



October 10, 2018

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

**IBVENTURES-EQ/ E1**  
**National Stock Exchange of India Limited**  
“Exchange Plaza”,  
Bandra-Kurla Complex, Bandra (E).  
MUMBAI – 400 051

**Sub: Earnings Update for the quarter ended September 30, 2018**

Dear Sir,

Please find enclosed revised Earnings Update of Indiabulls Ventures Limited for the quarter ended September 30, 2018, 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

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*Unaudited Financial Results : Q2 FY 2018-19*  
*October 10, 2018*

# Safe Harbour Statement

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*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.*

## **Investor Contact**

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## Business Update: Indiabulls Ventures Limited

*Year-on-Year (YoY) Comparison : Q2 FY18-19 vs Q2 FY17-18*

	Q2 FY18-19	Q2 FY17-18	YoY Growth (%)
Revenue	4.82	1.79	169%
PBT	1.83	0.80	128%
PAT	1.41	0.55	154%

*Year-on-Year (YoY) Comparison : H1 FY18-19 vs H1 FY17-18*

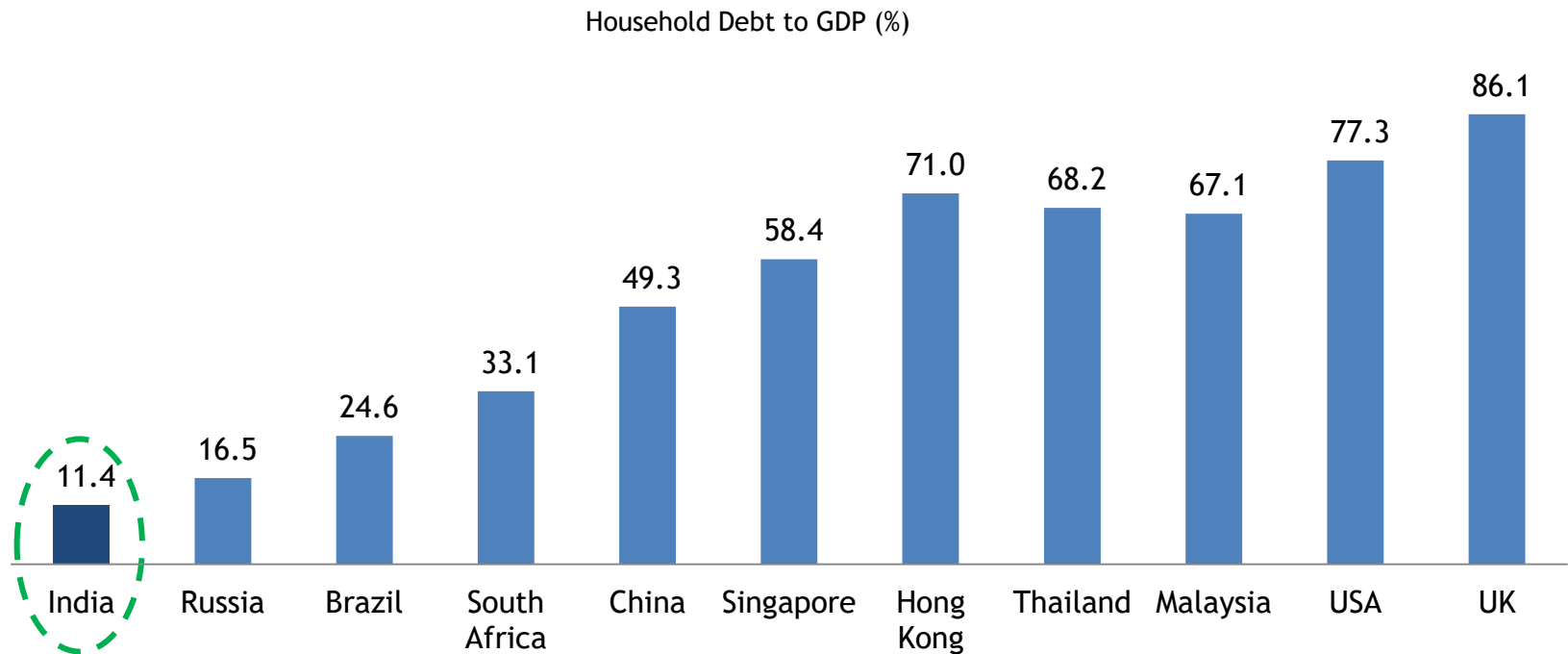
	H1 FY18-19	H1 FY17-18	YoY Growth (%)
Revenue	8.34	3.41	145%
PBT	3.05	1.36	124%
PAT	2.28	1.00	128%

**Total Loan Assets of Indiabulls Consumer Finance Limited (IBCFL) as of 30<sup>th</sup> September '18 is ₹ 101.40 Bn up 56% from ₹ 64.82 Bn as of 30<sup>th</sup> June '18**

**Guidance given in March '18 results was loan book of ₹ 120 Bn by March '19; as 80% plus of this target has been achieved in 6 months, the guidance stands revised upwards substantially**

## Vast Market Opportunity

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



# India vs China

Figures in USD

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

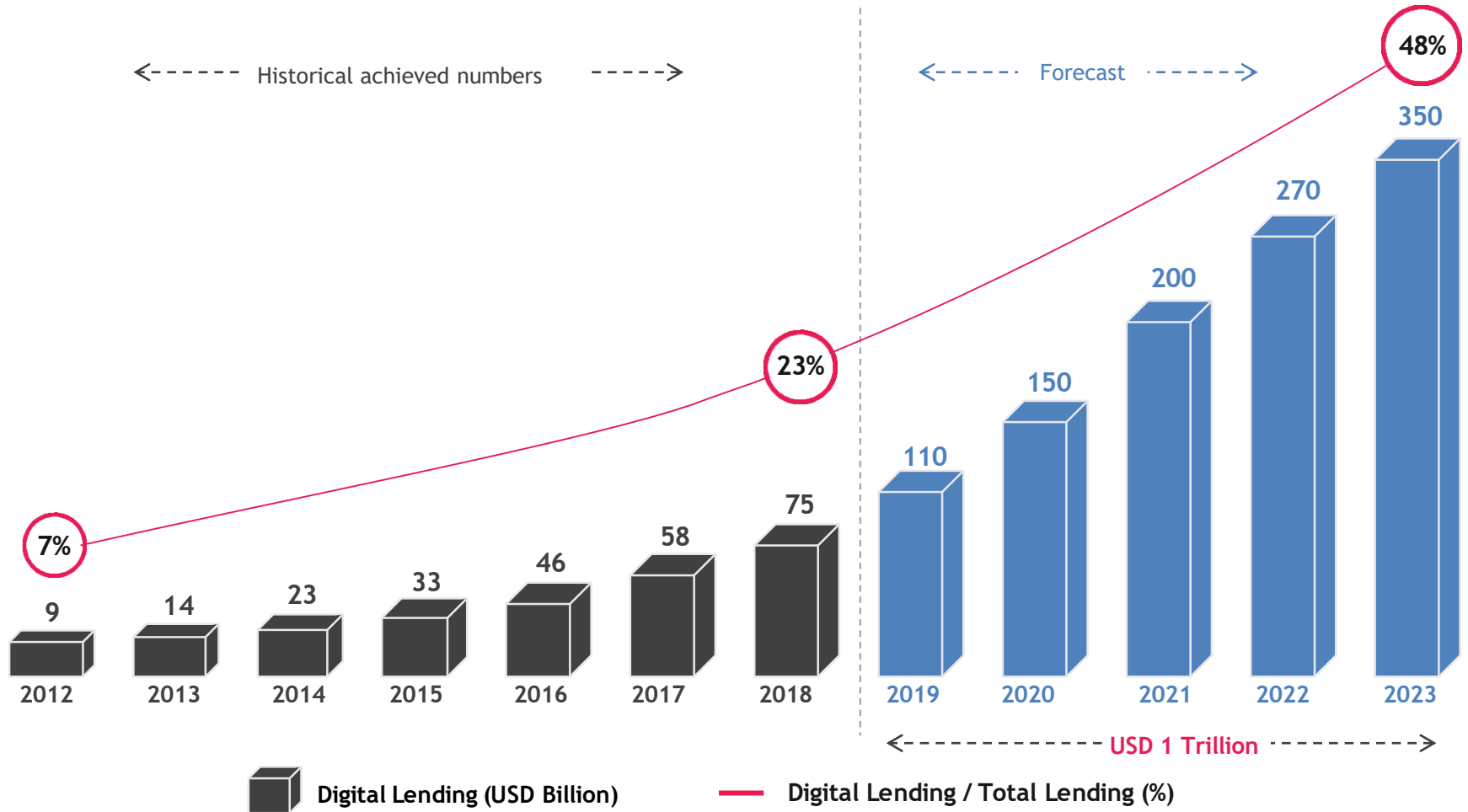
Source:

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)

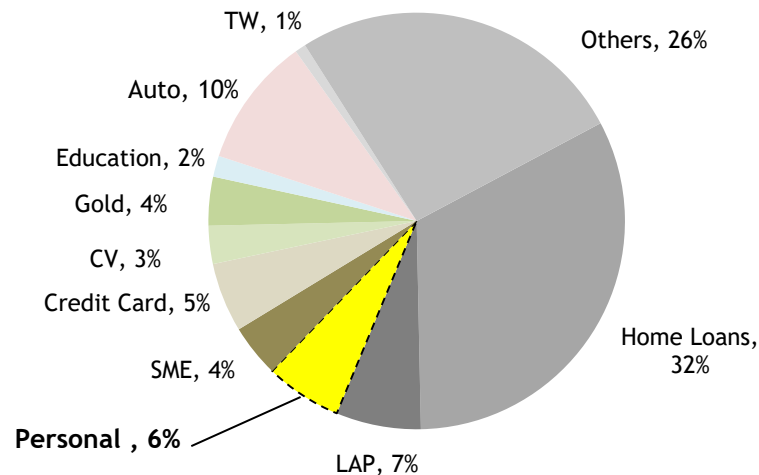
# USD 1 Tn of Digital Lending in India in next 5 years



# Indian Personal Loans Market

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

Distribution of credit across products<sup>1</sup>



- ▲ With a CAGR of 27%<sup>1</sup>, 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%**

Source:

1. Credit Information Bureau (India) Limited (CIBIL), a TransUnion company



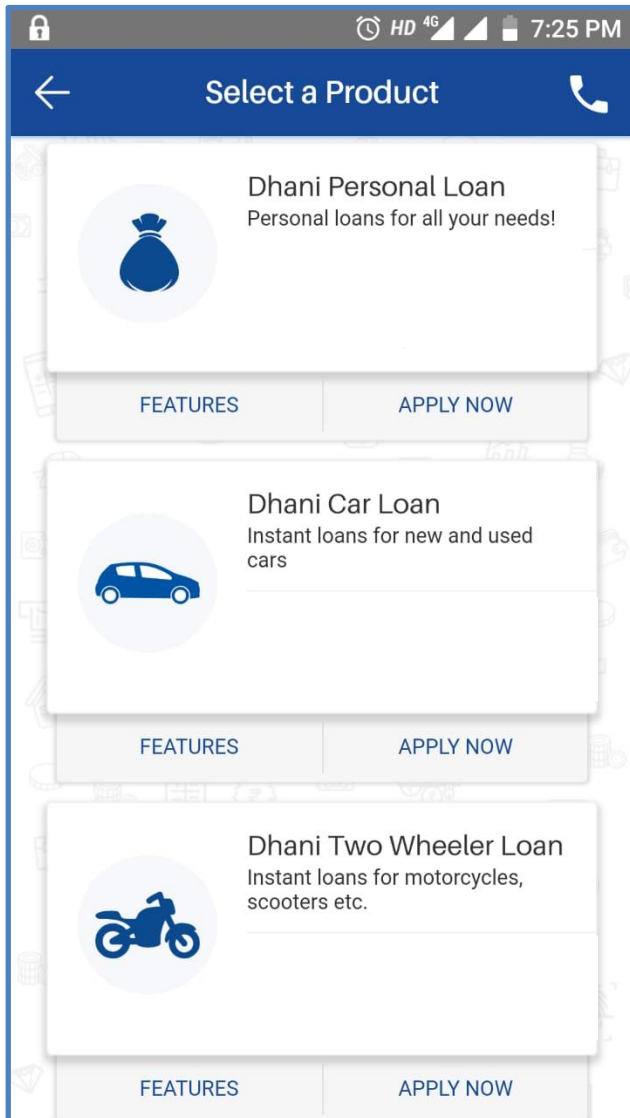
# Indiabulls Consumer Finance Limited: Performance till Date



- ▲ **11.5 Mn** downloads in 10 months since its launch on 15<sup>th</sup> November'17
- ▲ In 10 months since launch, over **6.1 Mn** customers validated for credit through eKYC Aadhaar authentication on 'Dhani Credit Engine'
- ▲ Of total customers validated for credit, disbursal penetration has gone up from **4.2%** as of 30<sup>th</sup> June'18 to **5.3%** as of 30<sup>th</sup> September'18
- ▲ Total customers validated for credit in Q2 is **3.1 Mn** and disbursal penetration is at **6.2%**
- ▲ Dhani is amongst the **top 3** mobile apps in the entire Indian financial services space

Going forward, disbursal penetration is expected to rise to double digits due to wider product mix and focused performance marketing

# Bouquet of Products for Individual Customers




## Different Product Categories :

- ▲ Dhani Premium
- ▲ Dhani
- ▲ Dhani Lite Plus
- ▲ Dhani Lite
- ▲ Dhani Mini Plus
- ▲ Dhani Mini

**Product Penetration per customer expected to go up from current runrate of 1.6x to 2.5x by FY 20**

## Loans, Marketing and Servicing Strategy

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- ▲ **Loans Velocity:** Current velocity of 5,000 loans per day, expected to go up to **15,000** loans per day by first half of next fiscal and **25,000** loans per day towards later part of next fiscal
  
- ▲ **Key Mediums of Customer Acquisition:**
  - Performance based marketing on digital platforms
  
  - Partner Network: Current network of **1,09,253** partners
  
- ▲  **dhani club** : Dhani club is a Loyalty Program
  - Dhani club customers can avail of concessional products and other benefits and are rewarded for loyalty

Going forward, up to 15% of incremental business is expected from existing customers

## Distribution and Reach

- ▲ Geographical presence has increased from 64 cities to **124** cities as of 30<sup>th</sup> September'18. 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. 15,000 new jobs to be created in next 6 months

Key Departments	Manpower
Partner Program FoS	10,000
Collection	7,000

*Average of 80 Partner Program FoS per city*

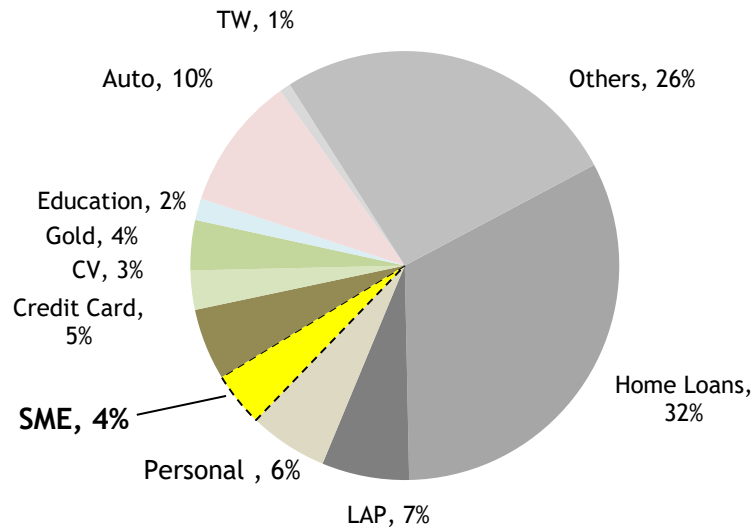
*Average of 55 Collection officers per city*

**Current 1,09,253 Dhani partners to grow 6x to 8x by the end of current fiscal**

## Indian SME/BIL Lending Market

- ▲ Indian MSME sector is a made up of more than **51 Mn<sup>1</sup>** enterprises
- ▲ While the MSME sector contributes to **37.5%** (USD 1 Tn<sup>1</sup>) 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 products<sup>2</sup>



**As per the Goods & Service Act 2017, all SMEs with a turnover over ₹ 2 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

SME: Small and Medium Enterprises

BIL: Business Installment Loans

MSME: Micro, Small and Medium Enterprises

## Product Offerings for SME



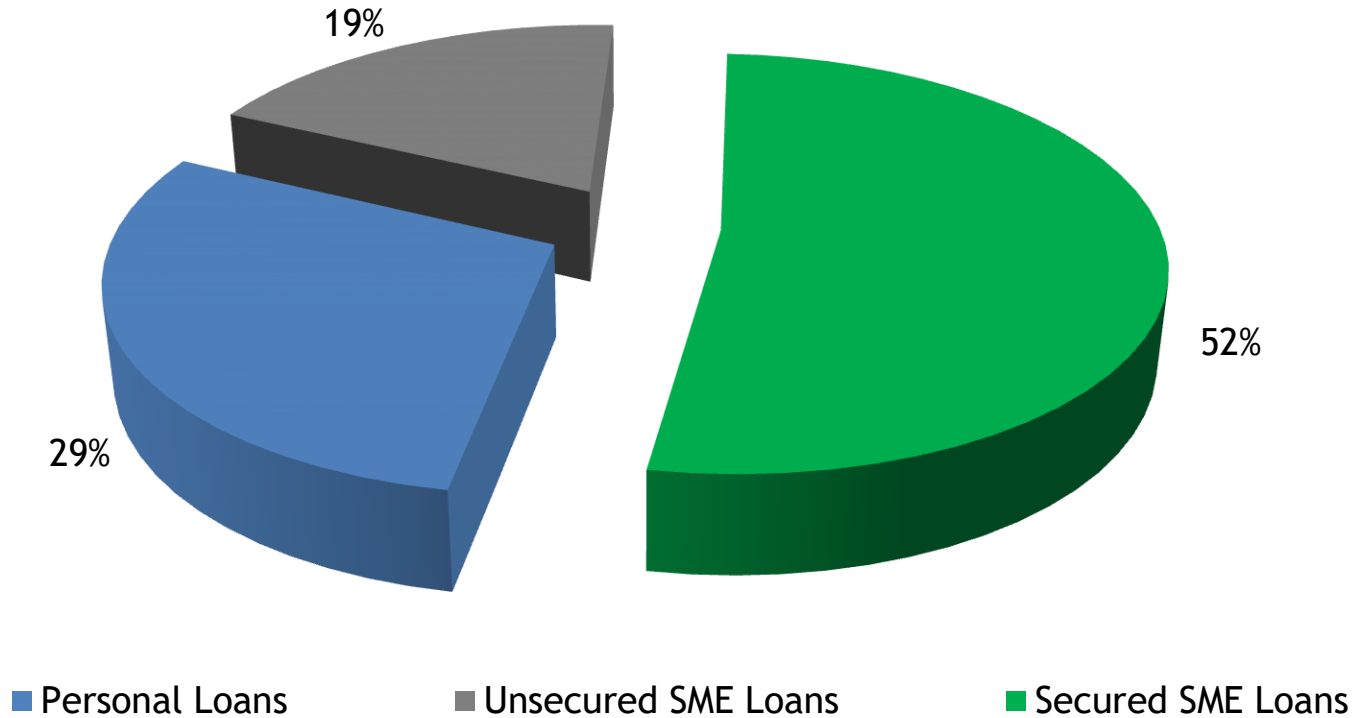
▲ **Different Product Categories:**

- 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 days<sup>1</sup>**

## Loan Assets Composition



**Total Loan Assets: ₹ 101.40 Bn as of 30<sup>th</sup> September '18**

**Expected loan asset composition by the end of current fiscal year**

- Personal Loans: 35%
- Unsecured SME Loans: 20%
- Secured SME Loans: 45%

## Key Product Stats

Product lines	Loan Assets as of 30 <sup>th</sup> Sep'18 (₹ Bn )	Q2 Disbursements (₹ Bn)	IRR	Average Range (₹ Mn)	Average Tenure (in months)
Personal Loans	29.76	14.31	18.04%	0.05 - 0.30	17
Unsecured SME Loans	18.89	9.31	20.32%	1.0 - 2.5	16
Secured SME Loans	52.75	19.64	13.95%	15 - 50	30

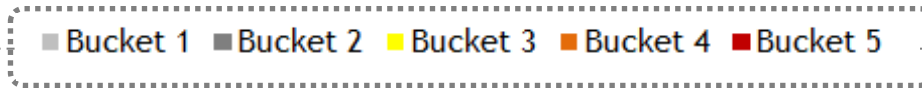
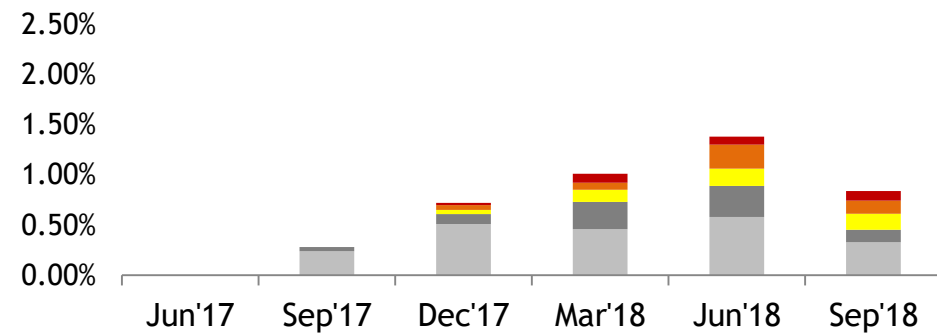
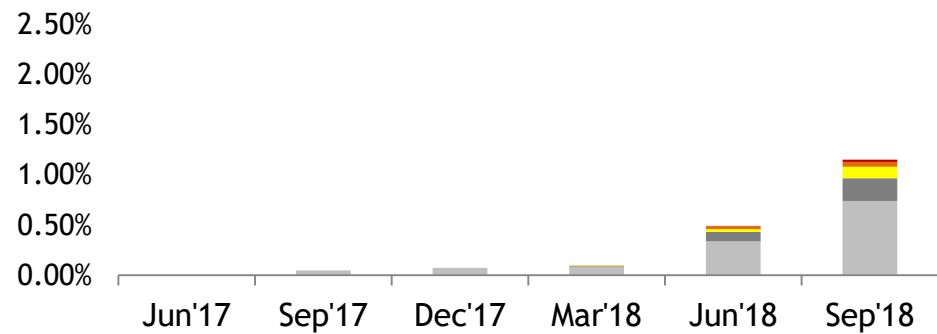


## Asset Quality

### Personal Loans

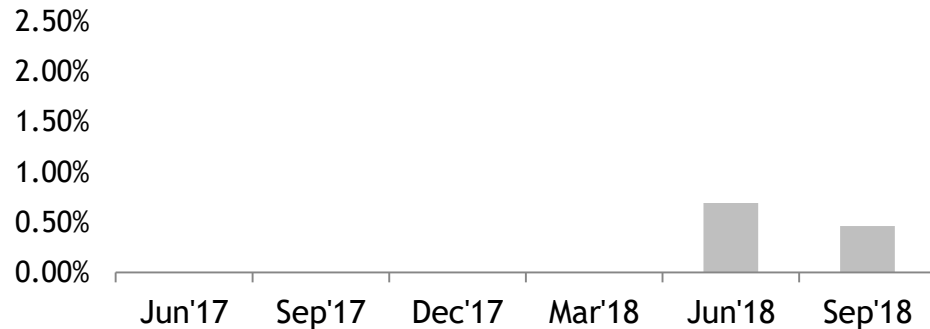
### Unsecured SME Loans

Bkt 0	100%	99.95%	99.93%	99.91%	99.51%	98.85%	Bkt 0	100%	99.72%	99.28%	98.98%	98.62%	99.16%
30+	0%	0%	0%	0.02%	0.15%	0.41%	30+	0%	0.04%	0.21%	0.56%	0.80%	0.51%



### Secured SME

Bkt 0	100%	100%	100%	100%	99.31%	99.54%
30+	0%	0%	0%	0%	0%	0%



## Credit Quality - Provisioning Coverage

Figures in ₹ Mn

Business Segment	AUM	GNPA	ECL Provision	NNPA	PCR %	GNPA %	NNPA%
Personal Loans	29,762	29.5	22.1	7.4	75%	0.10%	0.02%
Unsecured SME Loans <sup>^</sup>	18,889	104.7	78.5	26.2	75%	0.55%	0.14%
Secured SME Loans	52,749	-	-	-	-	-	-
<b>Total</b>	<b>101,400</b>	<b>134.2</b>	<b>100.6</b>	<b>33.6</b>	<b>75%</b>	<b>0.13%</b>	<b>0.03%</b>

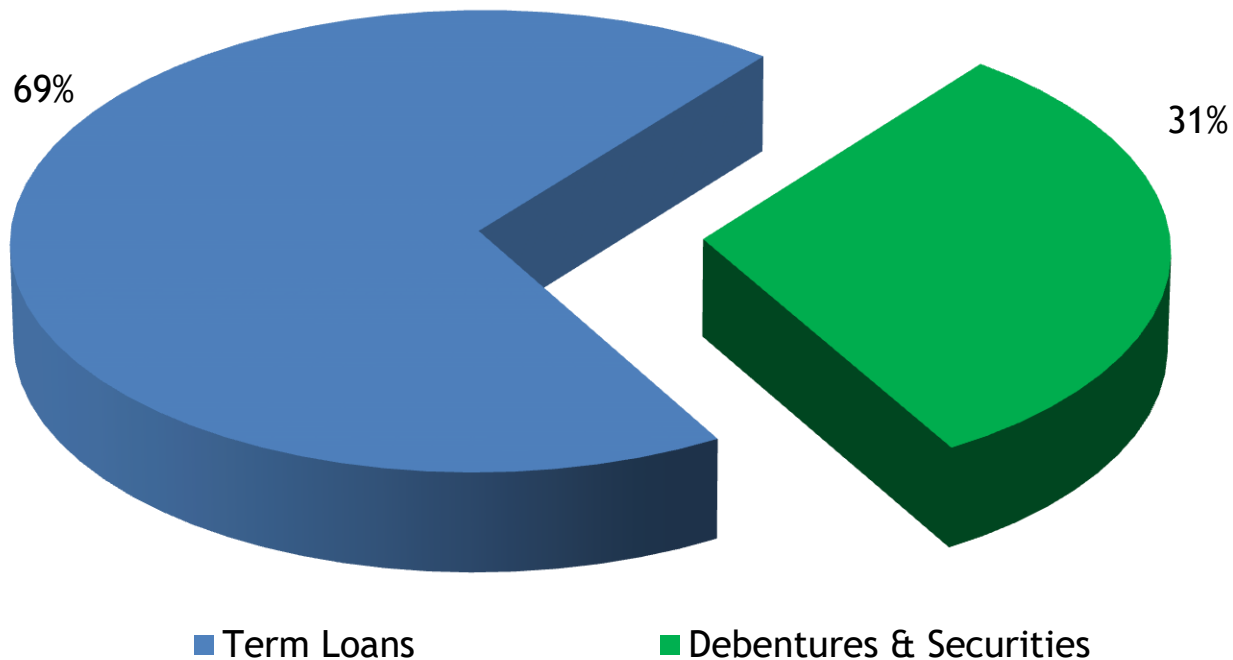
<sup>^</sup> Some unsecured SME Loans have completed 1 full cycle as the first set of loans were disbursed in April'17

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

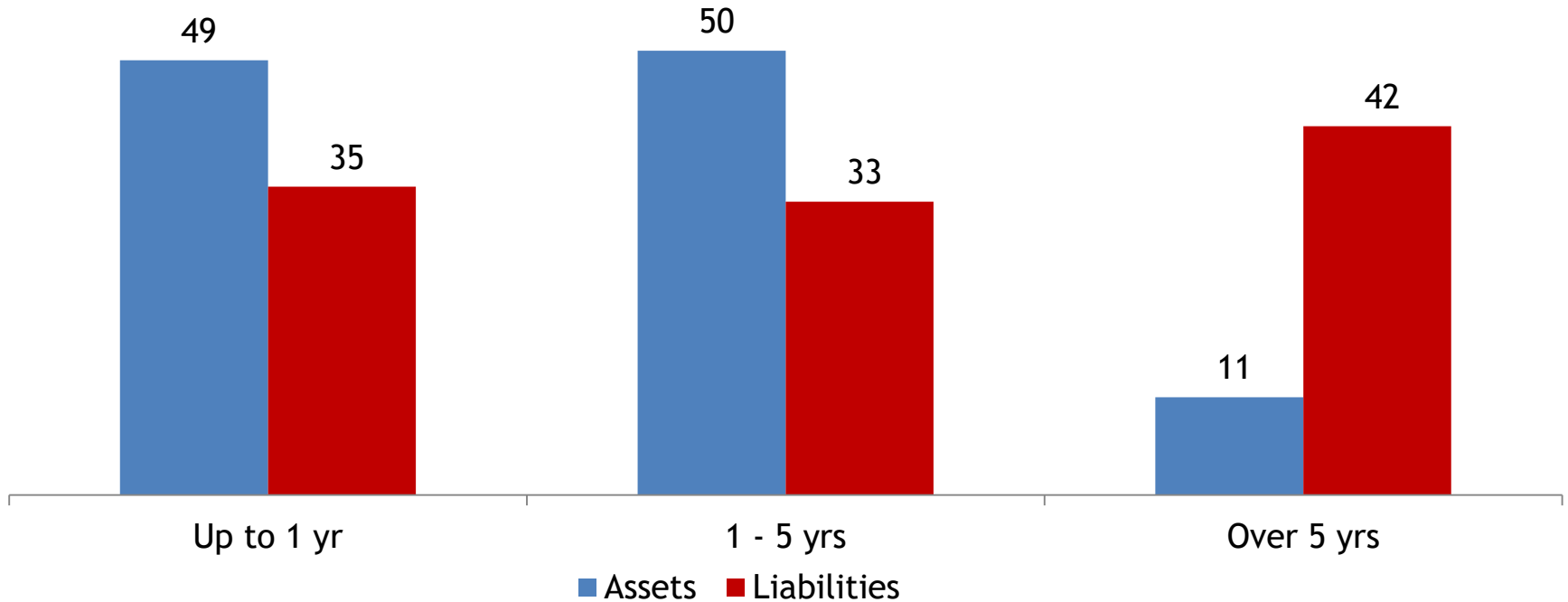


**Total Borrowings : ₹ 67.28 Bn as of 30<sup>th</sup> September'18**

**Net Gearing of 1.45x as of 30<sup>th</sup> September'18**

**Maturity Profile**  
[As of September 30, 2018]

Figures in ₹ Bn



**Total Balance Sheet Size : ₹ 110.45 Bn as of 30<sup>th</sup> September'18**

- ▲ *Well matched ALM: Average maturity of assets of around 23 months as compared with average maturity of liabilities of 45 months*
- ▲ *Monthly repayment is expected to be 5% of the loan book going forward*

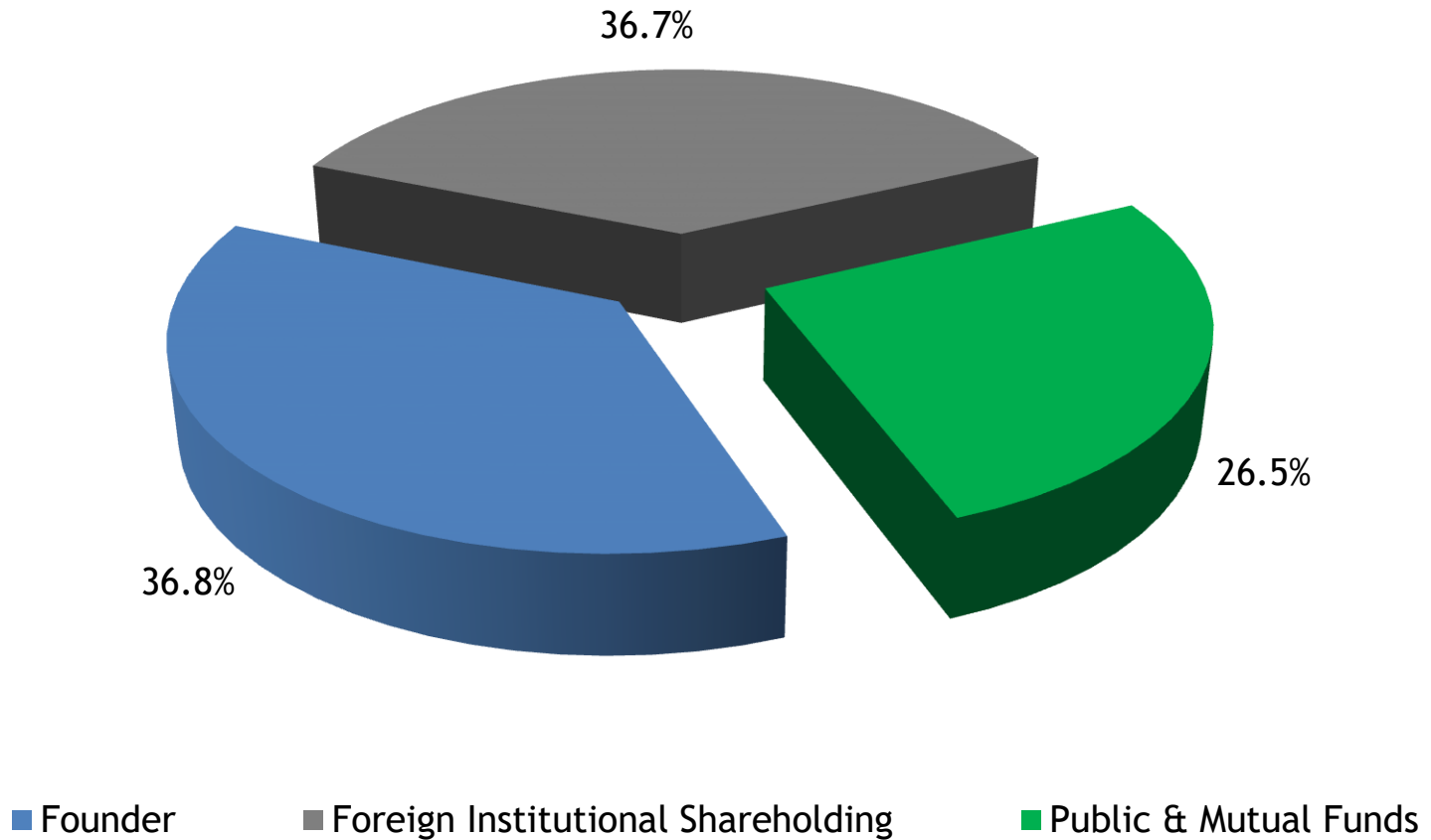
## Credit Ratings : IBCFL

	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*

# Shareholding Pattern



## Eminent and Experienced Board of Directors

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- Mr. Sameer Gehlaut : Chairman
- Mr. Gagan Banga : Director
- Mr. Divyesh Shah : Executive Director and CEO
- Mr. Pinank Shah : Executive Director and CEO, Indiabulls Consumer Finance Limited
- 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 September 30, 2018**

(₹ Billions)

	For the period ended September 30, 2018	For the period ended September 30, 2017
<b>Revenue</b>		
Revenue from operations	8.21	3.20
Other income	0.13	0.21
<b>Total Revenue</b>	<b>8.34</b>	<b>3.41</b>
<b>Expenses</b>		
Employee benefits expense	1.55	0.61
Finance costs	2.20	0.52
Depreciation and amortisation	0.11	0.04
Impairment losses on financial assets	0.41	0.20
Other expenses	1.02	0.68
<b>Total Expenses</b>	<b>5.29</b>	<b>2.05</b>
<b>Profit Before Tax</b>	<b>3.05</b>	<b>1.36</b>
Tax expense:		
(1) Current tax	0.89	0.43
(2) Deferred tax (credit)/expense	(0.12)	(0.07)
	<b>0.77</b>	<b>0.36</b>
<b>Net Profit After Tax</b>	<b>2.28</b>	<b>1.00</b>