

# Indiabulls VENTURES

April 25, 2019

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

**IBVENTURES-EQ/E3**  
**National Stock Exchange of India**  
**Limited**  
“Exchange Plaza”,  
Bandra-Kurla Complex, Bandra (E).  
MUMBAI – 400 051

**Sub: Earnings Update for the financial year ended March 31, 2019**

Dear Sir,

Please find enclosed an Earnings Update of Indiabulls Ventures Limited for the financial year ended March 31, 2019, for your information and record.

Thanking you,

Yours truly,  
For **Indiabulls Ventures Limited**



**Lalit Sharma**  
**Company Secretary**

*Enclosure: as above*

CC:  
**Luxembourg Stock Exchange, Luxembourg**

## **Indiabulls Ventures Limited**

CIN: L74999DL1995PLC069631

Corporate Office: “Indiabulls House” 448-451, Udyog Vihar, Phase - V, Gurugram -122 001, Client Helpline: 0124 4572444, Fax: 0124 6681111  
Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001 Tel: (011) 30252900, Fax: (011) 30156901  
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**Audited Financial Results – FY 2018-19**

**April 25, 2019**

# BUSINESS UPDATE



## Q4 FY18-19 vs Q4 FY17-18

Particulars	Q4 FY19	Q4 FY18	YOY Growth %
Revenue	6.00	3.86	55%
PBT	1.51	0.73	107%
PAT	1.11	0.55	102%

## FY 18-19 vs FY 17-18

Particulars	FY19	FY18	YOY Growth %
Revenue	19.97	9.95	101%
PBT	6.29	2.81	124%
PAT	4.60	2.10	119%

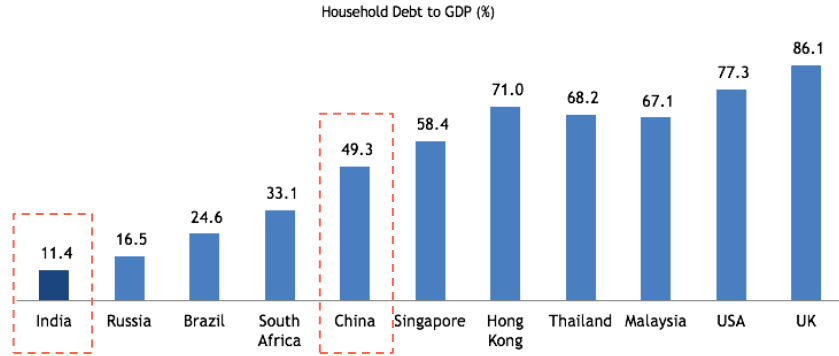
An interim dividend of ₹ 1 per share of face value ₹ 2 /-, amounting to 50%, has been declared in the board meeting held on April 25, 2019

Assets Under Management of Indiabulls Consumer Finance (ICF) as of March 31, 2019 is **₹ 112.28 Bn** up **181%** from ₹ 40.02 Bn as of March 31, 2018

## KEY HIGHLIGHTS

- Over **4.9 Lacs** loans disbursed to customers in Q4 FY19, which is 1.7x compared to the number of loans disbursed in Q3 FY19. Total number of customers served are more than **1.1 Mn** as of March 31, 2019
- Launch of Dhani Pay Wallet and Prepaid cards. ICF becomes the first entity to have an end to end solution for customers financing requirements through Dhani and their payment needs through Dhani Pay mobile wallets and prepaid cards. Payment solutions help in strengthening fee income and deepening the engagement with users, thereby improving the credit engine, basis spending patterns of customers
- **₹ 7.68 Bn** raised through sell down of loans in Q4 FY 19
- **₹ 6.26 Bn** raised via maiden issue of retail bonds in Q4 FY 19
- Deepened the investment on in-house analytics, data science & technology for greater agility and innovation in our products and maintaining our competitive edge in digital solutions
- Started work on digital SME financing solutions. Expected roll out in H2 of the FY 20

# THE 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



Digital Lending will be a **\$ 1 Trillion** in the next 5 Yrs



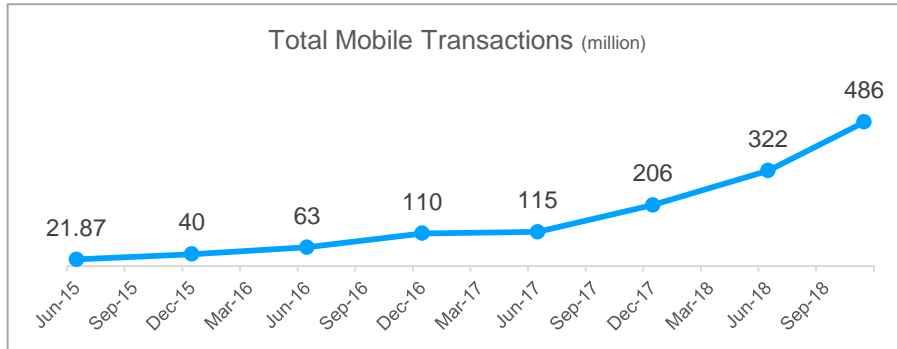
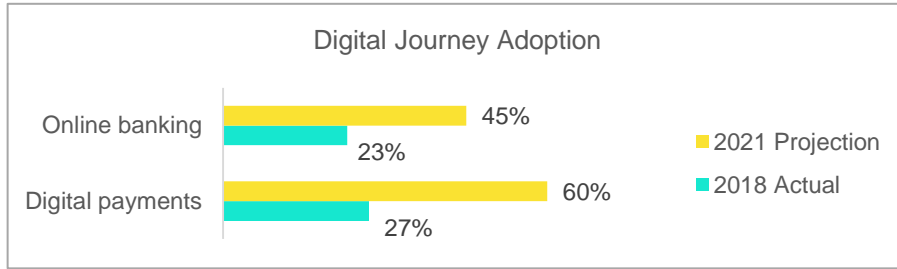
Credit bureau coverage has grown to 55.6 bn individuals



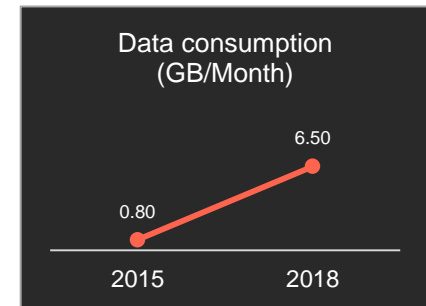
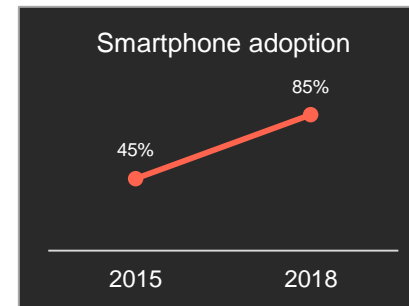
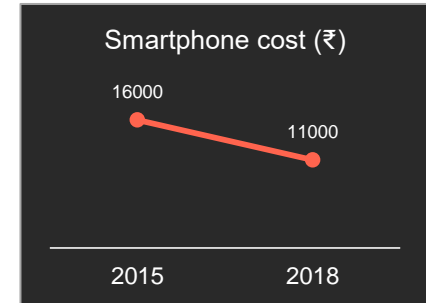
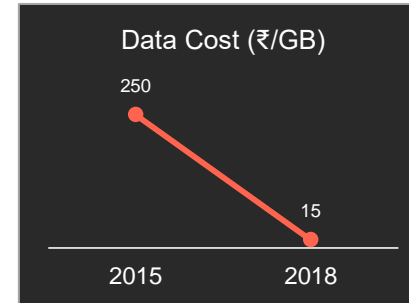
Digital Payments market is expected to grow to **\$ 700 Bn** by 2022 and will create a valuable digital footprint to assess credit risk

# INDIA IS GOING DIGITAL

India has leapfrogged 2.5 years ahead on the digital transaction curve post-demonetization in 2016. This is resulting in big data and deeper insights into user behaviour which can be leveraged for expanding credit and engagement



There is an eight-fold increase in data consumption and nearly 100 percent increase in smartphone adoption in the recent years. Indian users are Digitally Ready and **Our mobile first strategy will give us a strong competitive advantage**



# INDIA IS MOVING ON SIMILAR CURVE AS CHINA

Particulars	INDIA	CHINA	CHINA/INDIA
GDP	2.6 \$Tn	13.2 \$Tn	5x
Personal Loans	42.0 \$Bn	2.0 \$Tn	48x
SME Loans	29 \$Bn	4.6 \$Tn	159x

The large scale growth in China has been driven by:

- ✓ Significant contributions by Fintech firms like Ant financial
- ✓ Effectively leveraging technological advances, largely driven by smartphone adoption.
- ✓ Using Big data and analytics for credit decisions and pricing

Source:

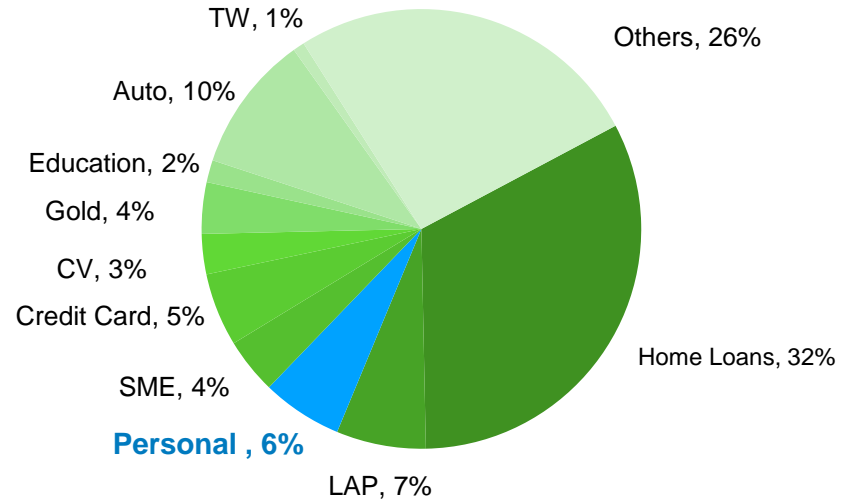
1. [www.IMF.org](http://www.IMF.org)

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)

# PERSONAL LOANS OPPORTUNITY IN INDIA

- The working population in India is expected to rise to **700 Mn**
- Only 4.5% of the working population have taken personal loans, indicative of the large opportunity for growth
- With a CAGR of 27%, the personal loans market by number of individuals is expected to rise **10x** in the next 10 years

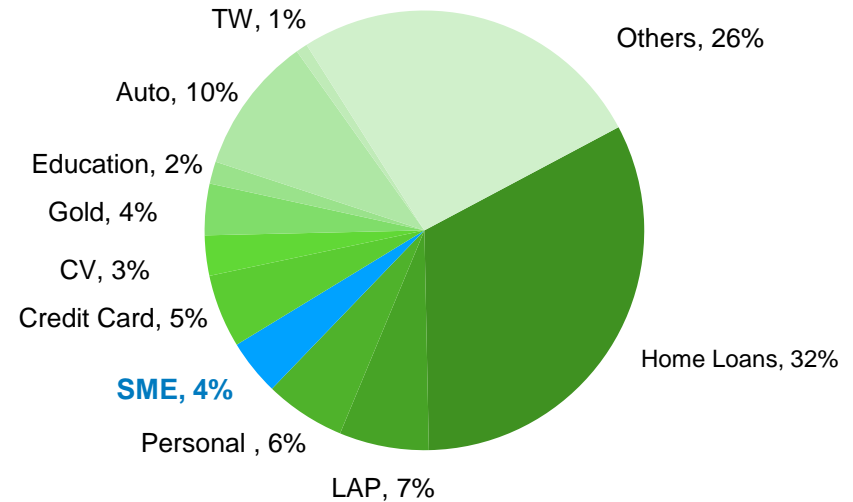


According to a report by Transunion CIBIL, 90+ delinquency rate for entire portfolio of personal loans in the country(through formal channels) stands at 0.58%



# SME LOANS OPPORTUNITY IN INDIA

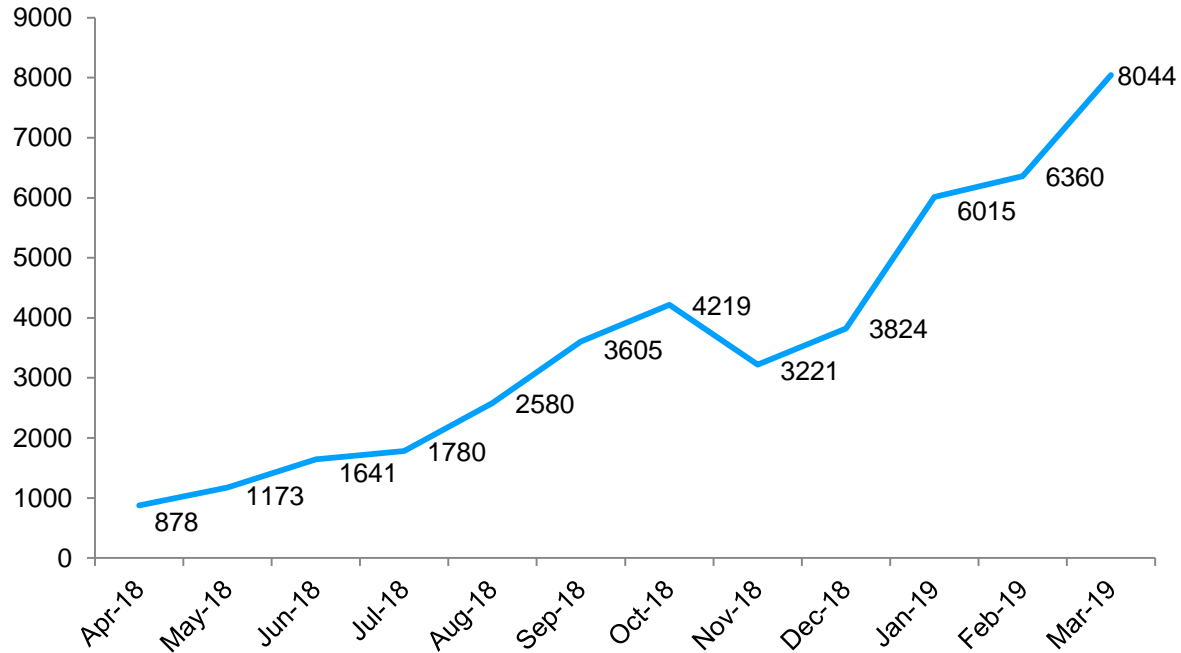
- The Indian MSME sector is a made up of more than **51 Mn** enterprises
- While the MSME sector contributes to 37.5% (USD 1 Tn) of the country's GDP, it is allocated only 4% of financial systems' credit. This is indicative of a large opportunity for growth



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

# BUSINESS PERFORMANCE FY 19: DISBURSEMENT RATE

Month on Month count of average daily disbursements

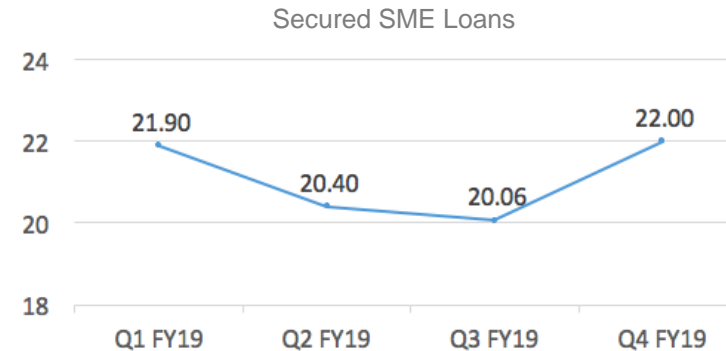
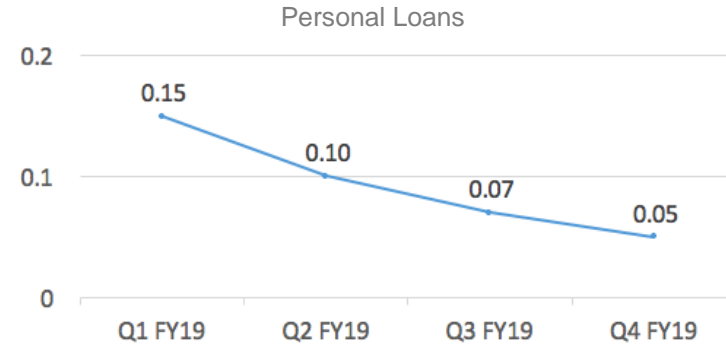
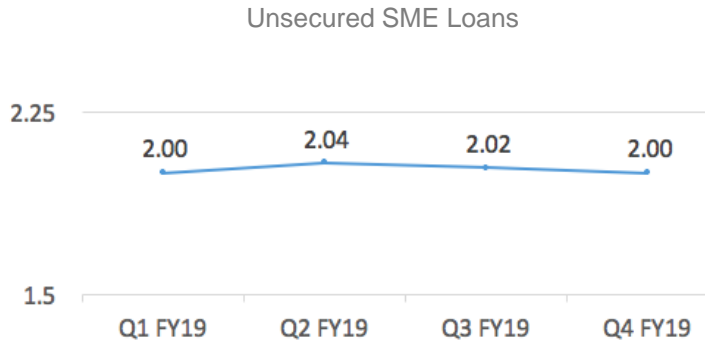


Month on Month Growth of 22 % and the rapid scale-up continues

# KEY METRICS: FY 19

- Expanding into new customer segments with smaller ticket sizes.
- Aim to continuously expand the credit relationship with the good performing customer segments

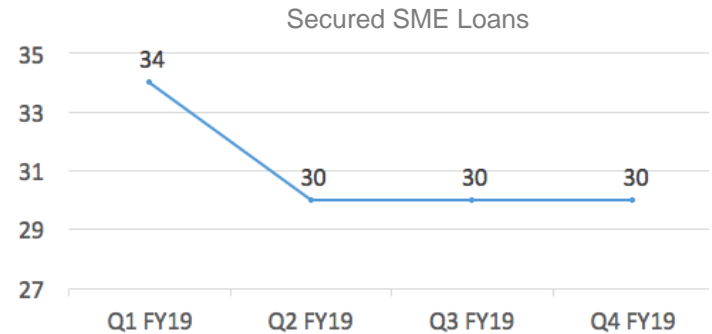
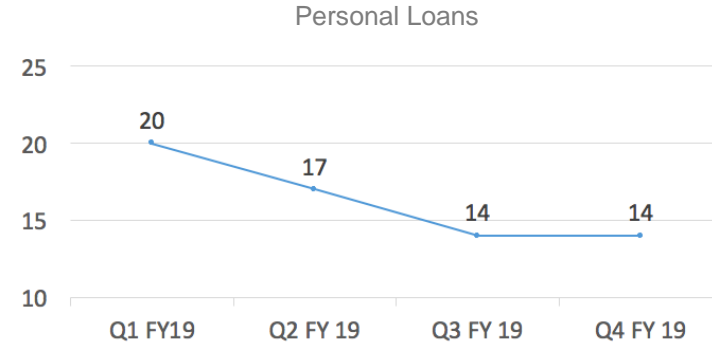
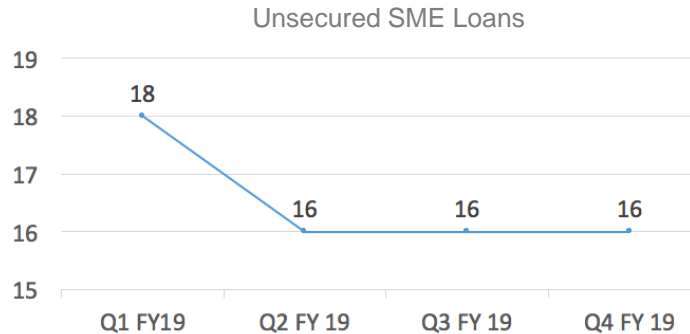
Average ticket size in million



# KEY METRICS: FY 19

## Average Tenor in months

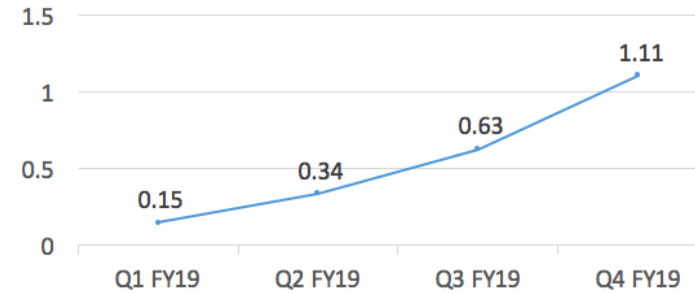
- Catering to the demand for smaller ticket & shorter duration loans for personal consumption and working capital



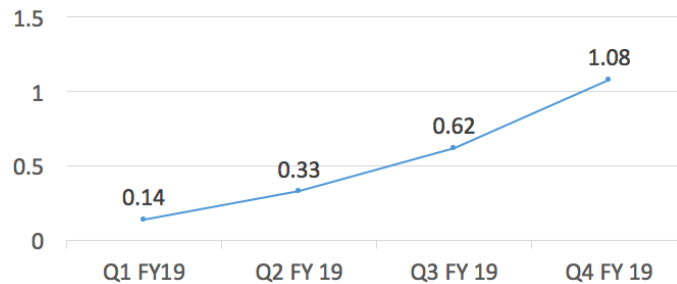
# GROWTH STORY: FY 19

- Quarter on Quarter growth of 98% in terms of unique customers served

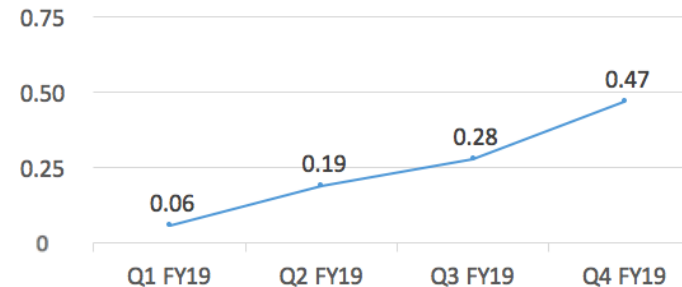
Cumulative loans disbursed (Millions)



Cumulative unique customers served (Millions)

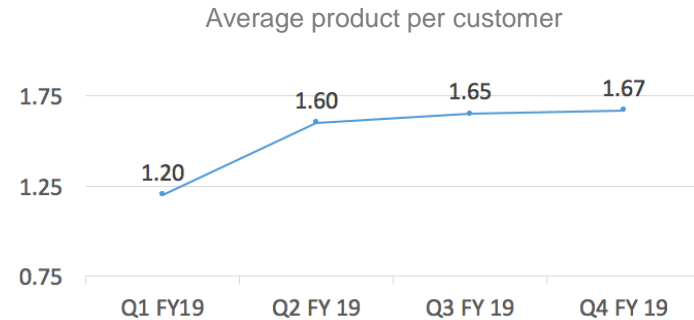
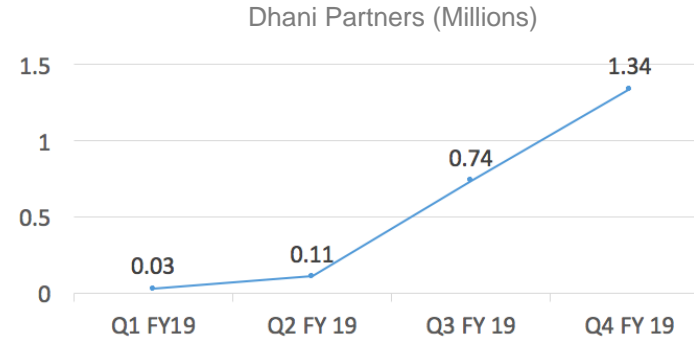


New customers added during the quarter (Millions)



# GROWTH STORY: FY 19

Quarter on Quarter growth of 255% in terms of Dhani Partners network



# PRODUCTS & TECHNOLOGY

## Consumer loans

**Dhani:** A wide range of consumer loans meeting different requirements of customers across their lifecycles and segments



## Payment Products

**Dhani Pay** Mobile wallet & Prepaid Cards, which could be used for day to day payments across 3.5 Mn (+) merchants across India. This will help us deepen our engagement with users, learn more about their needs while expanding credit lines to them.



## Partnerships

### **Flipkart Partnership:**

Strengthening our product partnerships to curate unique financing solutions for users



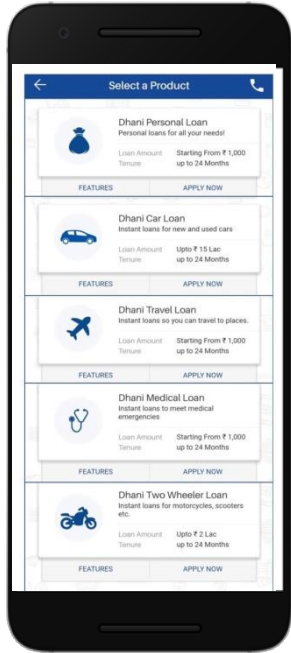
## SMEs

**Dhani Biz:** Reaching out to SME across segments enabling them meet their working capital and other business needs



A full spectrum of lending products and payment solutions will result in more powerful platform effects by leveraging cutting edge technology, data and analytics

# CONSUMER LOANS



**A Mobile First strategy** is enabling us to offer best in class products, a great user experience, and helping us leverage technology to better manage risk

Key offering:

- ✓ Personal Loans
- ✓ Car Loans
- ✓ Travel
- ✓ Medical
- ✓ Two Wheeler

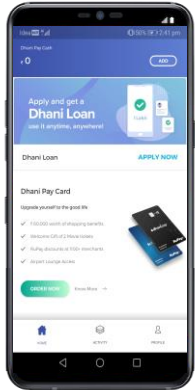
Product Penetration per customer expected to go up from current run rate of **1.67x to 2.5x by FY 20**

Loans Velocity: Current velocity of 10,000 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

Geographical presence in 124 cities help penetrating deeper across the country. This helps cover 72% of the personal loans/SME loans market in India



# CONSUMER PAYMENTS

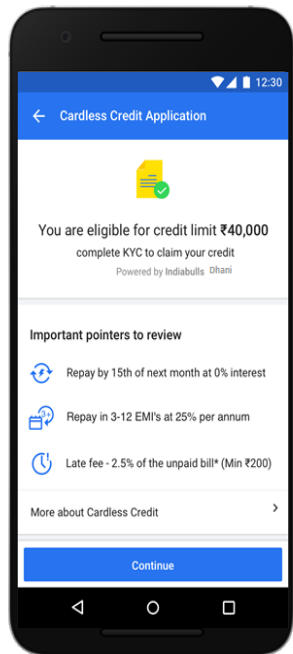


**Dhani Pay** a payment product to help engage our users and deepen our relationship with them

Key offering:

- ✓ First non bank to launch a RuPay Card in India which allows Dhani Pay customers to spend and earn rewards at over 3.5 Mn merchants across India
- ✓ In house Proprietary technology for payments processing and back office operations
- ✓ Dhani Pay EMI Card: Enabling customers to finance their purchases in easy instalments
- ✓ Prepaid Payments: can use Dhani Pay Card for day to day shopping, bill payments & more. Engaged customers could qualify for additional credit in a short time
- ✓ Dhani Pay rewards for all customers which could be used for shopping at partner establishments

# PRODUCT PARTNERSHIP



**Flipkart & Dhani Partnership** powering an innovative program for Flipkart customers branded as “Cardless Credit”

Key offering:

- ✓ Instant approval
- ✓ Hassle free choice for completing transaction on Flipkart
- ✓ EMI option ranging from 3 to 12 months

# BUILDING A STRONG CONSUMER FRANCHISE



Since launch, over **19.3 Mn** customers have been validated for a credit on the 'Dhani Credit Engine'

Disbursed Loans in Q4 FY2018-19 are 0.49 Mn **up 965% from Q4 FY2017-18** and up 69% from Q3 FY18-19

Of the total customers validated for credit, disbursal penetration stands at 5.7% as of March 31, 2019 as compared to 2.7% as of March 31, 2018

Over **30 Mn** apps downloaded from the Google playstore and Apple app store. Mobile is becoming the primary channel of connecting with individuals

On the ground Partner Network: Current network of 1.34 Mn. Dhani partners **up 81%** from 0.7 Mn. partners as of December 31, 2018

**Dhani club** our loyalty Program for existing customers offer rich rewards for customer referrals

# SME PRODUCTS

**SME Products**, helping us reach out to a large spectrum of SME to meet their working capital and other business financing requirements

We offer different product categories to include:

- ✓ Super Premium
- ✓ Premium
- ✓ Regular



Pilot launched and have planned a PAN India roll out by Q1'FY 20 to enable technology led SME lending platform

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 days<sup>1</sup>

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

# TECHNOLOGY & ANALYTICS

We continue to invest behind building a strong in-house technology platform helping us innovate, providing us agility to respond to consumer needs, deep learnings through data and therefore giving us a competitive edge in managing risk and monetisation opportunities



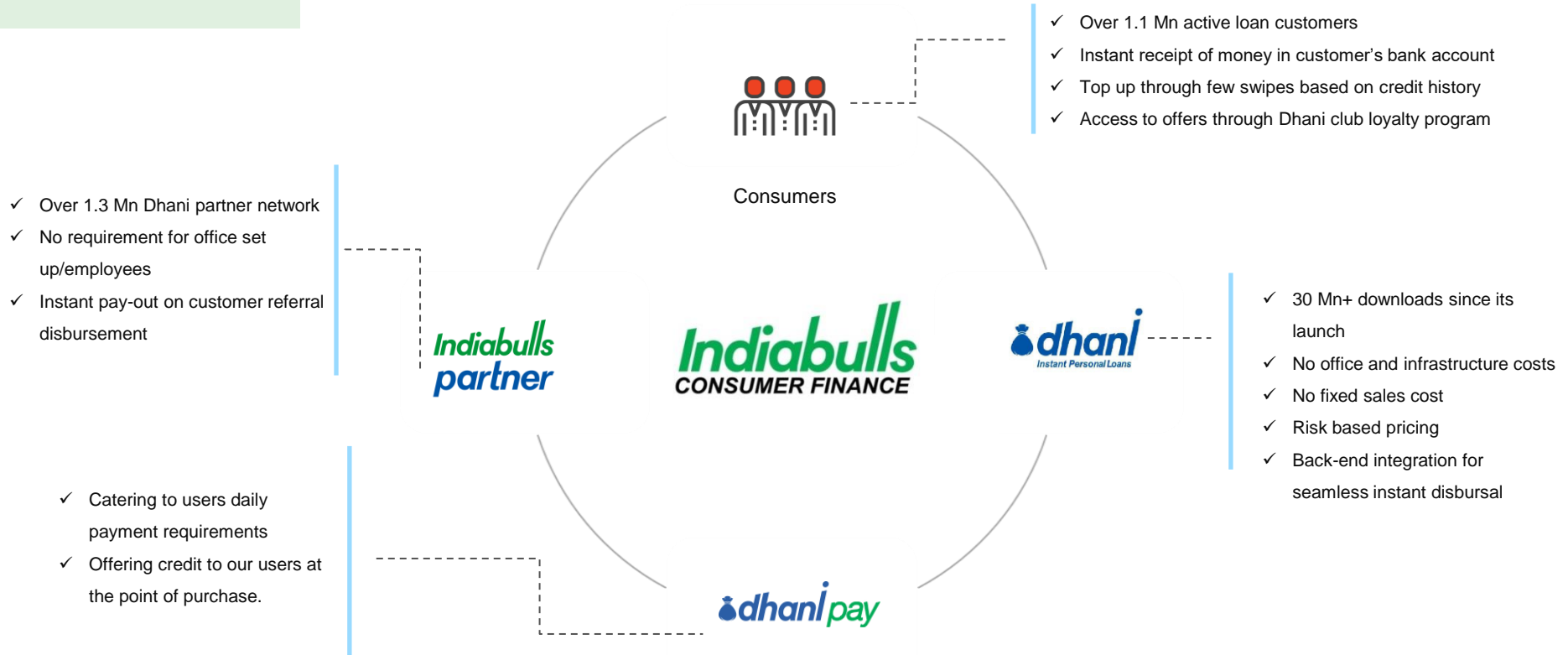
**Risk Engine:** As the company gets more customers and their data, the underwriting capabilities of the company keeps improving. Unique position of acquiring better quality customers as the business scales up and we gather consumer data and their spending patterns across our set of products

**Data Analytics:** Payment products give us a lot more information on users helping us reach out to bureau thin customers by learning about their spending pattern and offering them the right products at acceptable credit costs

**Customer life cycle management through AI :** Machine learning based Analytics to determine customer product requirement basis life cycle of the consumer

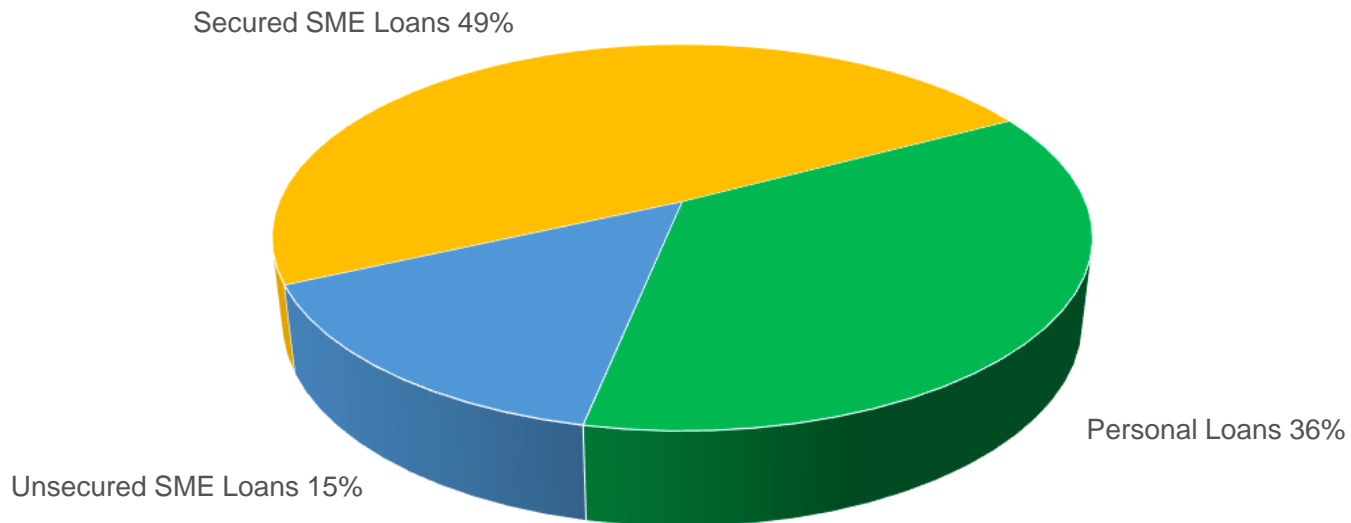
Leveraging technology to deepen partnerships and offer their customers a line of credit. Thought a set of standard APIs we are making it seamless for partners to integrate into our platforms

# ICF MOAT



**A mobile first strategy supported by offline channels, strong data analytics, and a technology platform**

## ASSET COMPOSITION



**Assets Under Management : ₹ 112.28 Bn as of March 31, 2019**

## KEY PRODUCT STATS

Product Lines	AUM as of Mar 31, 19 (₹ Bn)	Q4 Disbursements (₹ Bn)	IRR	Average Range (₹ Mn)	Average Tenure (in months)
Personal Loans	39.84	10.49	21.81%	0.02 – 0.30	14
Unsecured SME Loans	16.87	0.18	20.34%	1.00 – 2.50	16
Secured SME Loans	55.57	9.19	14.22%	15 - 50	30

Book Yield as of March 31, 2019 is 17.84 % as compared to 17.31% as of December 31, 2018

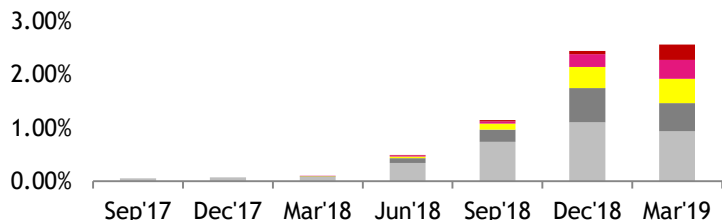


# ASSET QUALITY

## Personal Loans

	Sept 17	Dec 17	Mar 18	June 18	Sept 18	Dec 18	Mar 19
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Bucket 0	99.95%	99.93%	99.91%	99.51%	98.85%	97.55%	97.43%
30 days +	0%	0%	0.02%	0.15%	0.41%	1.33%	1.63%

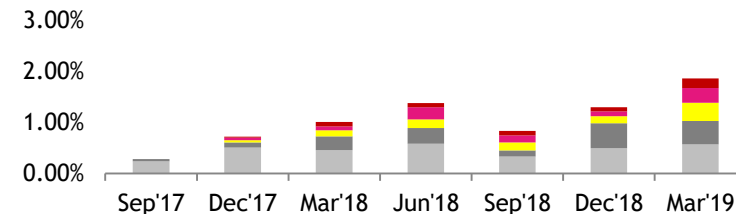


■ Bucket 1 ■ Bucket 2 ■ Bucket 3 ■ Bucket 4 ■ Bucket 5

## Unsecured SME Loans

	Sept 17	Dec 17	Mar 18	June 18	Sept 18	Dec 18	Mar 19
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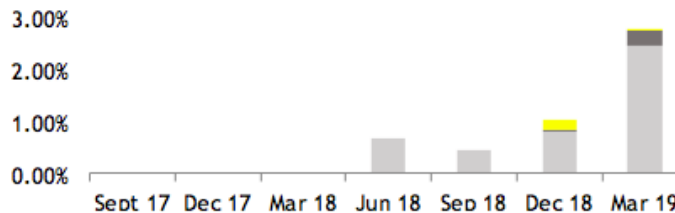
Bucket 0	99.72%	99.28%	98.98%	98.62%	99.16%	98.70%	98.13%
30 days +	0.04%	0.21%	0.56%	0.80%	0.51%	0.81%	1.30%



## Secured SME Loans

	Sept 17	Dec 17	Mar 18	June 18	Sept 18	Dec 18	Mar 19
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Bucket 0	100%	100%	100%	99.31%	99.54%	98.96%	98.33%
30 days +	0%	0%	0%	0%	0%	0.24%	0.13%



## CREDIT QUALITY – PROVISIONING COVERAGE

Business Segment	AUM	GNPA	ECL Provision	NNPA	PCR %	GNPA %	NNPA%
Personal Loans	39.84	0.49	0.37	0.12	75%	1.23%	0.31%
Unsecured SME Loans	16.87	0.25	0.19	0.06	75%	1.50%	0.37%
Secured SME Loans	55.57	0.10	0.02	0.08	20%	0.18%	0.14%
<b>Total</b>	<b>112.28</b>	<b>0.84</b>	<b>0.58</b>	<b>0.26</b>	<b>69%</b>	<b>0.75%</b>	<b>0.24%</b>

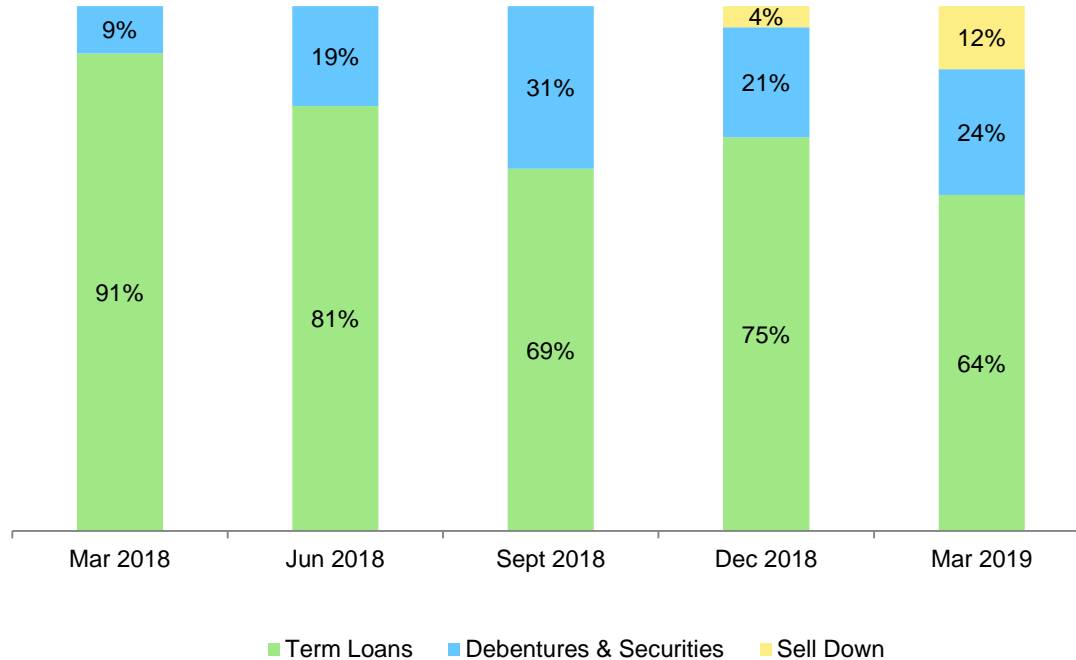
Figures in Bn.

GNPA: 90 days past due

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

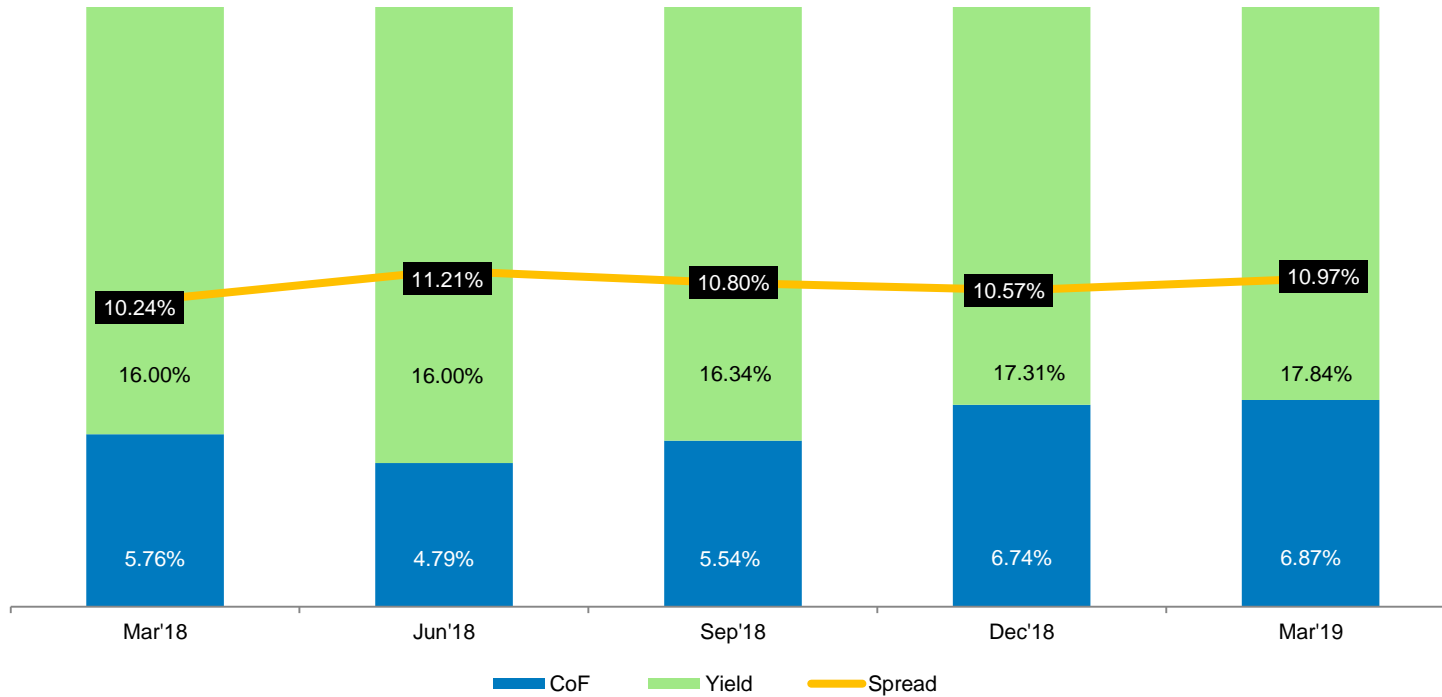
PCR %: Stage 3 ECL Provisions divided by GNPA

# FUNDING MIX



**Net Gearing of 1.58x as of March 31, 2019**

# 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

Particulars	Total	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20-21	FY21-22	>3 years
Cash and Cash Equivalents	16.53	16.53	11.21	6.25	14.70	21.55	35.76	48.03
Customer Repayments	106.33	11.57	11.98	11.15	11.13	25.70	24.90	9.90
<b>Total Inflows (A)</b>	<b>122.86</b>	<b>28.10</b>	<b>23.19</b>	<b>17.40</b>	<b>25.83</b>	<b>47.25</b>	<b>60.66</b>	<b>57.93</b>
<i>Cumulative Total Inflows</i>	-	28.10	40.08	51.23	62.36	88.06	112.96	122.86
Borrowing Repayments	79.18	16.89	16.94	2.70	4.28	11.49	12.63	14.25
Equity capital, Reserves and Surplus	43.68	-	-	-	-	-	-	43.68
<b>Total Outflows (B)</b>	<b>122.86</b>	<b>16.89</b>	<b>16.94</b>	<b>2.70</b>	<b>4.28</b>	<b>11.49</b>	<b>12.63</b>	<b>56.93</b>
<i>Cumulative Total Outflows</i>	-	16.89	33.83	36.53	40.81	52.30	64.93	122.86
<b>Net Cash (A-B)</b>	-	11.21	6.25	14.70	21.55	35.76	48.03	-

Figures in Bn.  
 The above cash flows do not include any rollover of CPs or Bank Term Loans  
 Other Current Assets and Current Liabilities have been excluded

# CREDIT RATINGS: ICF

Long Term Credit Rating	
Brickwork Ratings	AA+
CARE Ratings	AA

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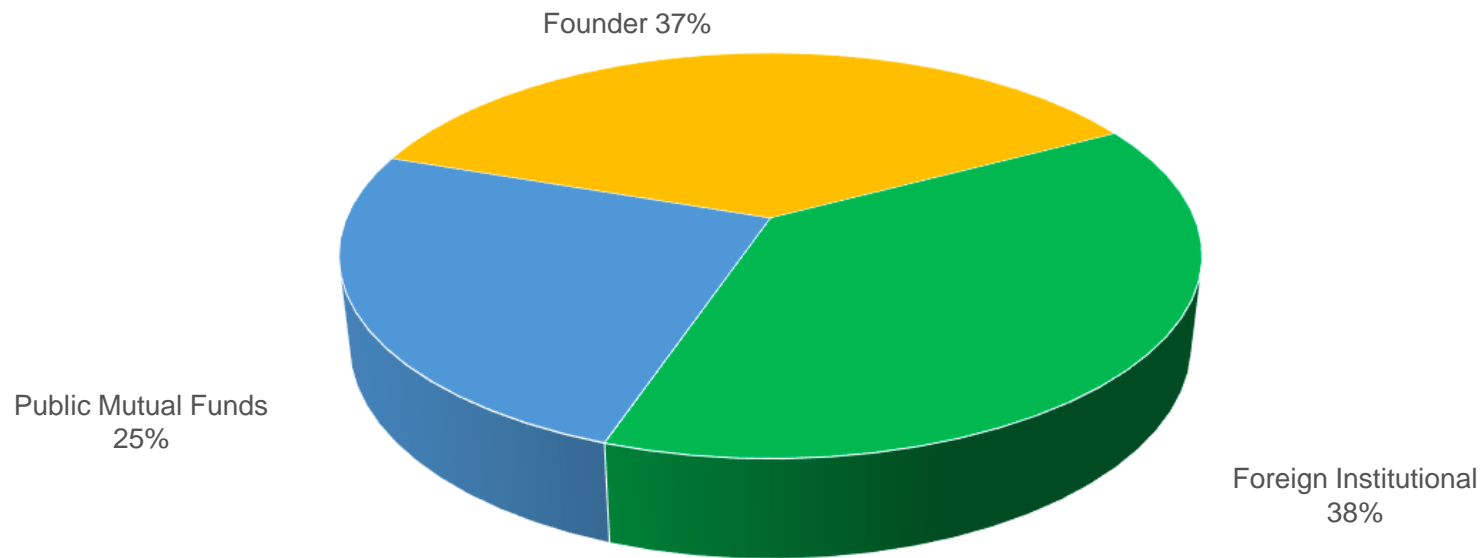
Short Term Credit Rating	
CRISIL [An S&P Global Company]	A1+
ICRA [A Moody's Investors Service Company]	A1+
CARE Ratings	A1+
Brickwork Ratings	A1+

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

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

## SHARE HOLDING PATTERN



## EMINENT AND EXPERIENCED BOARD

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



# CONSOLIDATED INCOME STATEMENT

<b>Indiabulls Ventures Limited Group</b>		
<b>Consolidated Statement of Profit and Loss for the year ended March 31, 2019</b>		
	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	<i>(₹ Billions)</i>	
<b>Revenue</b>		
Revenue from operations	19.93	9.80
Other income	0.04	0.15
<b>Total Revenue</b>	19.97	9.95
<b>Expenses</b>		
Employee benefits expense	3.69	1.76
Finance costs	5.87	2.23
Depreciation and amortisation	0.27	0.12
Impairment losses on financial assets	1.27	0.52
Other expenses	2.58	2.51
<b>Total Expenses</b>	13.68	7.14
<b>Profit Before Tax</b>	<b>6.29</b>	<b>2.81</b>
Tax expense	1.69	0.71
<b>Net Profit After Tax</b>	<b>4.60</b>	<b>2.10</b>

# 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.

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