.55	192.37
	b) Depreciation and Amortisation Expenses	2.07	2.01	2.35	9.38	9.10
	c) Other Expenditure	103.81	58.46	127.11	289.79	384.70
	<b>Total Expenses</b>	<b>158.11</b>	<b>116.89</b>	<b>182.59</b>	<b>523.72</b>	<b>586.17</b>
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,165.32	1,088.25	922.47	4,205.69	3,177.07
4	Other Income	10.45	9.95	13.07	48.46	64.44
5	Profit before Finance costs & Exceptional Items (3+4)	1,175.77	1,098.20	935.54	4,254.15	3,241.51
6	Finance costs	694.70	665.27	560.40	2,599.09	1,919.57
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	481.07	432.93	375.14	1,655.06	1,321.94
8	Exceptional Items	-	-	-	-	-
9	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>481.07</b>	<b>432.93</b>	<b>375.14</b>	<b>1,655.06</b>	<b>1,321.94</b>
10	Tax expense (including Deferred Tax)	113.48	105.76	72.14	389.07	315.57
11	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>367.59</b>	<b>327.16</b>	<b>303.01</b>	<b>1,265.99</b>	<b>1,006.37</b>
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-
13	<b>Net Profit for the period / year (11-12)</b>	<b>367.59</b>	<b>327.16</b>	<b>303.01</b>	<b>1,265.99</b>	<b>1,006.37</b>
14	Share of Profit of Associate	0.00	0.02	0.03	0.08	0.10
15	Minority Interest for the period / year	(3.03)	3.63	0.45	7.62	8.33
16	<b>Net Profit from Ordinary Activities after Tax, Share of Profit of Associate and Minority Interest (13+14-15)</b>	<b>370.62</b>	<b>323.56</b>	<b>302.59</b>	<b>1,258.44</b>	<b>998.14</b>
17	Paid-up Equity Share Capital (Face Value of Rs.2 per Equity Share)	62.50	62.49	62.36	62.50	62.36
18	Reserves excluding Revaluation Reserves				4,994.83	4,843.10
19	Minority Interest	144.87	142.15	131.50	144.87	131.50
20	Earnings per Share (EPS) before extraordinary items (Face Value of Rs.2 per Equity Share) <i>*(EPS for the quarters are not annualised)</i>					
	-Basic (Amount in Rs.)	11.73*	10.37*	9.64*	40.19	32.00
	-Diluted (Amount in Rs.)	11.21*	10.14*	9.56*	38.94	31.75
	Earnings per Share (EPS) after extraordinary items (Face Value of Rs.2 per Equity Share) <i>*(EPS for the quarters are not annualised)</i>					
	-Basic (Amount in Rs.)	11.73*	10.37*	9.64*	40.19	32.00
	-Diluted (Amount in Rs.)	11.21*	10.14*	9.56*	38.94	31.75

Thank you