

Indiabulls

Indiabulls Housing Finance Limited

January 20, 2016

Scrip Code – 535789

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

MUMBAI – 400 001

IBULHSGFIN/EQ

National Stock Exchange of India Limited

“Exchange Plaza”,

Bandra-Kurla Complex,

Bandra (E).

MUMBAI – 400 051

Sub: Earnings Update for the quarter ended December 31, 2015

Dear Sir,

Please find enclosed an Earnings Update of Indiabulls Housing Finance Limited for the quarter ended December 31, 2015, for your information and record.

Thanking you,

Yours truly,

for **Indiabulls Housing Finance Limited**



Amit Jain

Company Secretary



Enclosure : as above

Indiabulls Housing Finance Limited

32418

CIN : L65922DL2005PLC136029

Corporate Office: "Indiabulls House" Tower 1, 17th Floor, Indiabulls Finance Centre, S. B. Marg, Elphinstone Road, Mumbai - 400 013.

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001. Tel.: +91 11 30252900, Fax: +91 11 30252901

E-mail: homeloans@indiabulls.com

Website: www.indiabulls.com



Indiabulls Housing Finance Limited

(CIN: L65922DL2005PLC136029)

Unaudited Financial Results – Q3 FY 2015-16
January 20, 2016

Safe Harbour Statement

This document contains certain forward-looking statements based on current expectations of Indiabulls Housing Finance 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 Housing Finance, the general state of the Indian economy and the management's ability to implement the company's strategy. Indiabulls Housing Finance 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 Housing Finance 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

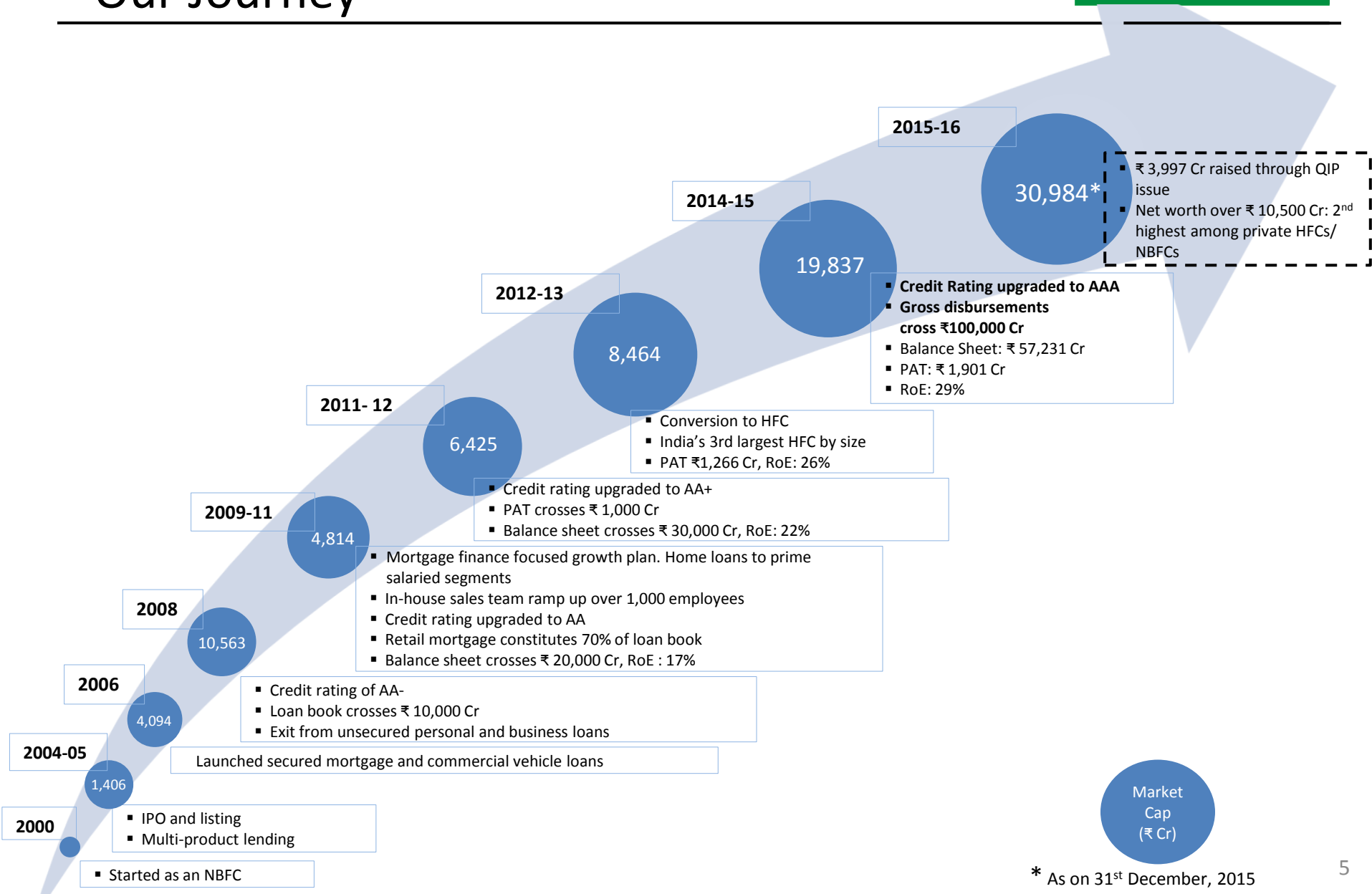
+91 22 6189 1155

Contents

	<u>Pg. No.</u>
1. Business Update	4
2. Operational Update	7
3. Indian Mortgage Market	12
4. Financial and Operational Highlights	24
5. LAP Grading	32
6. Liabilities Profile	38
7. Key Ratios, Valuations and Shareholding	49
8. Detailed Financials	54

Business Update

Our Journey



Business Update

Key Financial Highlights: 9M FY15-16

(ending December 31, 2015)

	9M FY 15-16	9M FY 14-15	Growth (%)
Loan Assets (₹ Cr)	62,264.6	48,078.4	29.5%
Total Revenues (₹ Cr)	6,578.4	5,135.9	28.1%
NII (₹ Cr)	2,677.3	2,054.5	30.3%
PAT (₹ Cr)	1,669.2	1,350.2	23.6%
EPS (₹)	43.69	39.36	

Year-on-Year (Y-o-Y) Comparison: Q3 FY15-16 v/s Q3 FY14-15

	Q3 FY 15-16	Q3 FY 14-15	Growth (%)
Total Revenues (₹ Cr)	2,307.7	1,854.6	24.4%
NII (₹ Cr)	971.3	745.0	30.4%
PAT (₹ Cr)	602.4	478.1	26.0%
EPS (₹)	14.34	13.46	

The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 12,593 Cr as at 31st December, 2015. The company receives income from its cash, cash equivalents and investments in liquid debt instruments through the quarter, most of which appears in 'Other Income'.

A fourth interim dividend of ₹ 9/-per share of face value of ₹ 2/-, amounting to 450%, has been declared in the Board meeting held on 20th January, 2015.

Operational Update

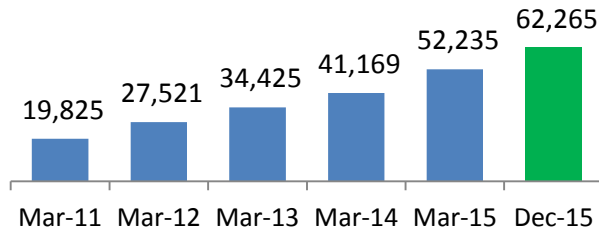
Business Summary

• Loans Outstanding (December 31, 2015)	:	₹ 62,265 Cr (US\$ 9.58 bn)
• Loan Book CAGR (5 years)	:	27 %
• Cumulative Loans given to retail Customers	:	8.11 Lacs
• Cumulative Loans Disbursed till date	:	₹ 1,23,611 Cr (US\$ 19.02 bn)
• Cost to Income Ratio (9M FY16)	:	14.4%
• Profit After Tax CAGR (5 years)	:	24%

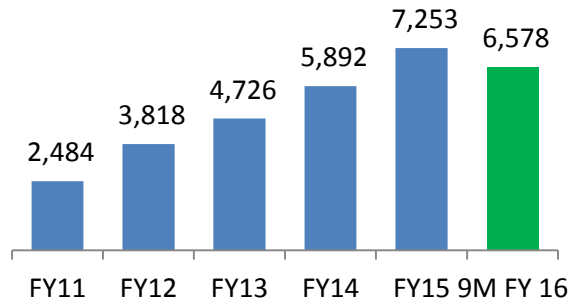
Impressive Growth Track Record

Loan Assets

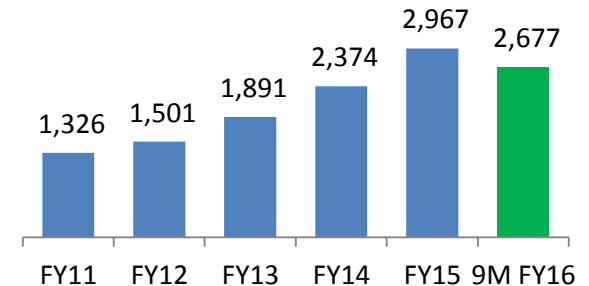
CAGR: 27%


Revenue

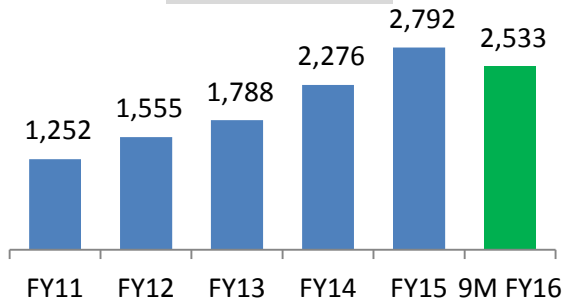
CAGR: 29%


NII

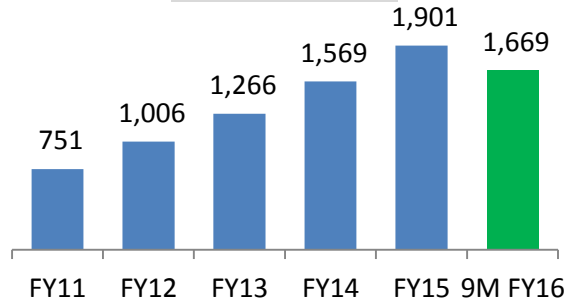
CAGR: 22%


Pre-Provisioning Operating Profit

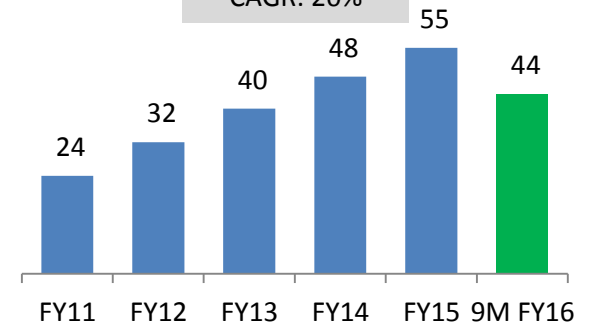
CAGR: 22%


PAT

CAGR: 24%


EPS (₹)

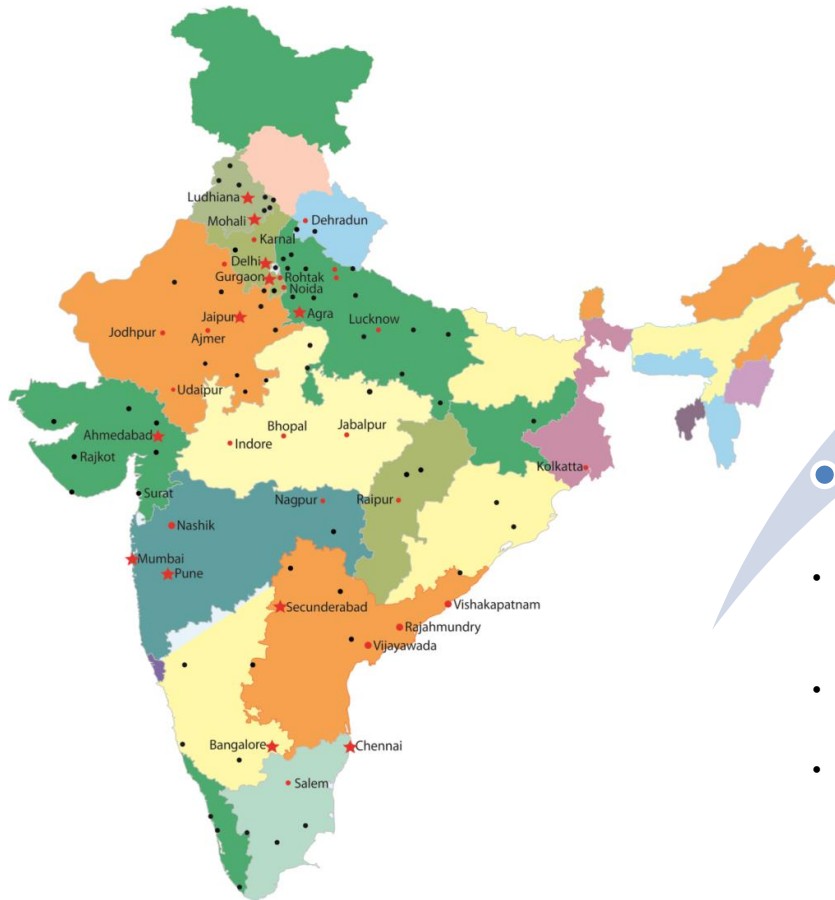
CAGR: 20%



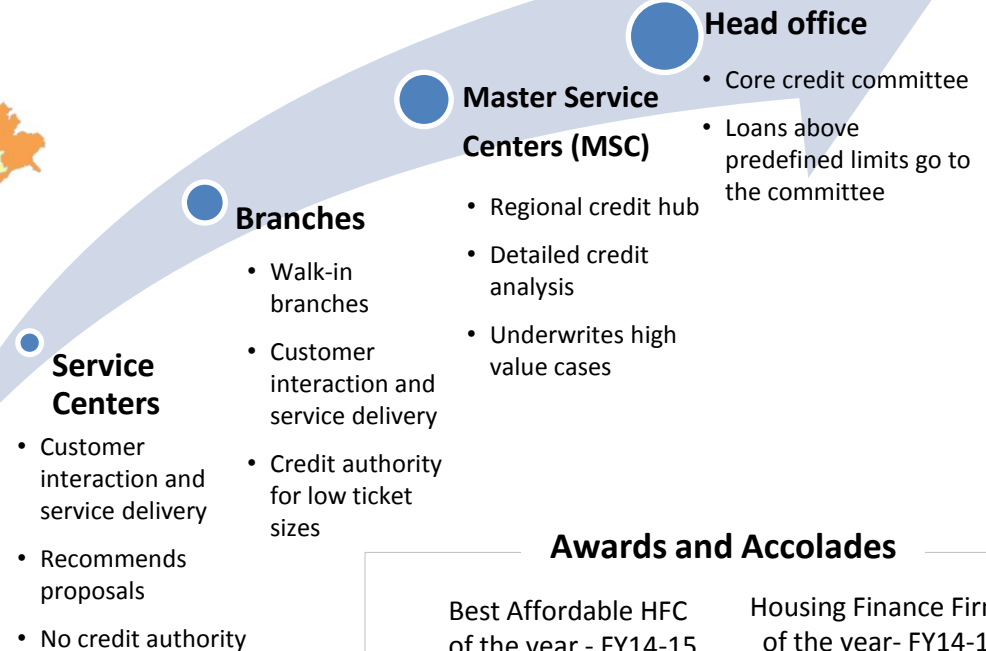
Credit Ratings

	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



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



Awards and Accolades

Best Affordable HFC
of the year - FY14-15



ASSOCHAM
September'15

Housing Finance Firm
of the year- FY14-15



Realty Plus (West)
September'15

Indian Mortgage Market

Recent Trends in Real Estate Industry: Residential

- Mumbai residential sales up year-on-year by 28%¹
- Hyderabad residential sales up year-on-year by 67%¹
- Mumbai residential sales expected to drive realty recovery
- Bangalore, with its resilient real estate market was globally ranked amongst the top 20 real estate destination by JLL
- Real estate developers seeing strong pick up in sales
 - Godrej Properties sold record number of flats in its project 'The Trees' – sold 80% of launched units
 - Oberoi Realty have registered strong sales in Mumbai – over 70% of new project inventory sold in Q3FY16
- Housing loans of between ₹ 15 lacs and ₹ 75 lacs continues to witness the most robust growth²

THE ECONOMIC TIMES

Godrej Properties sells 300 apartments within a week, stock jumps 5%

By Kailash Babar, ET Bureau | 8 Dec, 2015, 02:42AM IST

Live Mint, Dec 8, 2015

TAKING LEAD

Mumbai driving realty recovery with steady stream of new projects

Mint, Jan 20, 2016

Markets & Economy 13

H2 TO BE BETTER FOR STOCKS Home sales in the city have risen 28%, says a JLL report, but local brokers not convinced
Mumbai Realty Shows Signs of Life Again

Kailash Babar | etimsgroup.com

Mumbai: Elusive home buyers, at least some of them, are finally returning to the Mumbai property market.

Numbers, stating that the market continues to be sluggish and these numbers may not reflect an improvement in end-user sentiments. "Risks remain in seeing this volume. Even in primary market or

Having realised that a price correction of sorts has already happened, given that the capital values have not gone up in the last two-three years, despite an annual inflation of 5-6%, fence sitters have started taking

roughly 6% annually. Shares of listed realty developers – Mahindra Lifespace Developers Ltd, Realty Infrastructure, Oberoi Realty and

Economic Times, Dec 1, 2015

live
mint

Home » Politics

Last Modified: Mon, Jan 11 2016, 06:58 PM IST

Hyderabad residential market sees 67% growth in third quarter: report

Live Mint, Jan 11, 2016

Economy 17

Bengaluru is Top Destination for Real Estate Investments

Nearly 13% of ₹44,450 crore that PEs have invested in property market from 2013 have come to the city

Embassy Buys Land for Biz Park in City

Economic Times, Nov 10, 2015

(Slab-wise individual housing loans, outstanding ₹ crore)

	SEP-14	SEP-15	% INCREASE
Up to ₹2 lakh	5970	5518	-7.6
₹2-₹5 lakh	32545	29239	-10.2
₹5 lakh-₹10 lakh	76297	79703	4.5
₹10 lakh-₹25 lakh	156885	184930	17.9
Over ₹25 lakh	131105	178706	36.3
TOTAL	402802	478097	18.7

Economic Times, Nov 23, 2016

Recent Trends in Real Estate Industry: Commercial

- Office space leasing in the top 7 cities of India is up by 18% y-o-y in CY2015¹
- Absorption of 40.2 Mn sqft in CY2015 second highest in history after 2011^{1,2}
 - Leasing up by 32% in Bangalore and 23% in NCR
 - Best amongst last 5 years for Gurgaon – up 18%
 - Over 1 Mn sq ft of leasing in last 12 months by Indiabulls Real Estate and sister companies
- Office space vacancy is at a 5-year low. Office realty vacancy in metros has slipped to between 8% and 13%
- Demand driven by corporates implementing growth plans
- As a rule of thumb, 100 sqft of office space requires almost 1,000 sqft of residential space
- Leasing activity is the most in suburban and peripheral localities, which coincides with availability of affordability housing

WWW.ECONOMICTIMES.COM

'Office Space Leasing in Top 7 Cities Soared 18% in 2015'

RaviTeja.Sharma@timesgroup.com

Economic Times, Jan 8, 2016

WEDNESDAY, JANUARY 6, 2016, DELHI * WWW.LIVEMINT.COM

Private equity funds to extend investment spree in real estate

Live Mint, Jan 6, 2016

'Office Realty Space Vacancy Eases to 15%'

Sharpest fall in vacancy levels expected in 2016, 2017: JLL India

cy levels is expected to fall in 2016 and 2017 when it will ease below 15%, says JLL India report. Absorption in Bangalore has risen sharply to 32% in 2015. In Pune, it is down to 8% from 10%, while Chennai has seen it ease from 12% to 10% to 12%.

India's office space absorption in 2015, it around 40.2 mn sq ft.

4%

in 2015. It was largely thanks to implementation of growth plans by corporates," said Ramesh Nair, CEO, India & regional director, JLL India.

Nair said that demand had surpassed supply in 2015 for the first time

since the construction of towers from the empty state is also reducing the office space in the building of low vacancy levels," said Vipul Shah, MD, Paragon Group, that has completed projects at 100% and 100%.

"We are also looking for opportunities, including land parcels and joint ventures,

ing to the market, India's office space absorption in 2015, at 40.2 million sq ft, was the second highest after 2011. While still seen a significant growth in absorption, demand for commercial space has been on the rise steadily since 2013.

As demand continues to rise, occupancy will start taking up

Business Standard

Office space vacancy hits 5-yr low

Business Standard, Jan 19, 2016

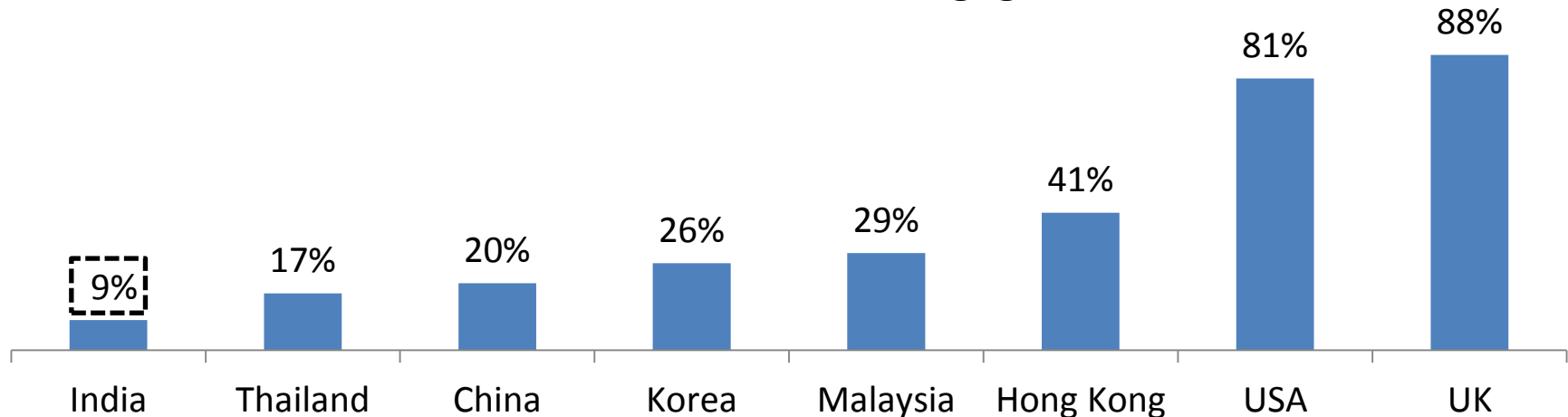
Economic Times, Jan 16, 2016

Vast Affordable Housing Opportunity

- Urban Housing requirement: estimated at 45 million units by 2022¹
 - 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 ₹ 28 Lacs classified as priority sector lending)
 - Government focussed on making building approval process simpler and quicker
 - HFCs are permitted to borrow through ECBs for lending towards affordable housing
- Government policy focus on affordable housing
 - ₹ 4,000 Cr allocated for low-cost housing and ₹ 50,000 Cr for urban housing²
 - ₹ 8,000 Cr allocated to the Rural Housing Fund run by NHB²

Indian Housing Finance Industry

Headroom for Growth - Low Mortgage Penetration



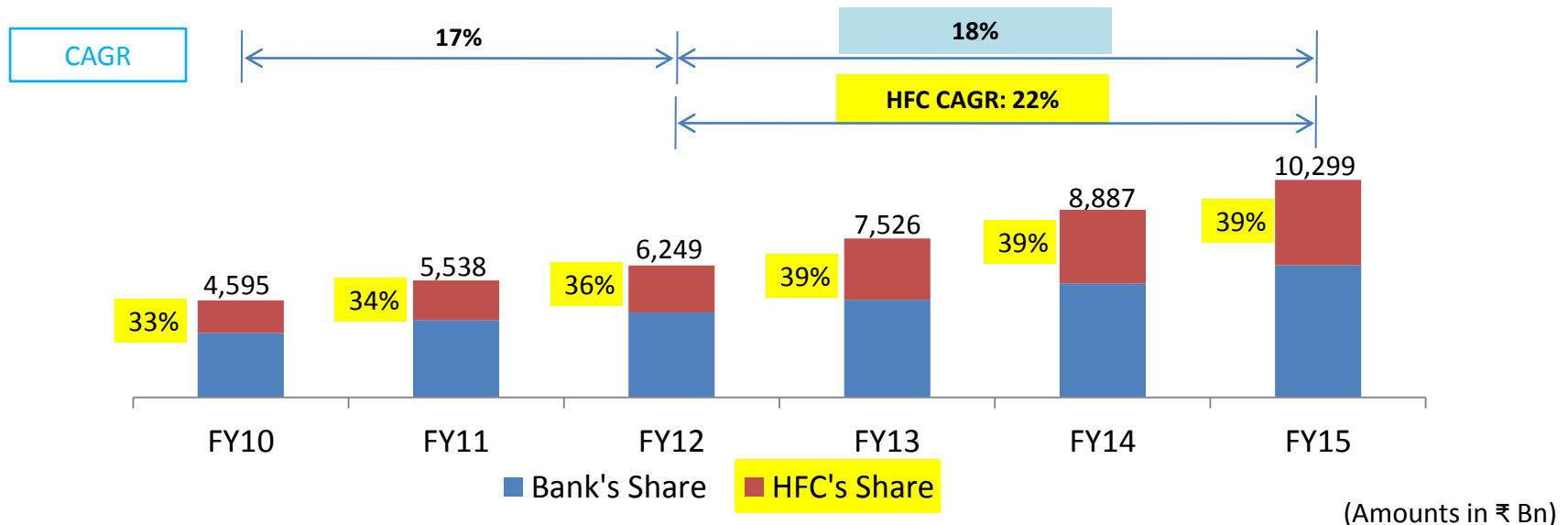
Source: National Housing Bank, 2013

As a % of GDP

- 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 most recent budget, the Government has increased tax exemption limits on housing loan repayments, effectively lowering the rate of interest
- Government is focused on affordable housing and has backed this up with policy changes:
 - Channeled funds to the sector: ECB and Masala bonds
 - Regulator has provided greater operational flexibility: Reduction in risk weight and increase in LTV caps
 - Better defined and easier building permission process in many states

Indian Mortgage Market

Growing HFC Market Share in a Steadily Expanding Home Loans Market



- Housing loan market is concentrated in the ₹ 15 Lacs to ₹ 75 Lacs range
- The demand in this segment is sustained and disbursements have grown YoY at 15¹%
- This has ensured that housing loan portfolio growth is robust and has in fact shown an uptick in the last three years
- HFCs which are particularly focused on sub-75 Lac loans have out-paced industry growth at a CAGR of 22% between FY12 and FY15

High demand growth driven by:

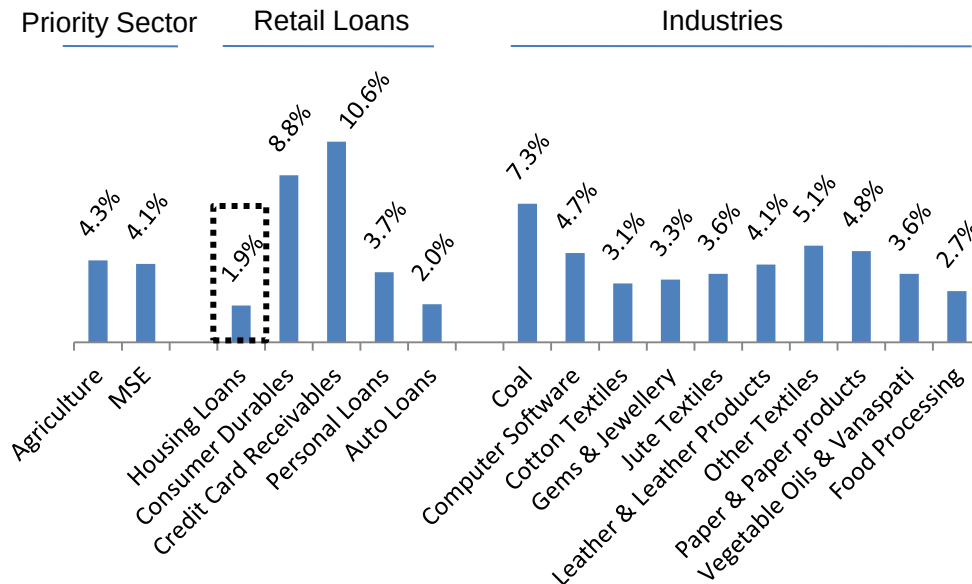
- Reducing interest rates compressing the gap between effective home loan rates, after tax benefits, and rental yields, making house purchase increasingly compelling in comparison to renting
- Rising disposable incomes coupled with low effective interest rates, after tax benefits, resulting in steadily increasing affordability

Source: RBI Database, NHB Reports & Industry Estimates

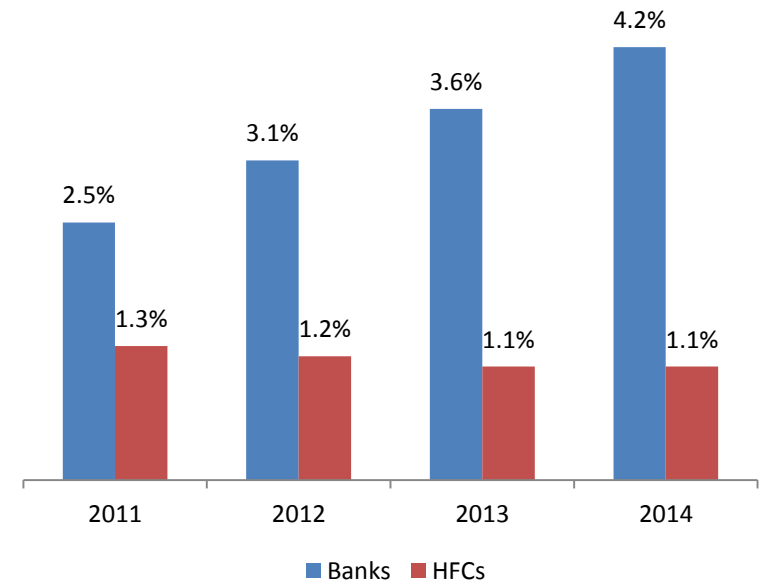
1 – Credit Bureau of India Ltd. (CIBIL) data

Housing Loans: Lowest Risk Asset Class

Split of Banking NPA levels (FY 12)



GNPA (%) Comparison between Banks and HFCs



Source: RBI Working Paper Series

- Housing loan NPAs are the lowest amongst all asset classes
- HFCs due to their singular focus and single-product specialized appraisal skills have low NPAs
- HFC NPAs have been declining through the period of economic stagflation between 2008 and 2014

Recent Government Policy Initiatives

- Housing for all by 2022: Scheme launched by the government
 - 20 million new housing units in 500 towns and cities in 7 years
 - Affordable housing in partnership with the private sector
- 100 smart cities plan: Guidelines issued and cities short listed
 - Outlay of ₹ 100,000 Cr over next 5 years
 - Vast housing opportunity: Technologically integrated and planned townships
 - 95 out of 100 cities submitted their plans to Union Ministry of Urban Development
 - First 3 smart cities as a part of Delhi-Mumbai Corridor to be completed by 2019
- Jan Dhan Yojana: Vast increase in organised banking infrastructure and reach
 - 20.02 Cr accounts opened: doubled in 6 months
 - Social security schemes launched: Pension and Insurance schemes – 124 Mn policies issued
 - 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 amount	24,00,000	24,00,000	24,00,000
Nominal Interest Rate(%)	9.55%	9.25%	13.25%
Deduction allowed on interest repayment*	2,00,000	1,50,000	75,000
Deduction allowed on principal repayment#	1,50,000	1,00,000	20,000
Tax Rate applicable	34.61%	30.90%	34.50%
Tenure (Yrs)	15	15	15
Total amount paid per year	3,75,945	3,18,763	3,69,140
Interest component	2,25,945	2,18,763	3,14,777
Principal component	1,50,000	1,00,000	54,363
Tax amount saved	1,21,128	77,250	32,775
Effective interest paid on home loan	1,04,817	1,41,513	2,82,002
Effective interest rate on home loan	4.51%	6.02%	11.88%

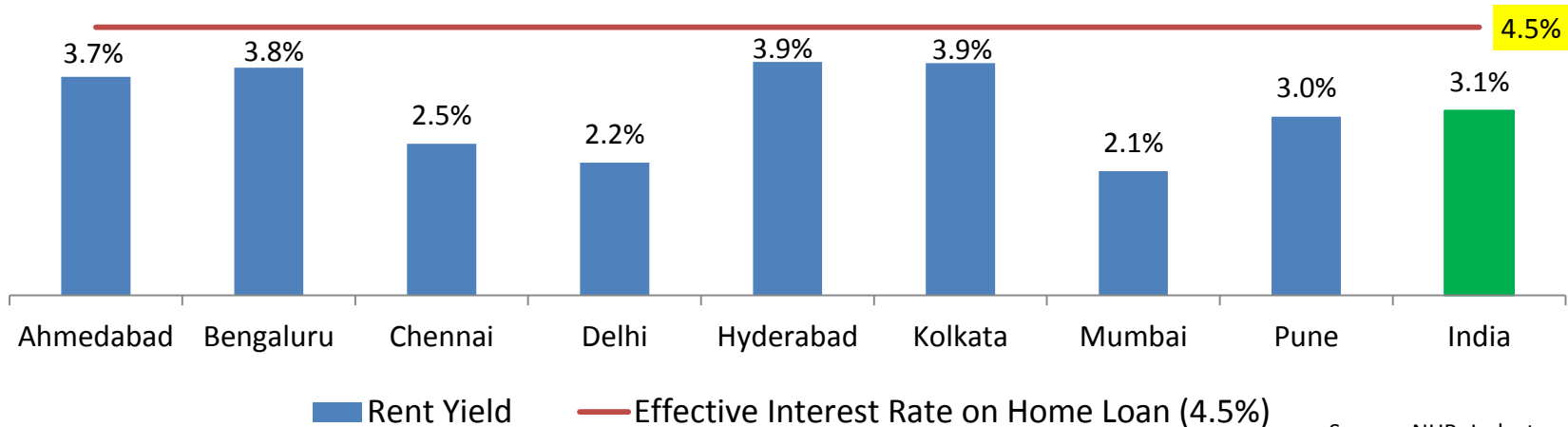
Amount in ₹

* Interest Repayment Tax Break: Section 24 of the Income Tax Act

Principal Repayment Tax Break: Section 80C of the Income Tax Act

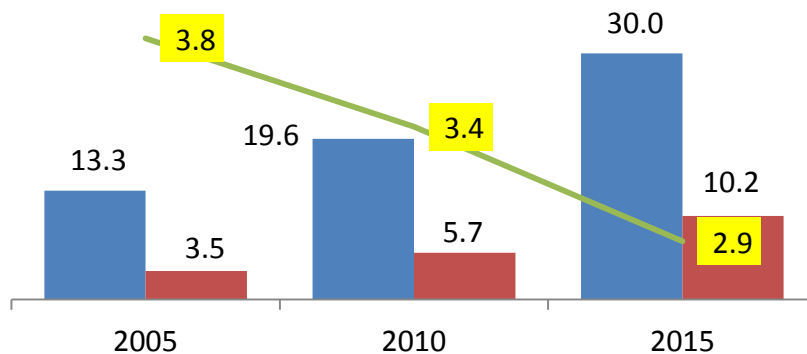
Buying a Home: Prudent Financial Investment

Rental Yield v/s Home Loan Cost



Source: NHB; Industry reports

Increasing Affordability



Price of Home* Annual Income Affordability

Amount in ₹ Lacs

Affordability is defined as "Price of Home" divided by the "Annual Income"

- Difference between rental yield and effective home loan interest rate is only 1.4%
- For only ₹ 2,765 per month more, a house costing ₹ 30 lacs can be purchased instead of renting it – a tremendous incentive to own a house and create real assets
- Tepid property price appreciation combined with wage inflation further pushing up affordability

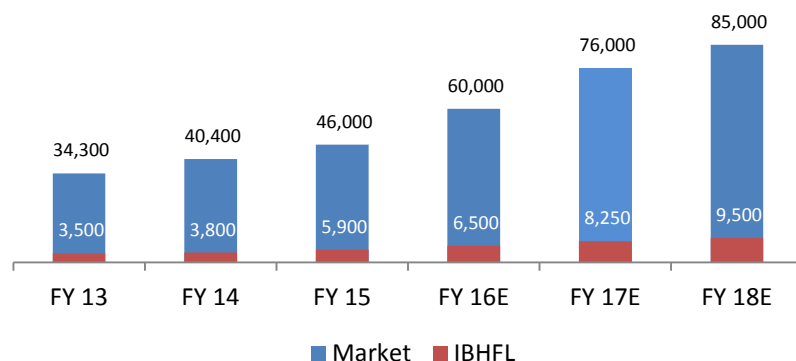
* Source: NHB; Industry reports

Loan Against Property Market

Secured Loans to Small Businesses

Basis of Loan Appraisal	Collateral	Yields	Risk Levels
Lending against components of business	Factory/ office space Inventory Business receivables	18%+	High
Asset based lending	Home/ commercial property	14% - 18%	Moderate
Cash flow based lending	Self-occupied Residential Property	11% - 14%	Low

LAP Market Size - Disbursals (₹ Cr)

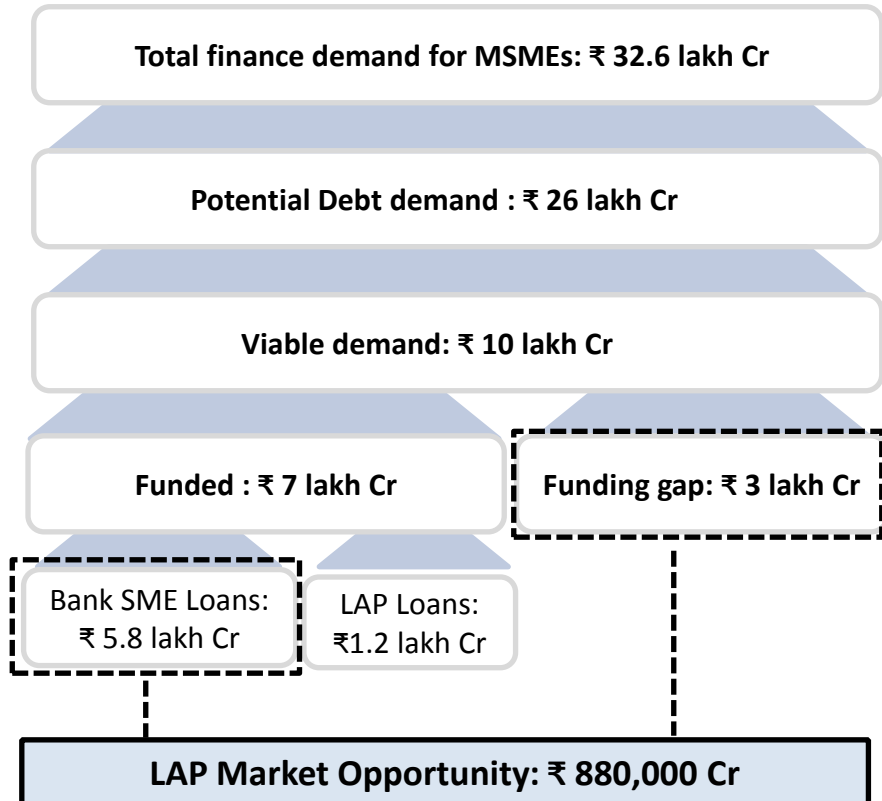


Source: CRISIL Research

Low-risk Prime LAP

- Market estimated to grow at a CAGR of 17%
- IBHFL is a market pioneer with underwriting experience and capacity
- Cash flow based loan appraisal

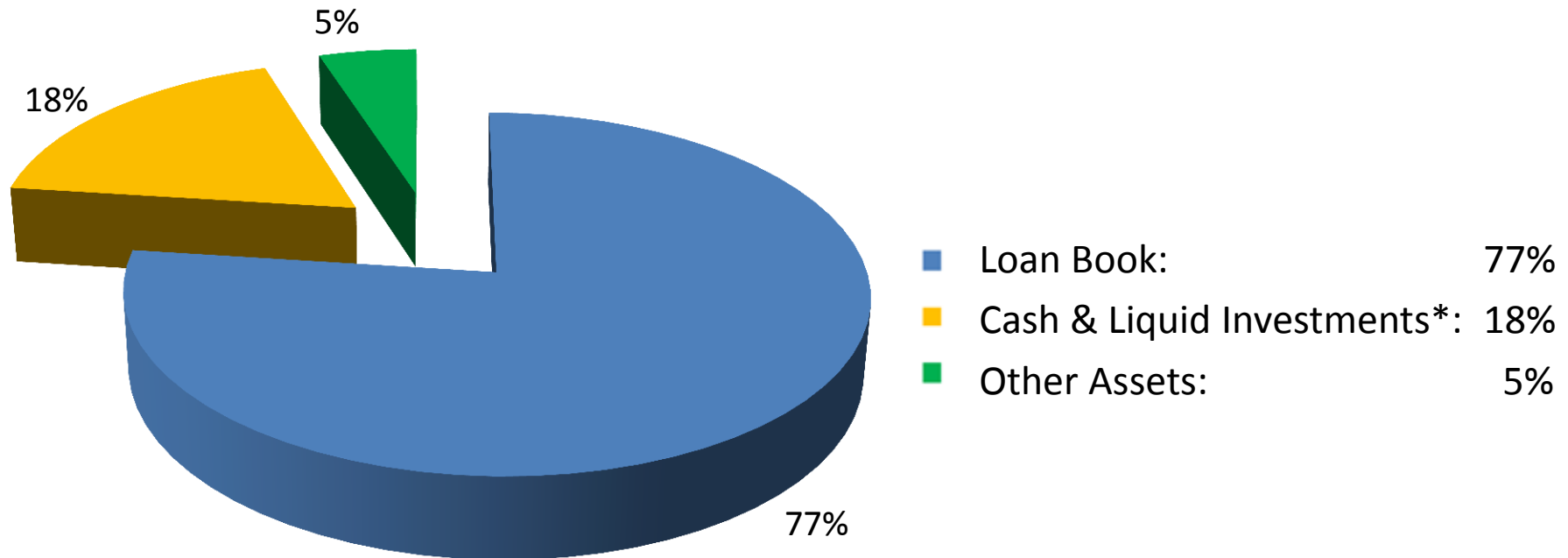
LAP Growth Opportunity



- LAP loans from HFCs, NBFCs and private banks represent a cost effective and efficient source of finance for SMEs
- Additionally professional customer centric delivery has led to LAP loans rapidly replacing SME loans from older banks
- LAP loans do not represent additional leverage, in fact they are replacing SME loans with better collateralized LAP loans

Financial and Operational Highlights

Balance Sheet Assets

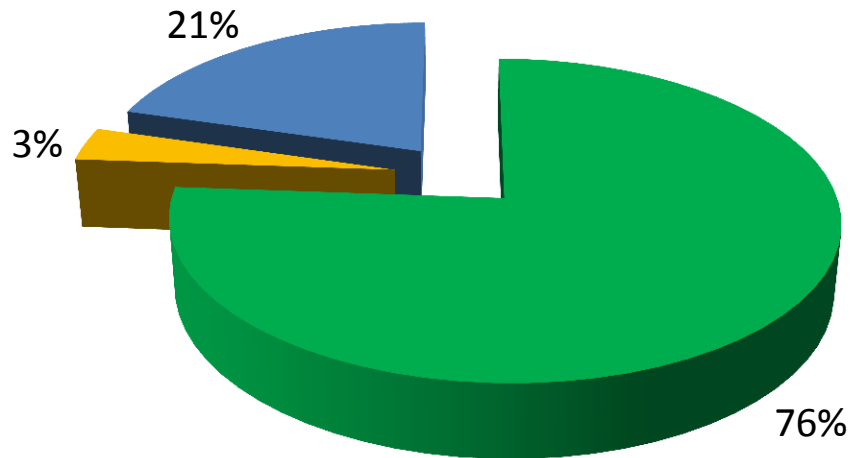


Total Assets	
As at December 31, 2015	₹ 71,199 Cr (US\$ 10.95 bn)
As at December 31, 2014	₹ 53,402 Cr (US\$ 8.22 bn)

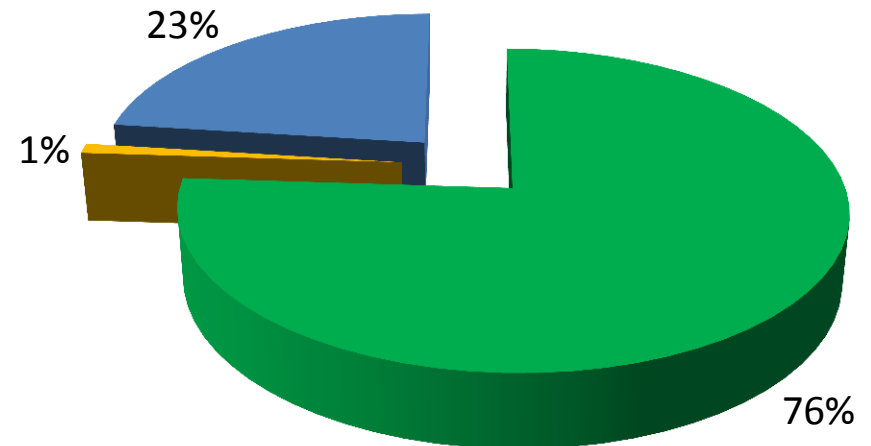
* Cash, Cash Equivalents and Investments in Liquid Debt Instruments
 US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 65

Asset Composition

Q3 FY 14-15



Q3 FY 15-16



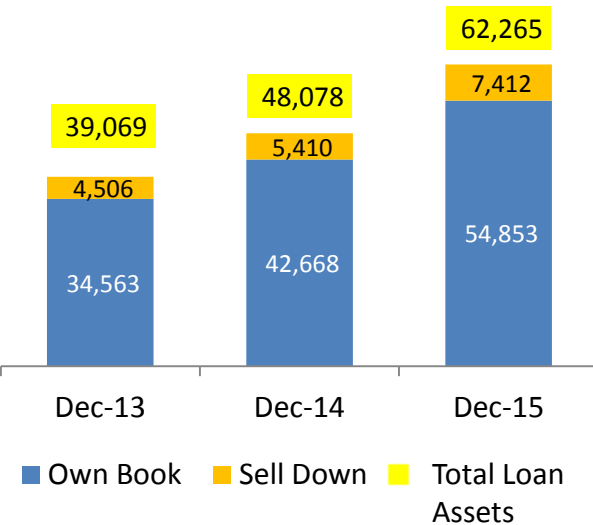
■ Mortgage Loans
 ■ Commercial Vehicle Loans
 ■ Corporate Mortgage Loans

- Home loans, which forms the majority of incremental disbursals, are disbursed at an average ticket size of ₹ 25 Lacs; average LTV of 71% (at origination)

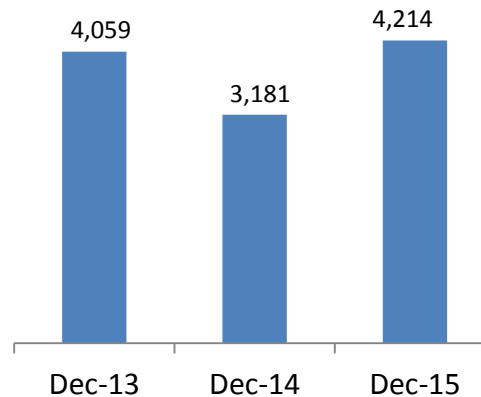
Loan Book Growth with Steady Spreads and Efficient Capital Deployment



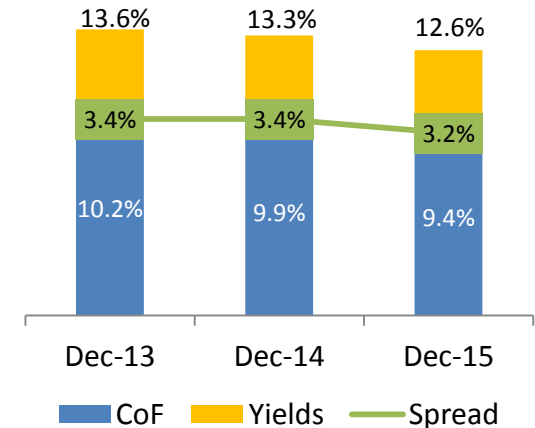
Loan Assets (₹ Cr)



Loans Sold (₹ Cr) (in preceding 12 months)



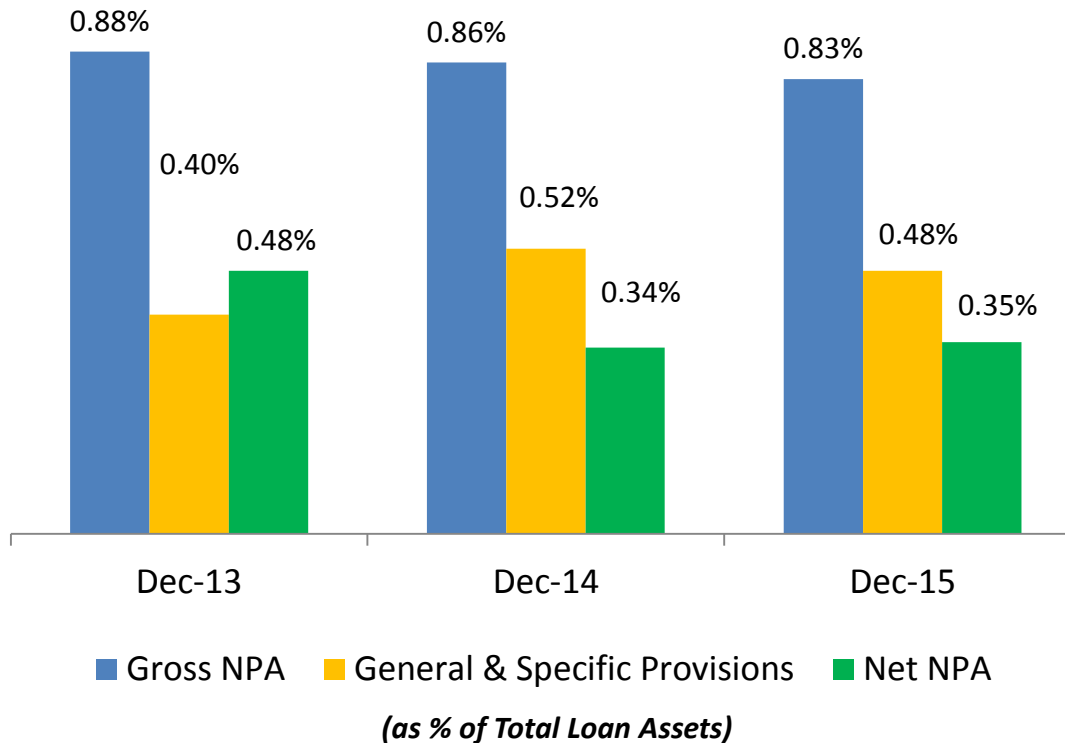
Stable Spreads



Spreads maintained at higher end of guided range of 300 to 325 bps while proportion of housing loans has increased

- ₹ 1,042 Cr of loans sold down in Q3 FY16. Total of ₹ 2,915 Cr sold down in 9M FY16
- Over ₹ 20,000 Cr of loans sold down to 28 banks and FIs since FY 06
- Loans sold (outstanding as on 31th December, 2015): ₹ 7,412 Cr – on which spread at 3.1% p.a. is to be earned over the life of the loan

Asset Quality

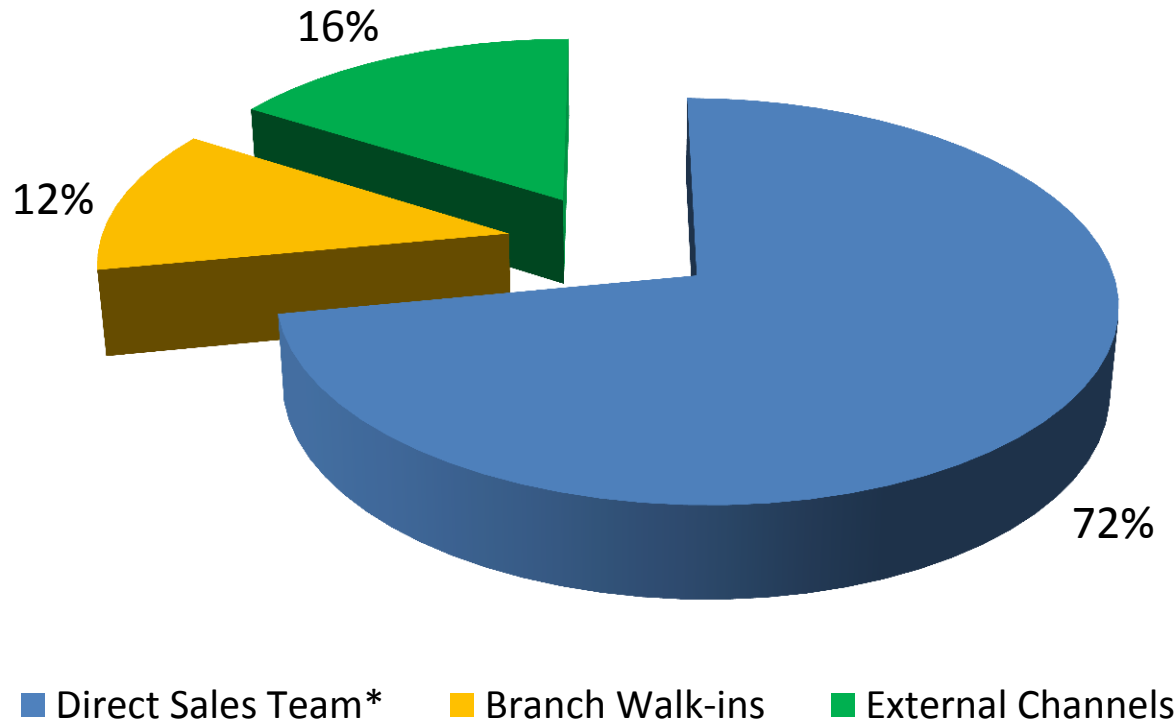


As at December 31, 2015	
	(in ₹ Cr)
NPA (90+ dpd*):	515.5
Provisions for Contingencies:	728.0
Of which	
NPAs:	296.1
Other provisioning:	431.9
Regulatory Provisioning:	493.3
Excess Provisioning Over Regulatory Provisioning:	234.7
Provisioning Cover : 141% of GNPA	

- NPAs have remained within the target range for the last 17 quarters
- Standard Asset Provision and Counter-cyclical Provisions are over and above General and Specific Provision pool and are not netted off against Gross NPAs in calculation of Net NPAs
- ₹ 234.7 Cr of excess provisioning over and above the regulatory requirement

Retail Mortgage Loans' Sourcing

84% of Mortgage loans are sourced in-house



- Nearly 85% of the incremental sourcing is done in-house by on-rolls employees

**Direct Sales Team - on rolls sales employees*

Home Loan Profile:

Focus on Affordable Housing



Average Loan Size	25 Lacs
Maximum Loan to Value	80%
Average Loan to Value	71% (at origination)
Average Loan Term	15 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

- RBI defines Affordable housing finance as housing loans to individuals up to ₹ 50 Lacs for houses of value up to ₹ 65 Lacs in the six metros and housing loans up to ₹ 40 Lacs for houses of value up to ₹ 50 Lacs in other towns / cities

Conservative Loan Against Property Profile

Average Loan Size	73 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

LAP Grading

A Pioneering Initiative for Improved Risk Management
and Greater Transparency

Loan Against Property Grading from CRISIL and ICRA

- LAP grading engagement with CRISIL (A Standard and Poor's Company) and ICRA (A Moody's Investors Service Company)
 - CRISIL grades the loans on aspects such as past payment track record, nature of business and financial parameters, nature of property and loan attributes like ticket size, sourcing channel, lending scheme, loan tenure, etc.
 - ICRA grades the loans on aspects such as financial strength; business and management; collateral strength quality and enforceability, and attributes of the loan itself
 - Engagement with CRISIL was initiated in Q1FY16 and ICRA in Q2FY16
- Concurrent grading by multiple rating agencies
 - Offers IBHFL a broader and deeper perspective and means to further improve loan portfolio
 - Rating agencies are important stakeholders: exercise will increase comfort and transparency on the asset class
- Grading exercise will build into a comprehensive risk model
 - Portfolio performance and delinquency will be tracked against loan grade
 - Proactive customer management: retention, upsell/ cross-sell, delinquency management
 - Learnings will feed back to improve loan underwriting and continuously upgrade lending policy

ICRA LAP Grading Methodology

(2nd rating agency to grade LAP loans)

- In Q2 FY 2015-16, IBHFL tied up with rating agency ICRA to grade its incremental LAP loans
- ICRA LAP Grading reflects ICRA's assessment of the credit quality of the loan on a ICRA developed customised scale

Grading Assessment Parameters

Business and Business Owner

- Fixed obligation to income ratio (FOIR)
- Past payment track record
- Credit bureau check
- Nature of business and financial parameters
- Due diligence checks
 - Field credit investigation
 - Personal discussion
 - Reference checks

Collateral Quality and Enforceability

- Loan to value ratio (LTV)
- Nature of property
 - Residential
 - Commercial
- Usage of property
 - Self occupied
 - Rented
 - Vacant
- Property location
- Quality of construction
- Adherence to sanction plans

Loan Attributes

- Ticket Size
- Sourcing channel
- Lending scheme
- Loan tenure

1st Report (2nd rating agency to grade LAP loans)

ICRA LAP Grading Initial Assessment Report



Grading			Characteristics	
Grading Scale	Level of credit worthiness	Grading Distribution	Median LTV	Median FOIR
LAP1	Excellent	13.2%	22%	39%
LAP2	Good	67.5%	45%	57%
LAP3	Average	18.6%	63%	69%
LAP4	Below Average	0.7%	59%	74%
LAP5	Inadequate	-	-	-

- Incremental LAP loans from FY16 onwards are graded by ICRA
- Grading is based on customized scale developed by ICRA for IBHFL's LAP loans to small business owners
- ICRA grades the loans on aspects such as business and business owner quality, collateral quality and enforceability and loan strengths

CRISIL LAP Grading Methodology

Detailed assessment of key factors determining credit worthiness

Financial Strength	Business Management
<ul style="list-style-type: none"> • Interest and debt service cover • Revenues, margin and profitability • Networth and leverage • Growth track of key financial parameters 	<ul style="list-style-type: none"> • Business sector and sectoral prospects • Business duration and track record • Debt service track record • Experience and qualification of promoters and proprietors • Management strength and experience
Collateral Quality	Underwriting Process Adherence
<ul style="list-style-type: none"> • Property type and location • Valuation of property • Ownership and title chain of property • Adherence to local zoning and planning permissions 	<ul style="list-style-type: none"> • Independent verification and valuation • Third party database checks <ul style="list-style-type: none"> – CERSAI – Registrar of companies – Credit bureau checks – CIBIL mortgage checks – RBI willful defaulter list – Experian Hunter fraud check

Grading			Segment Characteristics			
Grading Scale	Quality of LAP Loans [#]	Disbursals 9M FY16*	Interest Service Coverage Ratio (ISCR)	Total Outstanding Liabilities/ Total Networth	Loan to Value (LTV)	EBITDA Margins
LAP1	Highest	7.9%	5.5 – 7.6	0.7 - 1.5	51%	13% – 15%
LAP2	High	76.1%	3.0 – 5.7	1.3 – 2.3	48%	8% – 13%
LAP3	Average	15.5%	1.8 – 4.8	2.7 – 4.5	51%	4% – 9%
LAP4	Below Average	0.5%	2.0 - 2.7	2.0 – 2.1	41%	2% – 3%
LAP5	Poor	-	-	-	-	-

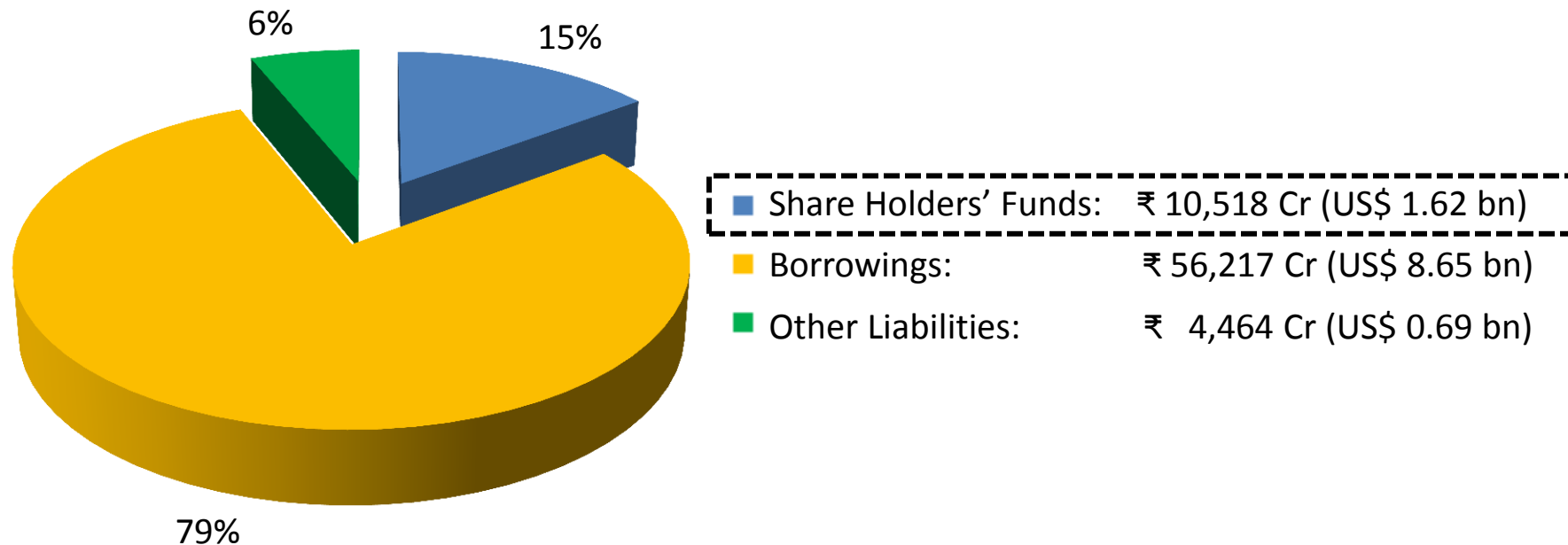
- Incremental LAP loans from FY16 onwards are graded by CRISIL Ratings
- Grading is based on customized scale developed by CRISIL Ratings for IBHFL's LAP loans to small business owners
- CRISIL grades the loans on aspects such as financial strength; business and management; collateral and underwriting process

**CRISIL LAP grading engagement began in Q1FY16 and up till the publication of this earnings update, CRISIL had graded 62% of the disbursals for 9MFY16 period.*

Adjudged by CRISIL in relation to other LAP loans extended to other borrowers

Liabilities Profile

Liabilities

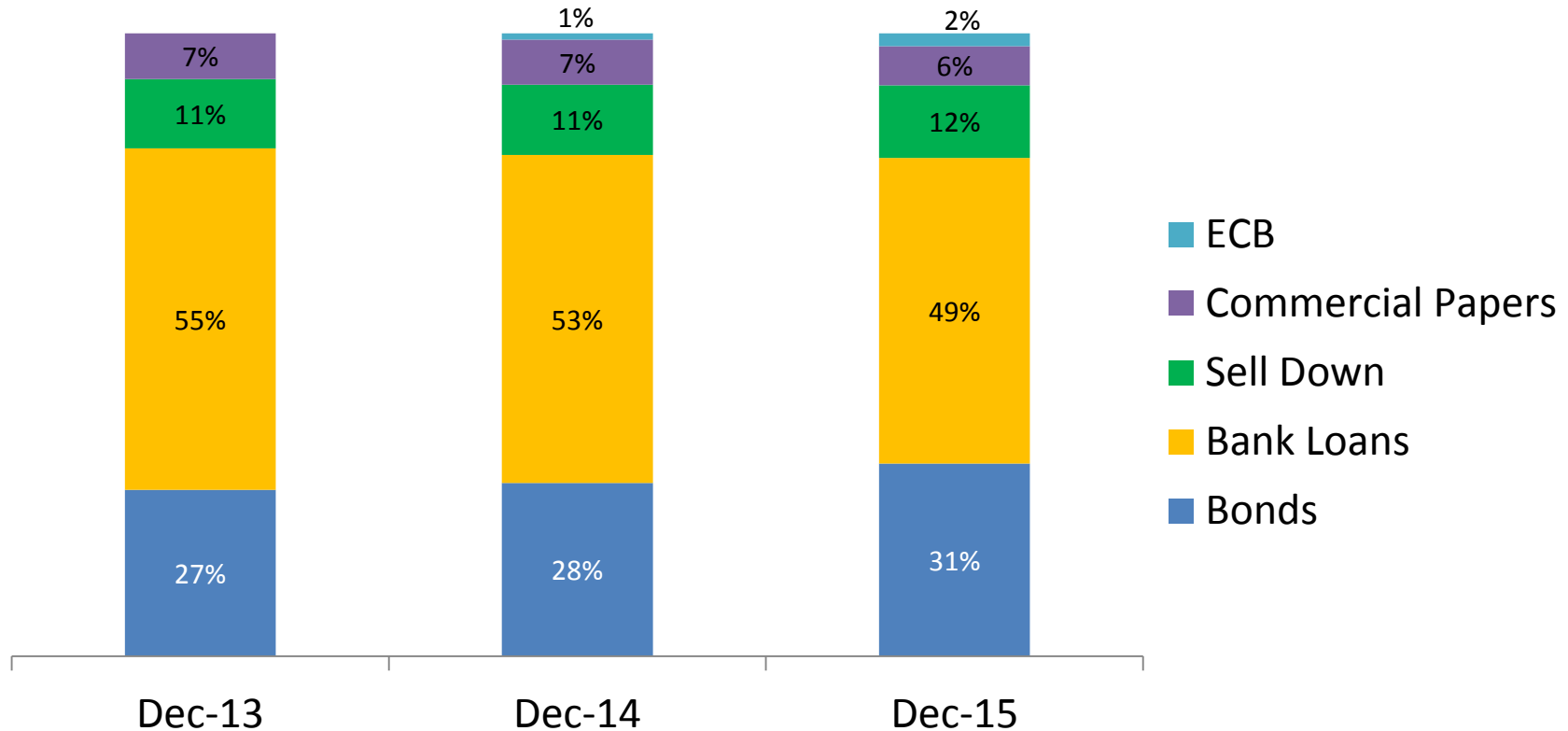


Total Liabilities:

As of December 31, 2015: ₹ 71,199 Cr (US\$ 10.95 bn)

As of December 31, 2014: ₹ 53,402 Cr (US\$ 8.22 bn)

Funding Mix

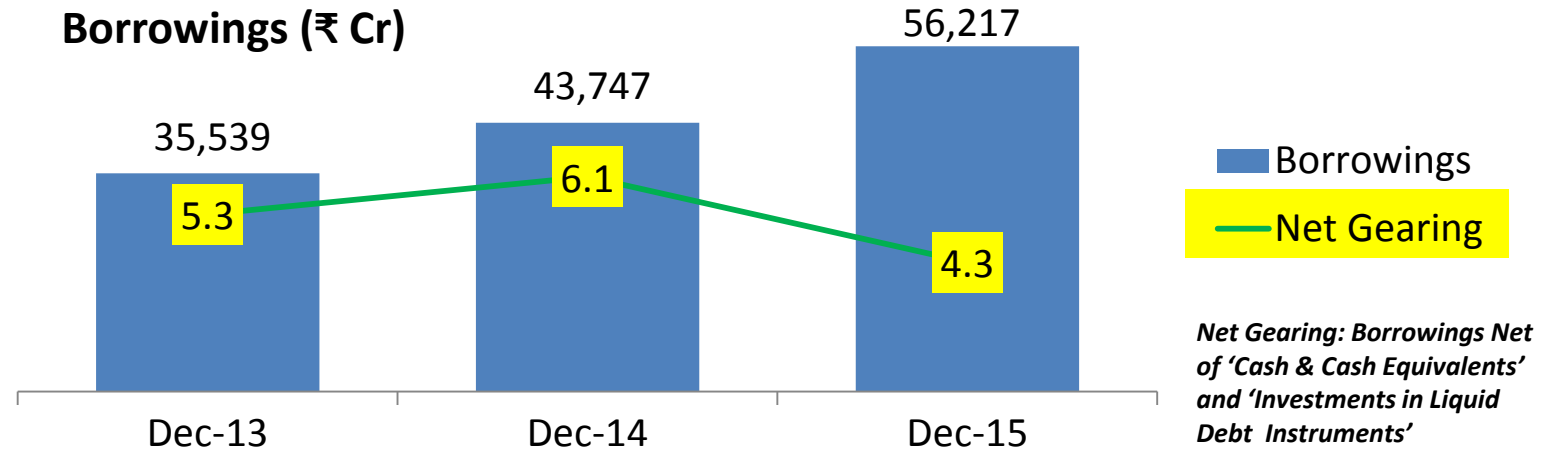


Total Borrowings:

As of December 31, 2015: ₹ 56,217 Cr (US\$ 8.65 bn)

As of December 31, 2014: ₹ 43,747 Cr (US\$ 6.73 bn)

Strengthening Liability Profile



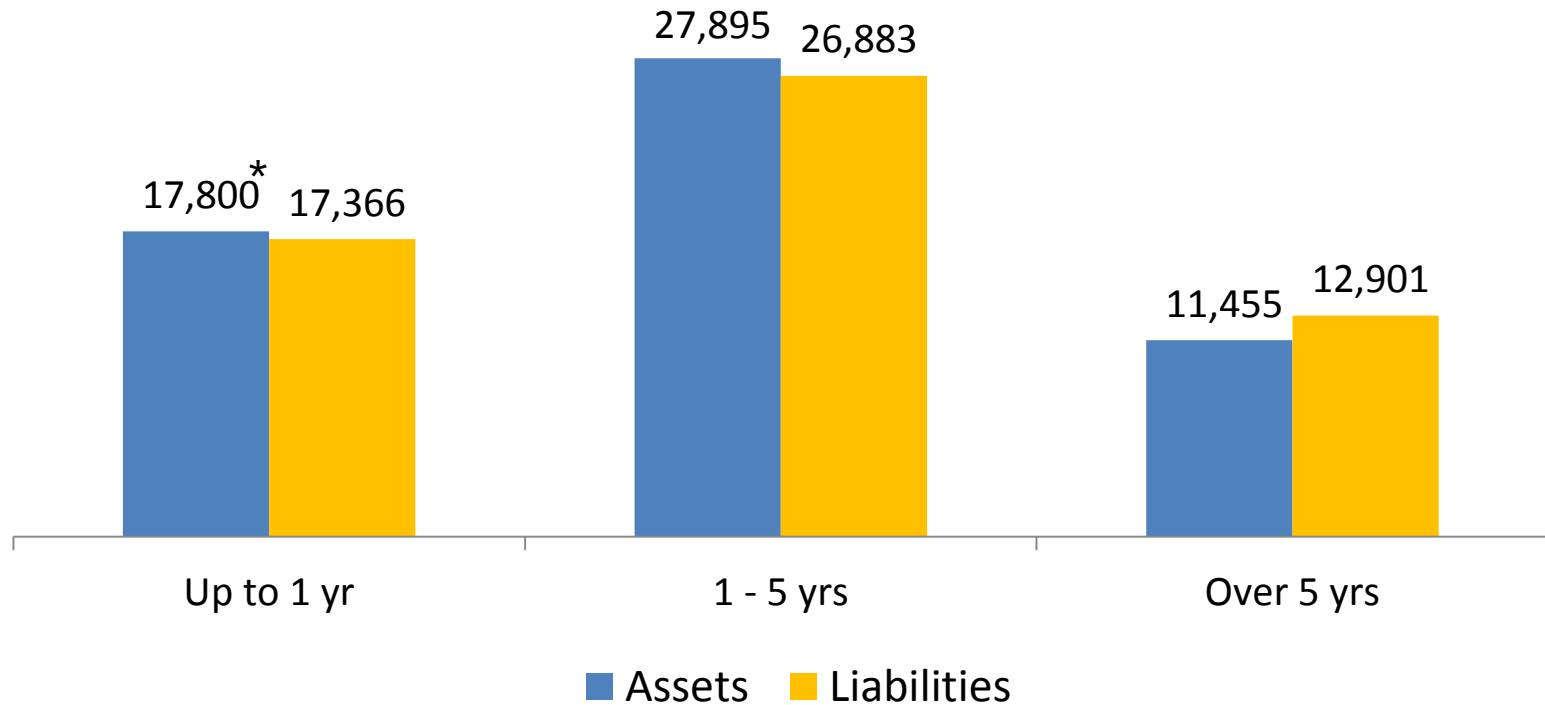
Total Funding (₹ Cr)			Net Incremental	Contribution to Incremental Borrowings in last 12 months
	Dec-15	Dec-14		
Bank Loans	31,217	26,142	5,076	35%
Bonds	19,684	13,895	5,789	40%
ECB	1,327	317	1,010	7%
CP	3,989	3,393	596	4%
Total Borrowing	56,217	43,747	12,470	86%
Sell Down	7,412	5,409	2,003	14%
Total	63,630	49,157	14,473	100%

- Bond issuances have been healthy, and along with ECBs, contributed to 47% of the incremental borrowings in the last 12 months
- Amongst its lenders, the company now counts 243 strong relationships: 26 PSU banks, 17 Private and Foreign banks and 200 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others

Optimally Matched Balance Sheet

Maturity Profile

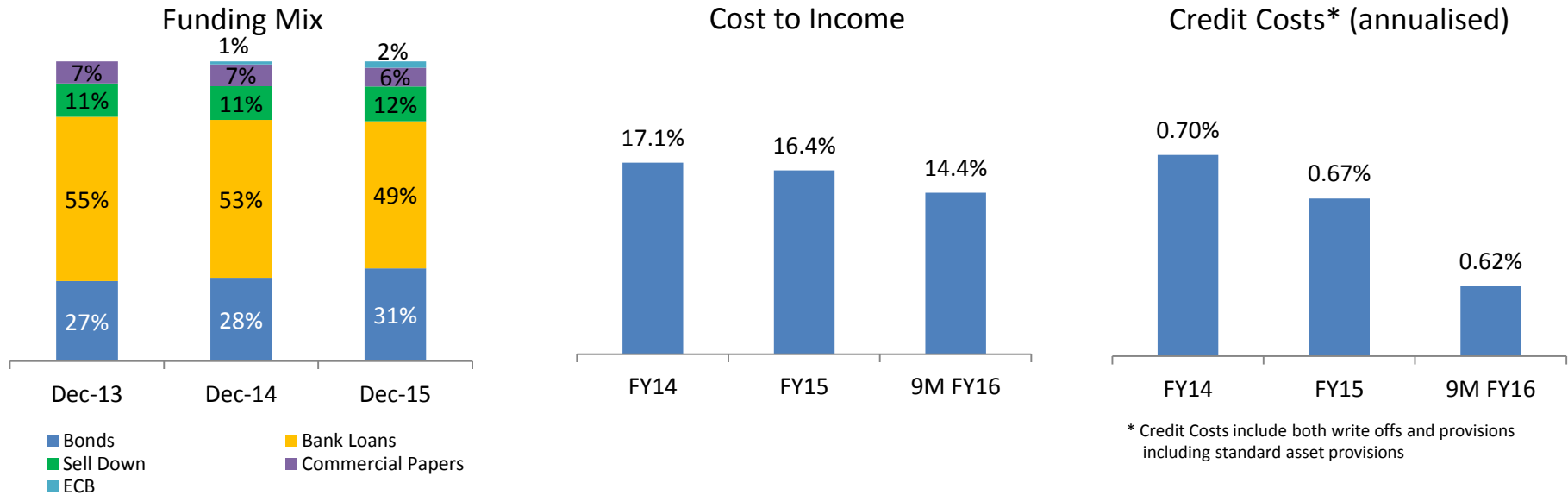
(As of March 31, 2015)



(Amounts in ₹ Cr)

- * Assets in the 'Up to 1 Yr' bucket includes ₹ 9,631.2 Cr (as of March 31, 2015) of Cash, Cash equivalents and investments in liquid debt instruments
- The maturity profile reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank

Components of Sustained Margins



- Cost of funds have dropped from a strengthening liability franchise
 - Bank loan's contribution to the borrowing mix has fallen to 49%
 - On a rolling 12-month basis, 65% of incremental funding is from sources other than bank loans
- Continuing decline in cost to income ratio from increasing scale and improving employee productivity
- Reducing credit costs from focus on low-risk and granular retail housing loans

3 Pillars of Long-Term Growth



Profitability

Focus on profitability in each business segment

Internal cost structures aligned along product lines

Regions and branches evaluated on profitability and asset quality, not market share

Stable margins despite continuous reduction in risk levels within each asset class

Sustainability

Stable senior and mid manager levels

- Senior personnel in key business functions unchanged since inception 10 years ago
- Credit team with average 5+ years experience

Focus on affordable housing segment

- Vast urban housing shortage of 19 Mn units
- Government policy focus and thrust

Only mortgage backed lending

- At only 9% India has one of the lowest mortgage-to-GDP ratios ensuring a large and sustainable opportunity
- Historically low NPA levels

Scalability

Efficient capital deployment

- Focus on loan sell downs
- Home loan segments with lowest risk weights

Focus on operating efficiencies

- Declining cost-to-income ratio
- Lower credit costs from expanding home loan portfolio
- Increasing sales force productivity

Technology leveraged

- Network connecting all branches
- IT enabled work-flow for sales, credit and collections

Strong digital presence

- Amongst top 3 in search results
- Over 200 leads per day
- Customer engagement through social media

Eminent and Experienced Board of Directors

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

- Mr. Sameer Gehlaut : Executive Chairman
- Mr. Gagan Banga : Vice Chairman and Managing Director
- 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 : Executive Director, Ex-Reserve Bank of India

Finnovate – A Financial Innovation Contest

Invitation to individuals, companies and start-ups

Based on technology based innovative path-breaking ideas

- Improve and automate processes for increased efficiency
- Reduce manual dependence and increase IBHFL's technical skill and competence
- Enhance customer experience at all touch points
- To make Indiabulls most preferred brand in the housing finance sector

The chosen solutions would be implemented in collaboration with the winners



Indiabulls HOME LOANS presents **finnovate** AN INNOVATION CONTEST

Put on your thinking caps. Step in our shoes.

Innovate to Excel!

Indiabulls Home Loans Calls for Entries!

HOW TO PARTICIPATE?
Simply log on to www.indiabullshomeloans.com/finnovate and register for the contest.

WHO CAN PARTICIPATE?
Individuals / Company's / Startups with an innovative idea for Indiabulls Housing Finance.

What to do?
Step 1: Register your team
Step 2: Share your idea
Step 3: Shortlisted ones present and finally WIN a project!

What will I get?
GV's & a chance to implement the idea with Indiabulls Home Loans at ZERO cost!

About us
Indiabulls Housing Finance Ltd. (IBHFL) is the 2nd largest private housing finance company in India, regulated by the National Housing Bank (NHB). We offer home loans at competitive rates and ensure hassle-free home buying experience for our customers.

Registration Closes - 10th January 2016

For more details on the Indiabulls Home Loans Finnovate contest, log on to www.indiabullshomeloans.com/finnovate or email us at finnovate@indiabulls.com

Indiabulls Foundation: Corporate Social Responsibility

Indiabulls
HOME LOANS

Health

Free medical clinics to provide primary and preventive health care to the underprivileged

Swasthya Kalyan Vahika vehicles: 7 Mobile medical vans provide free primary healthcare services to nearly 200,000 patients every year

Cleft deformity surgery for 1,200 children across 6 states in partnership with Smile Train, an international children's charity



Women's Health

Free sanitary napkins to promote hygiene and sanitation amongst rural women. About 30,000 underprivileged and rural women have benefitted from this initiative



Nutrition

Free Paushtik Aahar (nutrition supplements) to 5,000 underprivileged malnourished individuals every month and regular monitoring of their health, weight and height. Support to women self-help groups to make Paushtik Aahar (nutritional supplements) and provide sustainable employment options to the underprivileged



Computer Literacy Program

In order to improve IT literacy amongst underprivileged population, contributed 1,000 computers to tribal ashram schools, shelter homes and night schools in Mumbai, Thane, Raigarh and Palghar districts of Maharashtra.



Indiabulls Foundation: Corporate Social Responsibility

Indiabulls
HOME LOANS

Disaster Relief

Provided timely relief to 1,500 families with 5 kg nutritional packets to each family. The supplement is a ready to eat mixture providing well needed nourishment to the Chennai flood affected people.



Indiabulls Foundation E-learning (IBFE)

Tie-up with MKCL (Maharashtra Knowledge Corporation Ltd.) authorized computer centers to help impart basic IT literacy to rural youth

Equipped 31 ashram schools with sophisticated e-learning methods to enhance the quality of education in rural Maharashtra



Education and Development

Awarded scholarships to 365 meritorious & deserving students from economically challenged background to pursue higher education after 12th standard.

Started Sport Excellence Program to support athletes and provide them with world class training facilities



Rural Empowerment

Sponsored a water project called 'Rahat' at a Tribal Ashram School where there was acute scarcity of water. Over 1,100 children of this tribal school have benefited from this initiative

Installed 4 solar panels and 2 wind turbines in an ashram school in Parali, Maharashtra. The Hybrid Energy Project supplies 24 hours seamless electricity to a school of 600 students free of cost.



Key Ratios, Valuations and Shareholding

Rising Productivity Ratios

	9M FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
No. of Employees	5,361	4,840	4,099	4,072	4,243
Profit per employee (₹ Cr)	0.42*	0.39	0.38	0.31	0.24
Asset per employee (₹ Cr)	13.28	11.82	10.84	8.09	5.85
Cost Income Ratio	14.4%	16.4%	17.1%	18.0%	18.7%

*Annualized

Rising Productivity Ratios

	9M FY 2016^	FY 2015	FY 2014	FY 2013	FY 2012
Pre Tax RoAA (%)	4.8%*	4.9%	4.8%	4.9%	4.9%
Post Tax RoAA (%)	3.6%*	3.7%	3.8%	3.8%	3.7%
RoE (%)	27%*	29%	27%	26%	22%
Capital Adequacy (%)	21.64%	18.36%	19.14%	18.47%	18.86%
- Tier I	18.83%	15.25%	15.05%	14.96%	18.21%
- Tier II	2.81%	3.11%	4.09%	3.51%	0.65%

*Annualized

^ ₹ 3,996 Cr of equity was raised through a QIP in September, 2015

Valuations and Returns

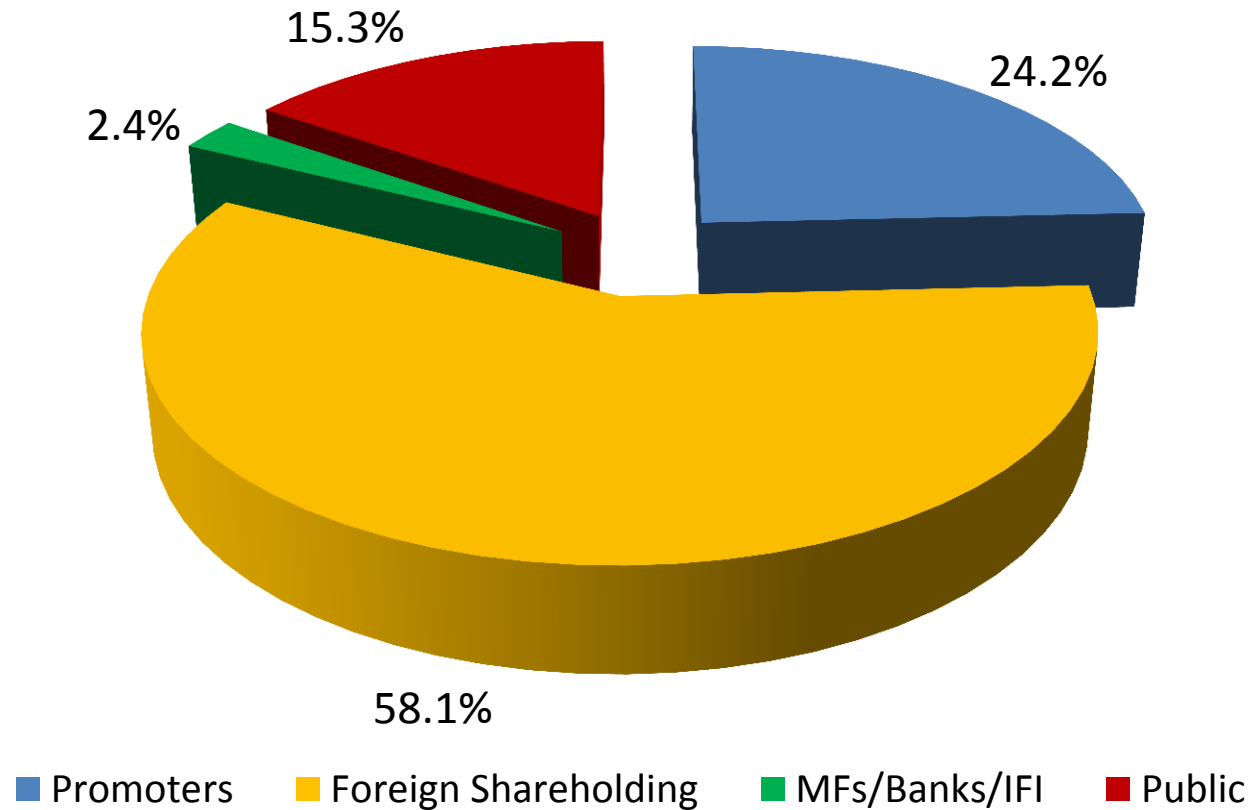
	Dec-15	Mar-15	Mar-14	Mar-13	Mar-12
Market Price per share (₹)	697.0*	557.9	285.6	271.8	207.1
Market Capitalisation (US\$ Bn)	4.51	3.12	1.50	1.34	1.02
PE Ratio (times)	12.0	10.2	6.0	6.8	6.5
Book Value per share (₹)	250.1	184.5	168.7	165.4	157.7
Price to Book Ratio (times)	2.8	3.0	1.7	1.6	1.3
Dividend per share (₹)	36 [#]	26	29	20	13
Foreign Shareholding (%)	58.1%	51.8%	41.1%	45.2%	38.7%

Dividend for 9M FY16 up till 31st December, 2015

*As on 19th January, 2016

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 65

Shareholding Pattern



As on 31st December, 2015

Detailed Financials

Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	31.12.15 (Unaudited)	31.03.15 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	84.12	71.11
(b) Reserves and Surplus	10,416.95	6,560.59
(c) Money received against share warrants	-	-
(2) Share application money pending allotment	16.82	-
(3) Minority Interest	-	2.04
(4) Non-Current Liabilities		
(a) Long-term borrowings	33,184.73	29,105.45
(b) Deferred tax Liabilities (net)	78.74	2.40
(c) Other Long term liabilities	119.34	238.92
(d) Long term provisions	600.30	479.04
(5) Current Liabilities		
(a) Short-term borrowings	13,040.27	11,861.48
(b) Trade payables	9.25	3.16
(c) Other current liabilities	12,884.02	8,617.14
(d) Short-term provisions	764.66	289.87
Total	71,199.20	57,231.20
II. ASSETS		
(6) Goodwill on Consolidation	67.14	68.56
(7) Non-current assets		
(a) Fixed assets	62.39	54.13
(b) Non-current investments	1,798.66	22.91
(c) Deferred tax assets (net)	3.73	5.84
(d) Long term loans and advances	48,055.85	40,673.61
(e) Other non-current assets	349.54	417.56
(8) Current assets		
(a) Current investments	10,070.99	6,140.86
(b) Trade receivables	2.96	4.23
(c) Cash and cash equivalents	2,522.50	3,490.29
(d) Short-term loans and advances	7,579.87	5,799.31
(e) Other current assets	685.57	554.70
Total	71,199.20	57,231.20

₹ 12,593 Cr of
 Cash & Cash
 Equivalents and
 Investments in
 Liquid Debt
 Instruments

Consolidated Income Statement

		Quarter ended			Nine Months ended		(Rupees in Crore)
Particulars		31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	Year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations						
	a) Income from Operations	1,966.30	1,876.97	1,618.12	5,608.86	4,375.17	6,121.03
	b) Other Operating Income	108.78	108.04	78.81	280.19	200.19	328.27
	Total Income from operations (net)	2,075.08	1,985.01	1,696.92	5,889.05	4,575.36	6,449.30
2	Expenses						
	a) Employee Benefits Expense	101.20	105.85	81.72	298.49	242.71	324.88
	b) Depreciation and Amortisation Expense	5.26	5.18	4.72	15.05	13.99	18.76
	c) Other Expenses	170.00	148.34	117.89	415.97	283.13	491.99
	Total Expenses	276.46	259.37	204.33	729.51	539.83	835.62
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,798.62	1,725.64	1,492.59	5,159.54	4,035.54	5,613.67
4	Other Income	232.64	260.72	157.72	689.32	560.53	803.05
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	2,031.26	1,986.36	1,650.31	5,848.86	4,596.07	6,416.72
6	Finance Costs	1,225.75	1,245.04	1,028.11	3,609.79	2,872.90	3,944.20
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	805.51	741.31	622.20	2,239.07	1,723.17	2,472.53
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	805.51	741.31	622.20	2,239.07	1,723.17	2,472.53
10	Tax Expense (including Deferred Tax and MAT credit entitlement)	200.99	185.78	144.09	567.74	373.00	571.29
11	Net Profit from Ordinary Activities after Tax (9-10)	604.51	555.54	478.11	1,671.34	1,350.17	1,901.24
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-	-
13	Net Profit for the period / year (11-12)	604.51	555.54	478.11	1,671.34	1,350.17	1,901.24
14	Share of Profit / (Loss) of Associate	(2.09)	-	-	(2.09)	-	-
15	Minority Interest for the period / year	-	-	0.03	0.01	0.10	0.13
16	Net Profit after Taxes, Minority Interest and Share of Profit / (Loss) of Associate (13+14-15)	602.42	555.54	478.08	1,669.23	1,350.07	1,901.10
17	Paid-up Equity Share Capital	84.12	83.85	71.03	84.12	71.03	71.11
18	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2015						6,560.59
19	Minority Interest	-	-	2.02	-	2.02	2.05
20	Earnings per Share (EPS) before extraordinary items						
	<i>*(EPS for the quarters and nine months are not annualised)</i>						
	-Basic (Amount in Rs.)	14.34*	15.01*	13.46*	43.69*	39.38*	54.95
	-Diluted (Amount in Rs.)	14.13*	14.69*	13.23*	42.77*	38.27*	53.36
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00	2.00	2.00
	Earnings per Share (EPS) after extraordinary items						
	<i>*(EPS for the quarters and nine months are not annualised)</i>						
	-Basic (Amount in Rs.)	14.34*	15.01*	13.46*	43.69*	39.38*	54.95
	-Diluted (Amount in Rs.)	14.13*	14.69*	13.23*	42.77*	38.27*	53.36
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00	2.00	2.00

Thank you