



January 14, 2019

Scrip Code – 532960, 890145
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

IBVENTURES-EQ/ E2
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, 2018

Dear Sir,

Please find enclosed Earnings Update of Indiabulls Ventures Limited for the quarter ended December 31, 2018, for your information and record.

Thanking you,

Yours truly,
For **Indiabulls Ventures Limited**

A handwritten signature in black ink, appearing to read "Lalit Sharma", written over a horizontal line.

Lalit Sharma
Company Secretary

Enclosure: as above

CC:
Luxembourg Stock Exchange, Luxembourg

Indiabulls Ventures Limited

CIN: L74999DL1995PLC069631

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Indiabulls **VENTURES**

Unaudited Financial Results : Q3 FY 2018-19
January 14, 2019

Business Update: Indiabulls Ventures Limited

Year-on-Year (YoY) Comparison : Q3 FY18-19 vs Q3 FY17-18

| | Q3 FY18-19 | Q3 FY17-18 | YoY Growth (%) |
|---------|------------|------------|----------------|
| Revenue | 5.67 | 2.70 | 110% |
| PBT | 1.74 | 0.71 | 145% |
| PAT | 1.20 | 0.54 | 122% |

Year-on-Year (YoY) Comparison : 9M FY18-19 vs 9M FY17-18

| | 9M FY18-19 | 9M FY17-18 | YoY Growth (%) |
|---------|------------|------------|----------------|
| Revenue | 14.01 | 6.11 | 129% |
| PBT | 4.78 | 2.08 | 130% |
| PAT | 3.49 | 1.55 | 125% |

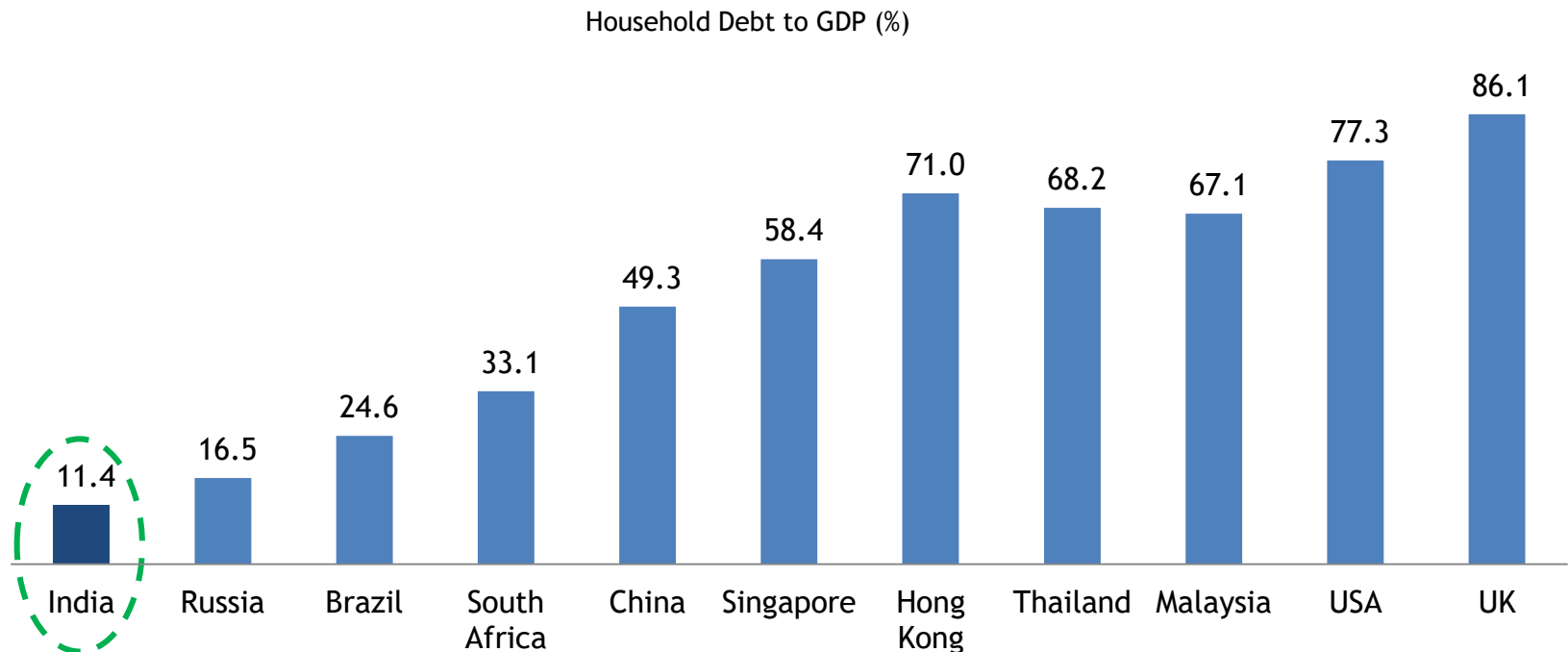
Assets Under Management of ICF as of December 31, 2018 is ₹ **104.53 Bn** up 283% from Q3 FY2017-18

Business Update

- ▲ **₹ 15.39 Bn** equity money raised in Q3 in structure of CCDs, compulsory conversion to equity on or before June, 2020
- ▲ Total equity of IVL Group as on December 31, 2018 is **₹ 62.03 Bn**. With remainder of Rights Issue, equity level is expected to be over **₹ 74 Bn**
- ▲ Total equity of ICF as on December 31, 2018 is **₹ 52.73 Bn**
- ▲ No requirement of additional equity capital in the medium term
- ▲ In Q3 FY19, loans worth **₹ 2.69 Bn** were sold down. ₹ 1.28 Bn pool of unsecured SME loans were rated AAA by CRISIL for the sell down. These were the first sell down transactions done by the company and include unsecured pools
- ▲ **2.9 Lacs** loans disbursed in Q3FY19, which is almost as many loans as disbursed from inception of business to the end of Q2FY19. Thus the total number of customers served, effectively doubled in Q3FY19
- ▲ Going forward, company will actively focus on sell downs on a regular basis and this will be a core strategy for growth
- ▲ The model of sell downs allows the company to retain the spread on the loans, door to door, without any requirement of capital. The company expects to reach a **RoE of 25-30%** in the next 2 years, within the first 3 full financial years of business

Vast Market Opportunity

India's Household Debt to GDP stood at 11.4% - the lowest among all the G20 nations and less than 1/4th of China's 49.3%



India vs China

Figures in USD

| | India | China | China/India |
|-----------------------------|---------|----------|-------------|
| GDP ¹ | 2.64 Tn | 13.20 Tn | 5x |
| Personal Loans ² | 42 Bn | 2.0 Tn | 48x |
| SME Loans ³ | 29 Bn | 4.6 Tn | 159x |

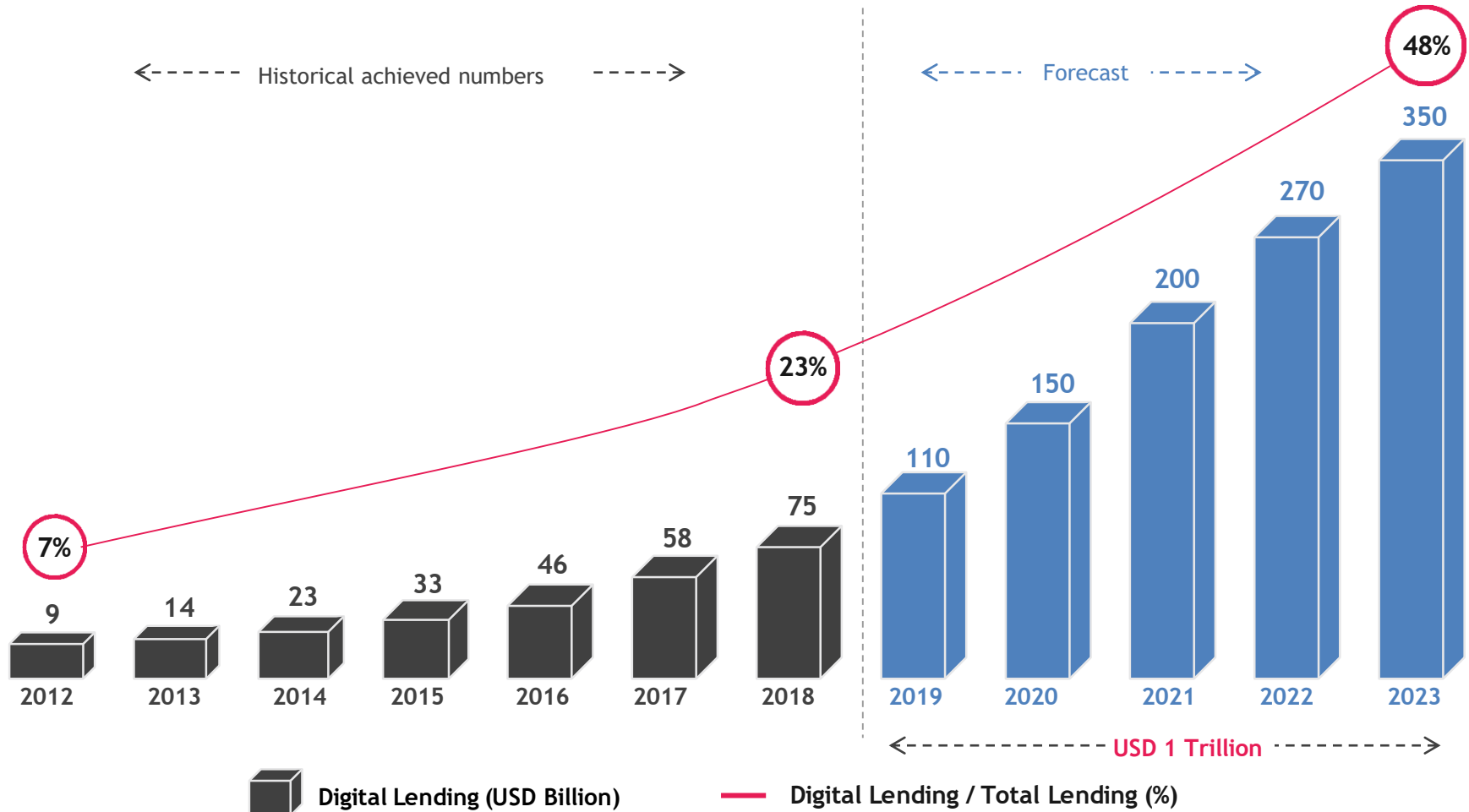
Source:

1. www.IMF.org

2. Credit Information Bureau (India) Limited (CIBIL), a TransUnion company; Household debt report, Fed (Feb 2018); Forbes article - China household debt (Feb 2018)

3. Credit Information Bureau (India) Limited (CIBIL), a TransUnion company ; China MSME finance report (2017)

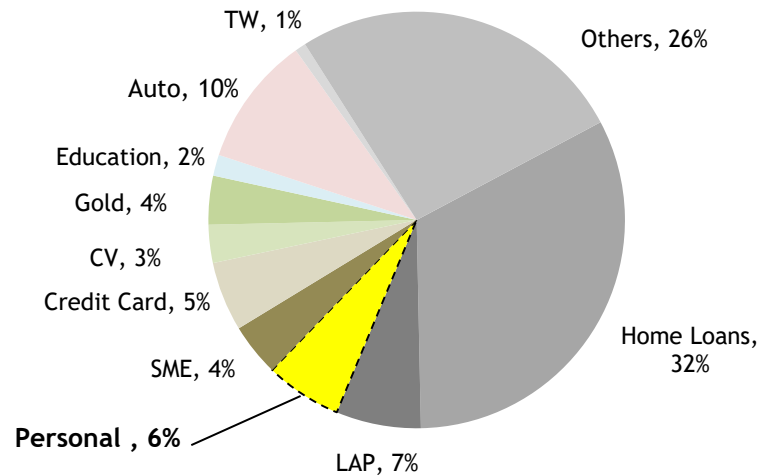
USD 1 Tn of Digital Lending in India in next 5 years



Indian Personal Loans Market

- ▲ The working population in India is expected to rise to **700 Mn**
- ▲ Only **4.5%**¹ of working population have taken personal loans, indicative of the large opportunity for growth

Distribution of credit across products¹



- ▲ With a CAGR of 27%¹, the personal loans market by number of individuals is expected to rise **10x** in the next 10 years

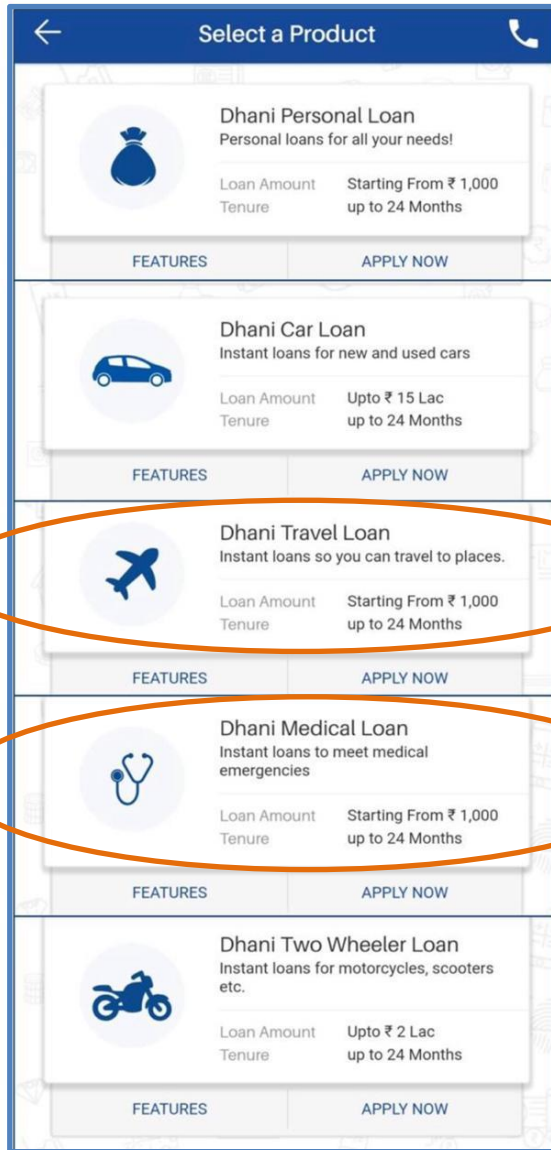
According to a report by Transunion CIBIL, in the last one year, 90+ delinquency rate for entire portfolio of personal loans in the country (through formal channels) has dropped by 19 basis points to 0.52%

Granularity of Business & Strong Customer Franchise



- ▲ Since launch, over **10.6 Mn** customers validated for credit on 'Dhani Credit Engine'
- ▲ Disbursed Loans in Q3 FY2018-19 are **2.9 Lacs** up 1767% from Q3 FY2017-18 and up 52% from Q2 FY18-19
- ▲ Of the total customers validated for credit, disbursal penetration has gone up to **5.8%** as of December 31, 2018 as compared to 2.0% as of December 31, 2017 and 5.3% as of September 30, 2018

Products for Individual Customers



Two new products introduced in Q3 FY2018-19:

- ▲ Dhani Travel Loan
- ▲ Dhani Medical Loan


Product Penetration per customer expected to go up from current runrate of 1.65x to 2.5x by FY 20

Loans, Marketing and Servicing Strategy

- ▲ **Loans Velocity:** Current velocity of 5,000 plus loans per day, expected to go up to **15,000** loans per day by September 30, 2019 and **25,000** loans per day by March 31, 2020

- ▲ **Key Mediums of Customer Acquisition:**
 1. Performance based marketing

 2. On the ground Partner Network: Current network of **7,40,051** partners up **7x** from 1,09,253 partners as of September 30, 2018

 3.  : Dhani club is a Loyalty Program for existing customers and they get different offers and rewards for customer referrals

Distribution and Reach

- ▲ Geographical presence in **124** cities as of December 31, 2018. This will help cover 72% of the personal loans/SME loans market in India
- ▲ By the end of current fiscal, on-field manpower is expected to be **17,000**: Adequate ongoing capacity creation to handle growth in FY 2019-20

| Key Departments | Expected Manpower | Current Manpower |
|---------------------|-------------------|------------------|
| Partner Program FoS | 10,000 | 5,000 |
| Collection | 7,000 | 3,000 |

Expected average of 80 Partner Program FoS per city

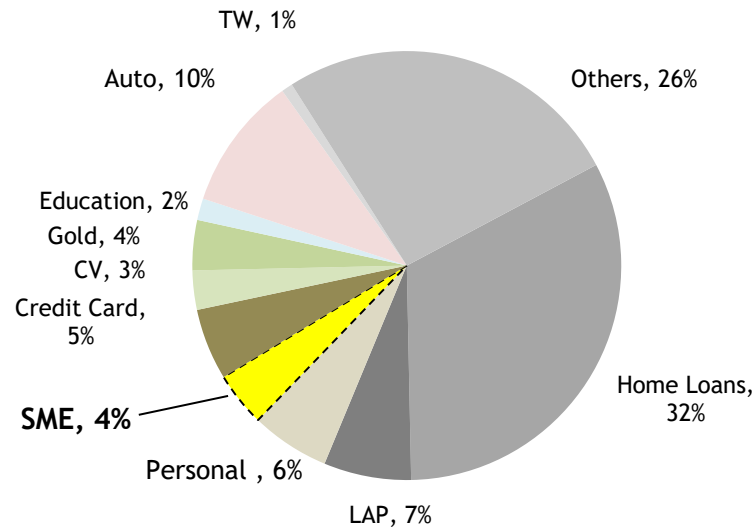
Expected average of 55 Collection officers per city

Current 7,40,051 Dhani partners to cross 3 Mn by the end of calendar year

Indian SME/BIL Lending Market

- ▲ Indian MSME sector is a made up of more than **51 Mn¹** enterprises
- ▲ While the MSME sector contributes to **37.5% (USD 1 Tn¹)** of the country's GDP, it is allocated only **4%** of financial systems' credit. This is indicative of a large opportunity for growth

Distribution of Credit across products²



As per the Goods & Service Act 2017, all SMEs with a turnover over ₹ 4 Million[#] to mandatorily file their GST returns. This is expected to be a catalyst for growth of lending to SMEs

Source :

1. MSME Pulse March 2018, Transunion
2. Credit Information Bureau (India) Limited (CIBIL), a TransUnion company

On 10th January, 2019, the government has increased the GST turnover limit from ₹ 2 Mn to ₹ 4 Mn

SME: Small and Medium Enterprises
 BIL: Business Installment Loans
 MSME: Micro, Small and Medium Enterprises

Product Offerings for SME



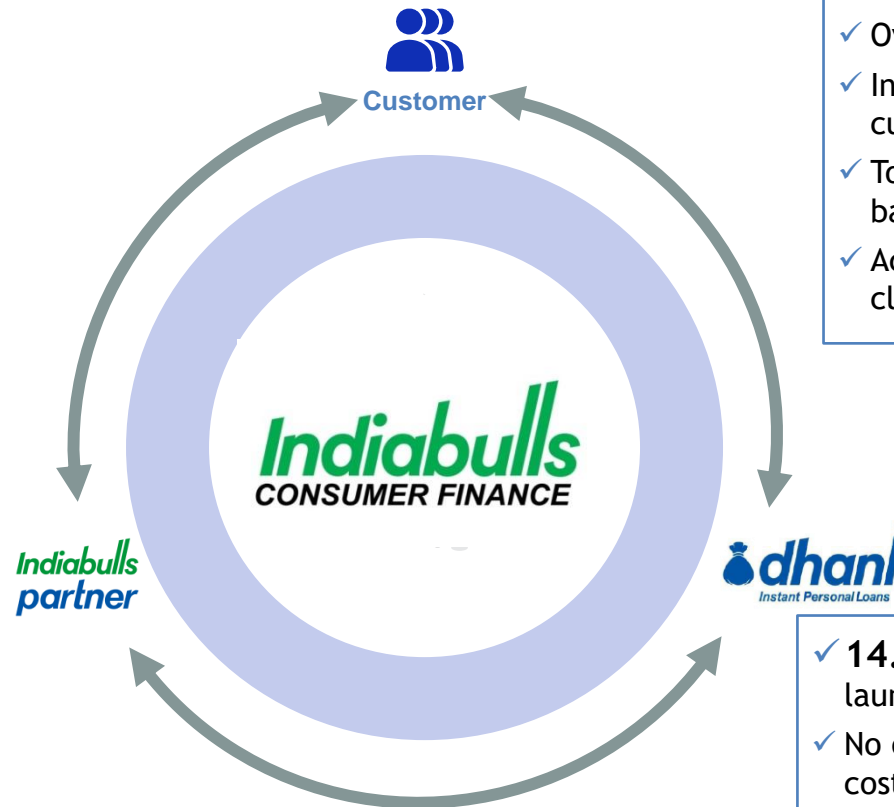
▲ **Different Product Categories:**

- Super Premium
- Premium
- Regular

▲ **Mandatory Requirement of GST Returns for Dhani Biz (SME Loans)**

Technology-enabled loan solutions with risk based pricing will help substantially reduce the turn-around time for loans to SMEs, which currently stands at 26 days¹

Unique distribution model of online & offline channels



- ✓ Over **6 Lacs** customers
- ✓ Instant receipt of money in customer's bank account
- ✓ Top up through few swipes based on credit history
- ✓ Access to offers through Dhani club loyalty program

- ✓ **14.3 Mn** downloads since its launch
- ✓ No office and infrastructure costs
- ✓ No fixed sales cost
- ✓ Risk based pricing
- ✓ Back-end integration for seamless instant disbursal

- ✓ Over **7 Lacs** partner network
- ✓ No requirement for office set up/employees
- ✓ Instant pay-out on customer referral disbursement

Technology: Most Important Focus of ICF

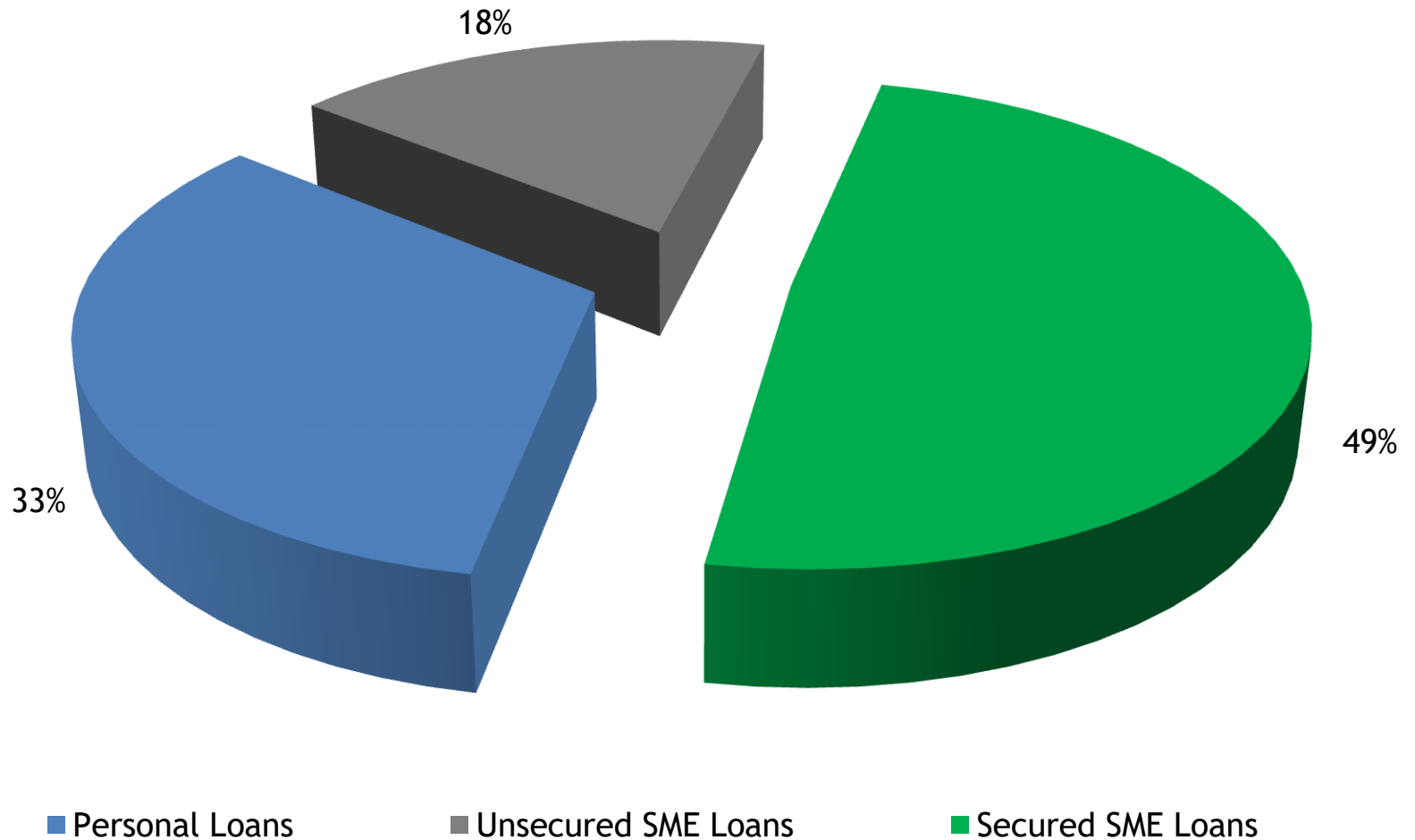
- ▲ **Risk Engine:** As the company gets more customers and their data, the underwriting capabilities of the company keeps improving. Unique position of acquiring better quality customers as the business scales up

- ▲ **Multitude of products in the offering to enhance customer experience**
 - **Dhani Wallet:** Customer loan to be directly disbursed into Dhani Wallet

 - **Dhani Prepaid Debit Card:** Additional option for the customer to use the loan amount in any shop/commercial establishment while allowing the company to keep track of the spending pattern

 - **EMI Card:** Pre-approved line for quick and easy lifestyle financing

Asset Composition



Assets Under Management : ₹ 104.53 Bn as of December 31, 2018

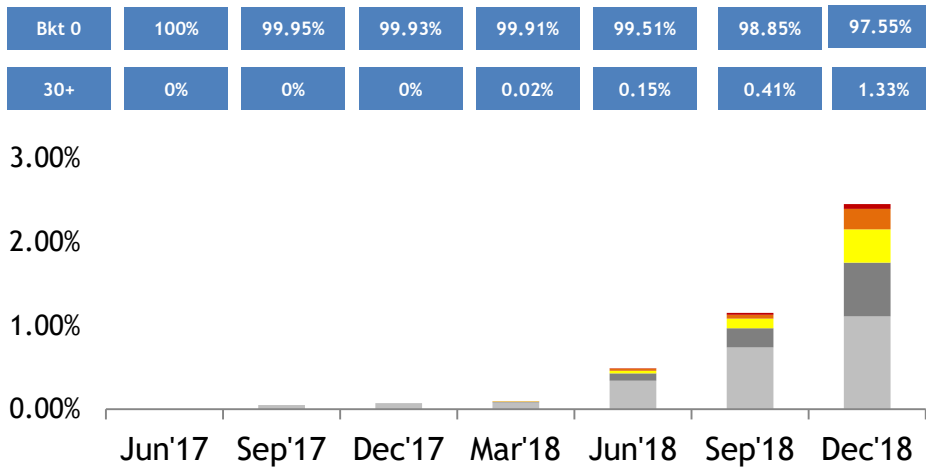
Key Product Stats

| Product lines | AUM as of Dec 31, 2018 (₹ Bn) | Q3 Disbursements (₹ Bn) | IRR | Average Range (₹ Mn) | Average Tenure (in months) |
|---------------------|----------------------------------|----------------------------|--------|-------------------------|-------------------------------|
| Personal Loans | 34.97 | 9.57 | 20.13% | 0.02 - 0.30 | 14 |
| Unsecured SME Loans | 18.84 | 1.98 | 20.34% | 1.0 - 2.5 | 16 |
| Secured SME Loans | 50.72 | 2.20 | 14.23% | 15 - 50 | 30 |

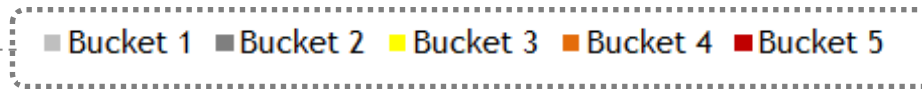
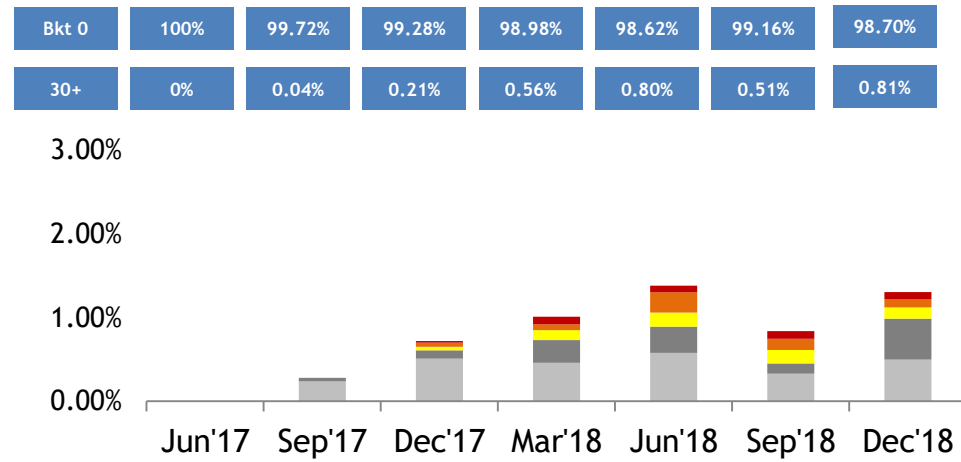
Book Yield as of December 31, 2018 is **17.31%** as compared to 16.34% as of September 30, 2018

Asset Quality

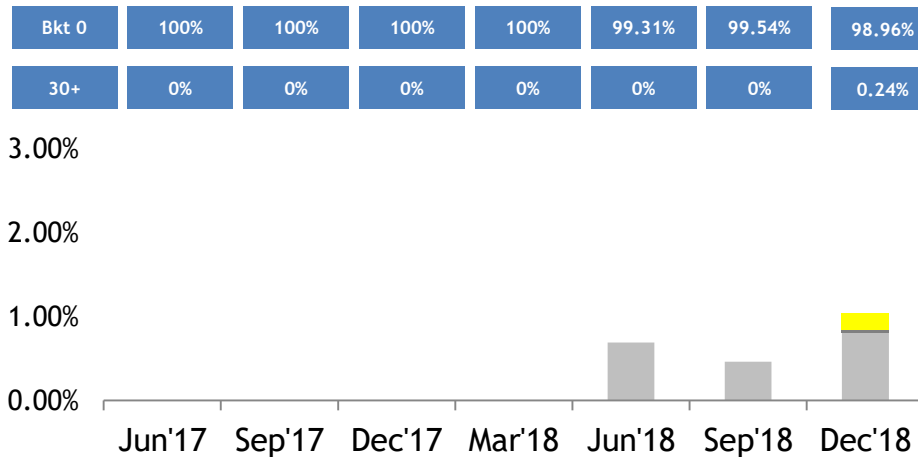
Personal Loans



Unsecured SME Loans



Secured SME



Credit Quality - Provisioning Coverage

Figures in ₹ Mn

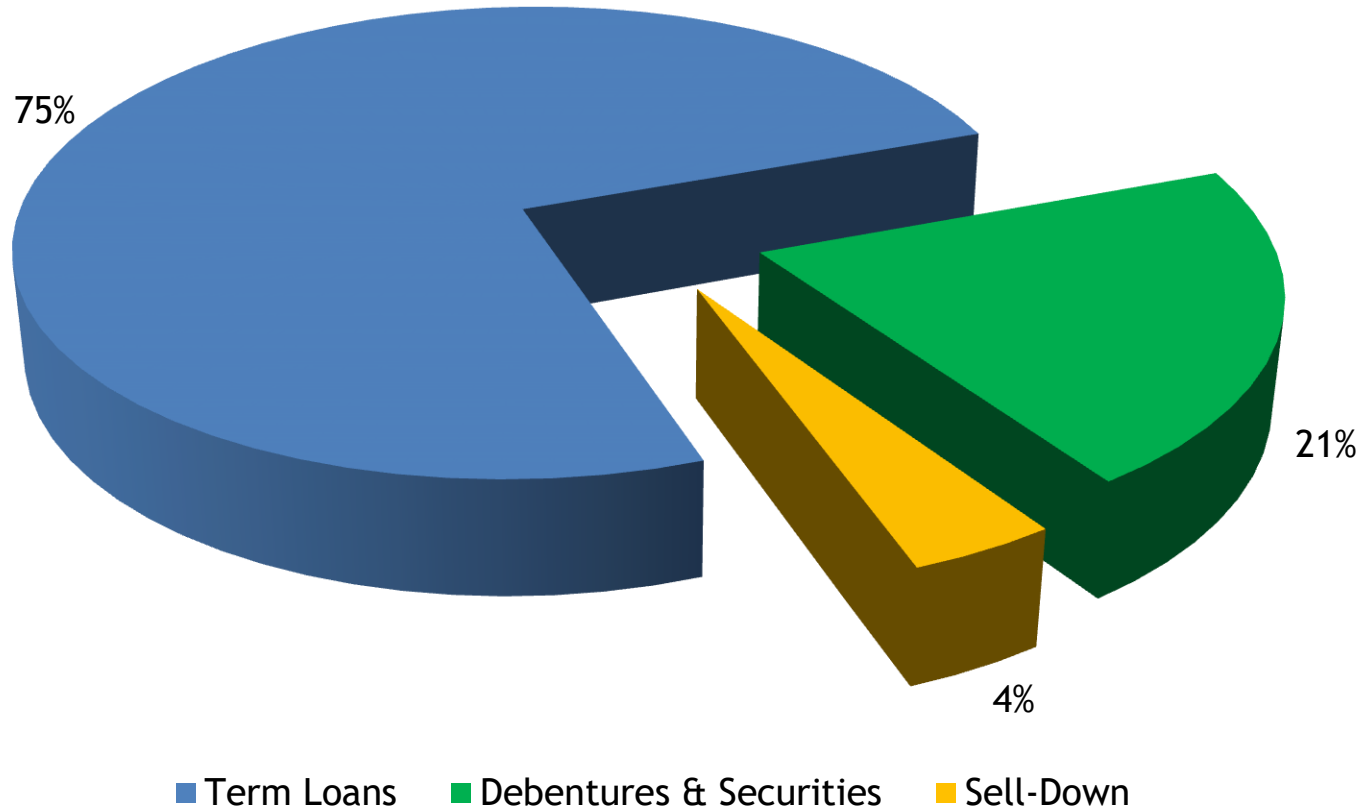
| Business Segment | AUM | GNPA | ECL Provision | NNPA | PCR % | GNPA % | NNPA% |
|---------------------|----------------|--------------|---------------|-------------|------------|--------------|--------------|
| Personal Loans | 34,965 | 190.1 | 142.6 | 47.5 | 75% | 0.54% | 0.14% |
| Unsecured SME Loans | 18,840 | 147.4 | 110.5 | 36.9 | 75% | 0.78% | 0.20% |
| Secured SME Loans | 50,722 | - | - | - | - | - | - |
| Total | 104,527 | 337.5 | 253.1 | 84.4 | 75% | 0.32% | 0.08% |

GNPA: 90 days past due

ECL Provision: Stage 3 Provision only (Stage 1 and Stage 2 Provision are not included)

PCR %: Stage 3 ECL Provisions divided by GNPA

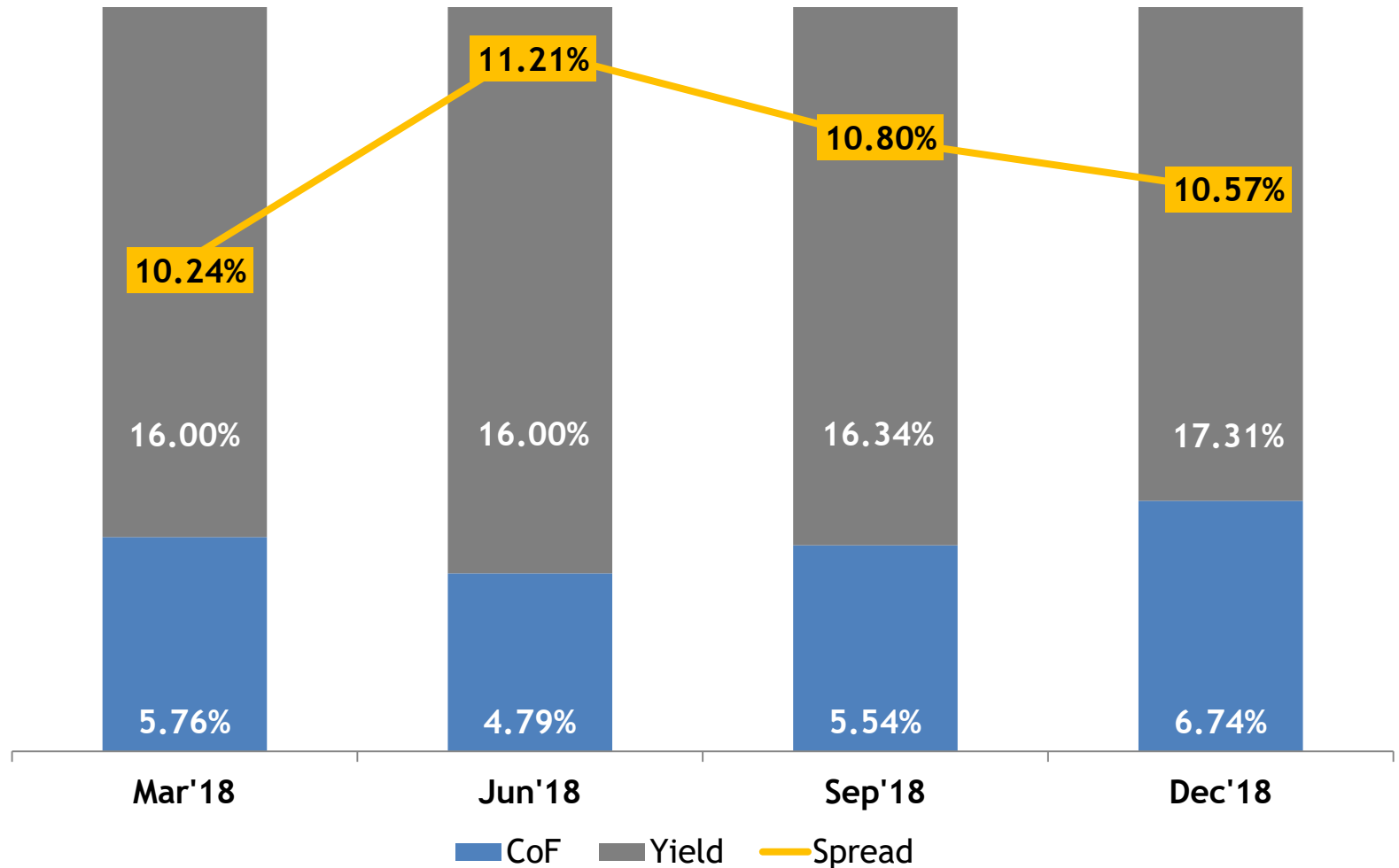
Borrowings Mix



Total Borrowings : ₹ 68.99 Bn as of December 31, 2018

Net Gearing of 1x as of December 31, 2018

Stable Spread



The Company has been able to pass on the increase in cost of funds to its customers and thereby maintain its spreads

ALM Strategy

Figures in ₹ Crs

| Particulars | Total | Q4FY19 | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | FY20-21 | FY21-22 | >3 years |
|--------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash and Cash Equivalents | 1,696 | 1,696 | 941 | 1,603 | 1,063 | 1,884 | 2,625 | 5,039 | 5,803 |
| Customer Repayments | 10,334 | 1,080 | 1,066 | 1,058 | 1,051 | 1,045 | 3,168 | 1,498 | 368 |
| Total Inflows (A) | 12,030 | 2,776 | 2,007 | 2,661 | 2,114 | 2,929 | 5,793 | 6,537 | 6,171 |
| <i>Cumulative Total Inflows</i> | | 2,776 | 3,842 | 4,900 | 5,951 | 6,996 | 10,164 | 11,662 | 12,030 |
| Borrowing Repayments | 6,757 | 1,835 | 404 | 1,598 | 230 | 304 | 754 | 734.05 | 898 |
| Equity capital, Reserves and Surplus | 5,273 | | | | | | | | 5,273 |
| Total Outflows (B) | 12,030 | 1,835 | 404 | 1,598 | 230 | 304 | 754 | 734 | 6,171 |
| <i>Cumulative Total Outflows</i> | | 1,835 | 2,239 | 3,837 | 4,067 | 4,371 | 5,125 | 5,859 | 12,030 |
| Net Cash (A-B) | | 941 | 1,603 | 1,063 | 1,884 | 2,625 | 5,039 | 5,803 | - |

1. The above cash flows do not include the equity infusion from the balance receivables from the Rights Issue of IVL
2. The above cash flows do not include any rollover of CPs or Bank Term Loans
3. Other Current Assets and Current Liabilities have been excluded

Credit Ratings : IBCFL

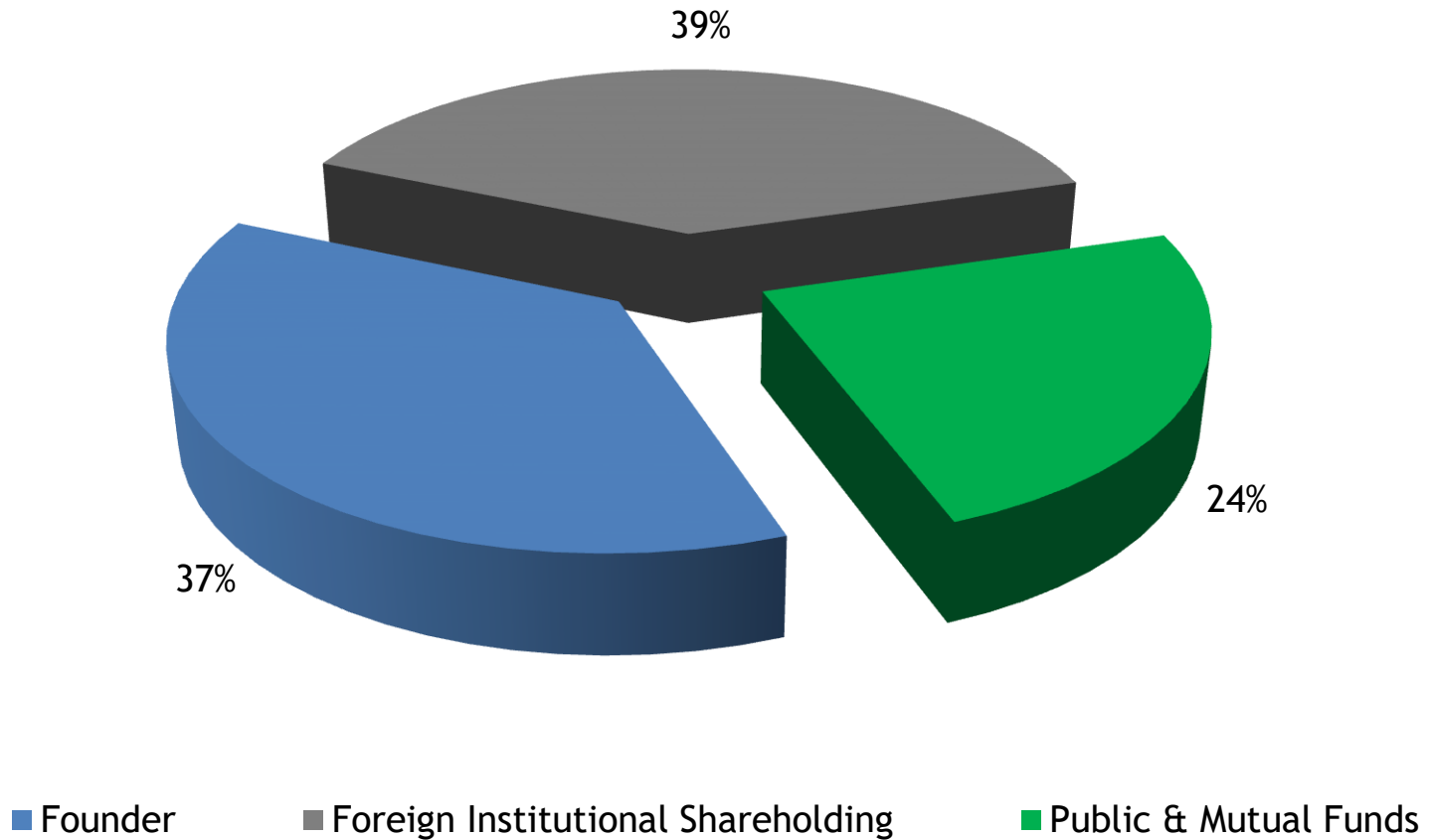
| | Long Term Credit Rating |
|-------------------|-------------------------|
| Brickwork Ratings | AA+ |
| CARE Ratings | AA |

| | Short Term Credit Rating |
|--|--------------------------|
| CRISIL [An S&P Global Company] | A1+ |
| ICRA [A Moody's Investors Service Company] | A1+ |
| CARE Ratings | A1+ |
| Brickwork Ratings | A1+ |

'A1+' is the highest possible credit rating on the short term rating scale

| | Loan Securitisation Rating |
|--------------------------------|--|
| CRISIL [An S&P Global Company] | AAA [Unsecured SME Pool PTC Transaction Rating] |

Shareholding Pattern



Eminent and Experienced Board of Directors

- Mr. Sameer Gehlaut : Chairman
- Mr. Pinank Shah : CEO, ICF
- Mr. Divyesh Shah : CEO, IVL
- Mr. Gagan Banga : Director
- Mr. Abhaya Prasad Hota : Ex-Managing Director of National Payments Corporation of India
- Mrs. Vijayalakshmi Iyer : Ex-Member of IRDAI
- Mr. Shyam Lal Bansal : Ex-Chairman & Managing Director of Oriental Bank of Commerce
- Mr. Alok Kumar Misra : Ex-Chairman & Managing Director of Bank of India
- Retd. Brig. Labh Singh Sitara : Honoured with the Dhyan Chand Award by the President of India

Consolidated Income Statement

| Indiabulls Ventures Limited Group | | |
|--|---|---|
| Consolidated Statement of Profit and Loss for the period ended December 31, 2018 | | |
| | (₹ Billions) | |
| | For the period ended December 31, 2018 | For the period ended December 31, 2017 |
| Revenue | | |
| Revenue from operations | 13.79 | 5.88 |
| Other income | 0.22 | 0.23 |
| Total Revenue | 14.01 | 6.11 |
| Expenses | | |
| Employee benefits expense | 2.55 | 1.17 |
| Finance costs | 4.02 | 1.40 |
| Depreciation and amortisation | 0.18 | 0.07 |
| Impairment losses on financial assets | 0.74 | 0.22 |
| Other expenses | 1.74 | 1.17 |
| Total Expenses | 9.23 | 4.03 |
| Profit Before Tax | 4.78 | 2.08 |
| Tax expense | 1.29 | 0.53 |
| Net Profit After Tax | 3.49 | 1.55 |

Safe Harbour Statement

This document contains certain forward-looking statements based on current expectations of Indiabulls Ventures Ltd.'s (CIN: L74999DL1995PLC069631) 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 the securities markets; new regulations and government policies that might impact the business of Indiabulls Ventures Ltd.; the general state of the Indian economy; and the management's ability to implement the company's strategy. Indiabulls Ventures Ltd. 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 Ventures Ltd. 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 Ventures Ltd.

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