

Indiabulls HOME LOANS

Indiabulls Housing Finance Limited
(CIN: L65922DL2005PLC136029)
Unaudited Consolidated Financial Results
for the quarter ended June 30, 2021

(Rupees in Crores)

Statement of Consolidated Unaudited Results for the quarter ended June 30, 2021

	Particulars	Quarter ended			Year ended
		30.06.21	31.03.21	30.06.20	31.03.21
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations				
	(i) Interest Income	2,292.47	2,329.08	2,548.07	9,721.96
	(ii) Dividend Income	-	-	0.17	0.17
	(iii) Fees and commission Income	23.53	13.31	11.37	94.02
	(iv) Net gain on fair value changes	-	-	11.81	-
	(v) Net gain on derecognition of financial instruments under amortised cost category	4.69	29.32	3.17	111.27
	Total Revenue from operations	2,320.69	2,371.71	2,574.59	9,927.42
2	Other Income	5.06	50.25	3.64	102.70
3	Total Income (1+2)	2,325.75	2,421.96	2,578.23	10,030.12
4	Expenses				
	Finance Costs	1,551.60	1,594.13	1,846.96	6,939.38
	Net loss on fair value changes	8.85	63.85	-	36.95
	Impairment on financial instruments (net of recoveries)	213.81	316.49	246.10	919.89
	Employee Benefits Expenses	115.04	15.72	88.18	252.54
	Depreciation, amortization and impairment	18.54	22.67	26.30	96.70
	Other expenses	48.47	52.27	16.24	223.00
	Total expenses	1,956.31	2,065.13	2,223.78	8,468.46
5	Profit before tax (3-4)	369.44	356.83	354.45	1,561.66

6	Tax expense				
	Current tax expense	66.24	(57.98)	62.16	62.84
	Deferred Tax Charge	21.51	138.58	19.45	297.23
	Total Tax Expense	87.75	80.60	81.61	360.07
7	Profit for the period / year attributable to the Shareholders of the Company (5-6)	281.69	276.23	272.84	1,201.59
8	Other comprehensive income				
	A (i) Items that will not be reclassified to statement of profit or loss				
	(a) Remeasurement gain / (loss) on defined benefit plan	4.08	(13.84)	29.19	13.19
	(b) Gain / (Loss) on equity instrument designated at FVOCI	(6.27)	2.89	8.41	(685.19)
	(ii) Income tax impact on above	0.41	2.82	(9.27)	153.45
	B (i) Items that will be reclassified to statement of profit or loss				
	(a) Derivative instruments in Cash flow hedge relationship	22.39	(23.46)	(177.93)	(244.82)
	(ii) Income tax impact on above	(5.64)	5.90	44.78	61.62
	Other comprehensive (loss) (net of tax)	14.97	(25.69)	(104.82)	(701.75)
9	Total comprehensive income (after tax) (7+8)	296.66	250.54	168.02	499.84
10	Paid-up Equity Share Capital	89.09	89.07	83.83	89.07
11	Earnings per Share (EPS) <i>*(EPS for the quarters are not annualised)</i>				
	-Basic (Amount in Rs.)	6.32	6.20	6.51	27.72
	-Diluted (Amount in Rs.)	6.31	6.19	6.51	27.72
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00

Notes to the Financial Results:

- The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India and in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement), 2015.
- The consolidated financial results of Indiabulls Housing Finance Limited ('IBHFL', 'the Holding Company') for the quarter ended June 30, 2021 have been reviewed by the Audit Committee on August 05, 2021 and subsequently approved at the meeting of the Board of Directors held on August 05, 2021. The consolidated financial results have been subjected to a limited review by the Statutory Auditors of the Company.
- Net gain on derecognition of financial instruments under amortised cost category comprises net gain on direct assignment of loans and net gain on derecognition of non-convertible debentures issued by the Company.

4 (a) The outbreak of CoVID–19 virus, and more specifically the ongoing current wave of infections and resultant lockdowns continue to cause significant disruptions and dislocations for individuals and businesses. While the lockdown introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions on movement of people and goods. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact.

In accordance with RBI guidelines relating to CoVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company had granted moratorium on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers who have requested for the moratorium. The moratorium was further extended for instalment falling due between June 1, 2020 to August 31, 2020 in accordance with the RBI press release dated May 22, 2020 which permitted lending institutions to extend the moratorium. In accordance with the guidance from Institute of Chartered Accountant of India ("ICAI"), extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press conference, by itself was not considered to result in a SICR for a borrower.

The Company is mainly engaged in providing individual housing loans, loans against property (LAP) and project finance for real estate development. Operations of all these segments were impacted over the past few years and consequent to CoVID-19 pandemic are expected to be further significantly impacted, including erosion in the asset values of the collateral held by the Company. The Company has assessed each of its loan portfolio and performed a comprehensive analysis of the staging of each of its borrower segment. Further, for project finance loans, the Company has reviewed the project status, funding plans and analysis of the borrowers for large projects. Further, the Company has also analysed its outstanding exposures viz a viz the valuation of the collateral/underlying property based on third party valuation reports. Based on the above analysis, the Company has recorded expected credit loss provision to reflect, among other things, the impact of CoVID-19 pandemic. The ECL provision has been determined based on estimates using information available as of the reporting date and given the uncertainties relating to the impact of CoVID-19, the period of which current wave may continue, and relief measures that may be announced by the government, the expected credit loss including management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated; this will have a corresponding impact on the carrying value of the financial assets, results of operation and the financial position of the Company.

4 (b) The outbreak of CoVID–19 virus continues to spread across the Globe including India, resulting in to a significant decline and volatility in financial markets and a significant decrease in Global and India's economic activities. The Government of India announced a strict 40 days nationwide lockdown to contain the spread of the virus till May 03, 2020, which was further extended till June 08, 2020. This has led to significant disruptions and dislocations for Individuals and businesses. The recent directions from Government allows for calibrated and gradual withdrawal of lockdown and partial resumption of selected economic activities. The extent to which the CoVID-19 pandemic will impact the Company's business is dependent on several factors including, but not limited to, pace of easing of the lockdown restrictions.

In accordance with RBI guidelines relating to CoVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, Indiabulls Commercial Credit Limited ('ICCL', 'the Company') had granted moratorium of three months on the payment of all instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers who have requested for the moratorium, as per its Board approved Policy. The RBI via Press Release dated May 22, 2020 has permitted lending institutions to extend the moratorium by another three months i.e. from June 01, 2020 to August 31, 2020. The Company has extended the EMI moratorium to its customers based on requests received from such customers, as per its Board approved Policy. In accordance with the guidance from Institute of Chartered Accountant of India ("ICAI"), extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press conference, by itself was not considered to result in a SICR for a borrower.

Indiabulls Commercial Credit Limited ('ICCL', 'the Company') is mainly engaged in the business of financing by way of loans against property (LAP), mortgage backed SME loans, and certain other purposes in India. Operations of all these segments were impacted over the past few years and consequent to CoVID-19 pandemic are expected to be further significantly impacted, including erosion in the asset values of the collateral held by the Company. The Company has assessed each of its loan portfolios and performed a comprehensive analysis of the staging of each of its borrower segments. Further, the Company has also analysed its outstanding exposures viz a viz the valuation of the collateral/underlying property based on third party valuation reports. Based on the above analysis, the Company has recorded a provision for impairment due to expected credit loss of Rs. 340.00 Crore in respect of its loans and advances as at June 30, 2021, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by CoVID-19 pandemic. The ECL provision has been determined based on estimates using information available as of the reporting date and given the unique nature and scale of the economic impact of this pandemic, the expected credit loss is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. As a result of this pandemic, the credit performance and repayment behaviour of the customers' needs to be monitored closely. In the event, the impact of pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets, results of operations and the financial position of the Company.

- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6 Pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to receipt of notice for conversion of FCCBs, for a principle value USD 2,50,000, the Company during the current quarter, issued and allotted 78,850 (Seventy Eight Thousand Eight Hundred and Fifty) Fully Paid Equity shares of face value INR 2/- each, at a conversion price of INR 230.14 (including a premium of INR 228.14) per Equity Share, to the holder of such FCCB. Consequent to the said allotment, the paid-up Equity Share Capital of the Company stands increased to INR 924,855,504 divided into 462,427,752 Fully Paid Equity Shares of face value INR 2/- each and outstanding principal value of FCCBs, as listed at Singapore Exchange Securities Trading Limited, stands reduced from USD 150,000,000 to USD 149,750,000.
- 7 The Holding Company's total amount of impairment of financial instruments reflects among other things, an increased risk of deterioration in macro-economic factors and the impact on the Holding Company's borrowers caused by the COVID-19 pandemic. During the quarter ended June 30, 2021 the Holding Company has debited additional special reserve created under section 29 (c) as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 [earlier: NHB circular no. NHB (ND)/DRS/Pol-No.03/2004-05 dated August 26, 2004] for an amount of Rs. 825 crores in respect of impairment of financial instruments net off related tax impact.
- 8 The Company along with its wholly owned subsidiary companies Indiabulls Asset Management Company Limited (IAMCL) and Indiabulls Trustee Company Limited, Trustee of IAMCL, (ITCL) has executed definitive transaction document with Nextbillion Technology Private Limited, part of Groww Group (hereinafter referred to as "Groww"), to divest its entire stake in the business of managing mutual fund, being carried out by IAMCL & ITCL to the Groww at an aggregate purchase consideration of INR 175 crores (including cash and cash equivalents of INR 100 Crore, as on closing date) ("Transaction") subject to necessary approvals, as may be required in this regard.
- 9 The Group's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.
- 10 Figures for the prior year / period have been regrouped and / or reclassified wherever considered necessary.

Indiabulls HOME LOANS

Indiabulls Housing Finance Limited
(CIN: L65922DL2005PLC136029)
Unaudited Standalone Financial Results
for the quarter ended June 30, 2021

(Rupees in Crores)

Statement of Standalone Unaudited Results for the quarter ended June 30, 2021

	Particulars	Quarter ended			Year ended
		30.06.21	31.03.21	30.06.20	31.03.21
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations				
	(i) Interest Income	2,023.28	2,054.30	2,195.23	8,490.50
	(ii) Dividend Income	-	-	0.17	0.17
	(iii) Fees and commission Income	12.05	6.80	10.58	54.16
	(iv) Net gain on fair value changes	-	-	23.00	-
	(v) Net gain on derecognition of financial instruments under amortised cost category	4.69	29.32	3.17	109.81
	Total Revenue from operations	2,040.02	2,090.42	2,232.15	8,654.64
2	Other Income	2.54	51.16	4.62	98.15
3	Total Income (1+2)	2,042.56	2,141.58	2,236.77	8,752.79
4	Expenses				
	Finance Costs	1,436.58	1,462.07	1,673.93	6,308.04
	Net loss on fair value changes	15.77	73.17	-	49.79
	Impairment on financial instruments (net of recoveries)	188.79	(0.15)	221.86	493.01
	Employee Benefits Expenses	107.49	7.51	81.58	224.72
	Depreciation, amortization and impairment	17.79	21.91	24.00	90.82
	Other expenses	34.32	45.00	13.35	194.24
	Total expenses	1,800.74	1,609.51	2,014.72	7,360.62
5	Profit before tax (3-4)	241.82	532.07	222.05	1,392.17
6	Tax expense				
	Current tax expense	29.46	(5.03)	16.54	-
	Deferred Tax Charge / (Credit)	23.32	131.43	38.58	333.71
	Total Tax Expense	52.78	126.40	55.12	333.71
7	Profit for the Period / Year (5-6)	189.04	405.67	166.93	1,058.46

8	Other comprehensive income				
	A (i) Items that will not be reclassified to statement of profit or loss				
	(a) Remeasurement gain / (loss) on defined benefit plan	3.53	(13.81)	28.51	12.43
	(b) Gain / (Loss) on equity instrument designated at FVOCI	(6.27)	2.87	8.41	(685.19)
	(ii) Income tax impact on above	0.55	2.82	(9.10)	153.64
	B (i) Items that will be reclassified to statement of profit or loss				
	(a) Derivative instruments in Cash flow hedge relationship	22.39	(23.46)	(177.93)	(244.82)
	(ii) Income tax impact on above	(5.64)	5.90	44.78	61.62
	Other comprehensive (loss) (net of tax)	14.56	(25.68)	(105.33)	(702.32)
9	Total comprehensive income / (loss) (after tax) (7+8)	203.60	379.99	61.60	356.14
10	Paid-up Equity Share Capital	92.49	92.47	85.51	92.47
11	Earnings per Share (EPS) <i>*(EPS for the quarters are not annualised)</i>				
	-Basic (Amount in Rs.)	4.09	8.77	3.90	23.71
	-Diluted (Amount in Rs.)	4.08	8.75	3.90	23.71
	-Face Value (Amount in Rs.)	2.00	2.00	2.00	2.00

Notes to the Financial Results:

- The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India and in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement), 2015.
- The standalone financial results of Indiabulls Housing Finance Limited ('IBHFL', 'the Company') for the quarter ended June 30, 2021 have been reviewed by the Audit Committee on August 05, 2021 and subsequently approved at the meeting of the Board of Directors held on August 05, 2021. The standalone financial results have been subjected to a limited review by the Statutory Auditors of the Company.
- Net gain on derecognition of financial instruments under amortised cost category comprises net gain on direct assignment of loans and net gain on derecognition of non-convertible debentures issued by the Company.
- Pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to receipt of notice for conversion of FCCBs, for a principle value USD 2,50,000, the Company during the current quarter, issued and allotted 78,850 (Seventy Eight Thousand Eight Hundred and Fifty) Fully Paid Equity shares of face value INR 2/- each, at a conversion price of INR 230.14 (including a premium of INR 228.14) per Equity Share, to the holder of such FCCB. Consequent to the said allotment, the paid up Equity Share Capital of the Company stands increased to INR 924,855,504 divided into 462,427,752 Fully Paid Equity Shares of face value INR 2/- each and outstanding principal value of FCCBs, as listed at Singapore Exchange Securities Trading Limited, stands reduced from USD 150,000,000 to USD 149,750,000.

5 Disclosure pursuant to RBI Notification No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020:

Type of borrower	(Rupees in Crores)				
	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans*	7	0.54	-	0.11	0.06
Corporate persons	1	2.12	-	1.83	0.22
Of which, MSMEs	0	-	-	-	-
Others	1	2.12	-	1.83	0.22
Total	8	2.66	-	1.94	0.28

*includes loans which are securitized by the Company and provision excludes assigned portion of loans assigned

- 6 The outbreak of CoVID-19 virus, and more specifically the ongoing current wave of infections and resultant lockdowns continue to cause significant disruptions and dislocations for individuals and businesses. While the lockdown introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions on movement of people and goods. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact.

In accordance with RBI guidelines relating to CoVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company had granted moratorium on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers who have requested for the moratorium. The moratorium was further extended for instalment falling due between June 1, 2020 to August 31, 2020 in accordance with the RBI press release dated May 22, 2020 which permitted lending institutions to extend the moratorium. In accordance with the guidance from Institute of Chartered Accountant of India ("ICAI"), extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press conference, by itself was not considered to result in a SICR for a borrower.

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- 7 The Company's total amount of impairment of financial instruments reflects among other things, an increased risk of deterioration in macro-economic factors and the impact on the Company's borrowers caused by the COVID-19 pandemic. During the quarter ended June 30, 2021 the Company has debited additional special reserve created under section 29 (c) as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 [earlier: NHB circular no. NHB (ND)/DRS/PoI-No.03/2004-05 dated August 26, 2004] for an amount of Rs. 825 crores in respect of impairment of financial instruments net off related tax impact.
- 8 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

9 **The Rating details from ICRA Ratings is as under:-**

Non-convertible debenture programme of Rs. 111.13 Billion	[ICRA] AA
Subordinated Debt Programme of Rs. 15.0 Billion	[ICRA] AA

10 **The Rating details from CARE Ratings is as under:-**

Non-convertible debentures of Rs. 143.0730 Billion	CARE AA
Subordinate Debt of Rs. 31.22 Billion	CARE AA
Perpetual Debt of Rs. 2.00 Billion	CARE AA-
Long-term / Short-term Bank Facilities of Rs. 498.00 Billion	CARE AA / CARE A1+
Public Issue of Non-Convertible Debentures of Rs. 61.4164 Billion	CARE AA
Public Issue of Subordinate Debt of Rs. 1.9886 Billion	CARE AA
Commercial Paper issue of Rs. 30.00 Billion	CARE A1+

11 **The Rating details from CRISIL Ratings is as under:-**

Non-Convertible Debentures of Rs. 266.9710 Billion	CRISIL AA
Total Bank Loan Facilities of Rs. 245.4998 Billion	CRISIL AA
Retail Bonds of Rs. 150.00 Billion	CRISIL AA
Short Term Non-Convertible Debenture of Rs. 10.00 Billion	CRISIL A1+
Subordinated Debt of Rs. 25.0 Billion	CRISIL AA
Commercial Paper Programme of Rs. 250.00 Billion	CRISIL A1+

12 **The Rating details from Brickwork Ratings is as under:-**

Secured NCD of Rs. 270.00 Billion	BWR AA+
Subordinated Debt of Rs. 30.00 Billion	BWR AA+
Perpetual Debt of Rs. 1.50 Billion	BWR AA
Commercial Paper issue of Rs. 30.00 Billion	BWR A1+
Secured NCD (Public Issue) and Subordinated Debt (Public Issue) of Rs. 70.00 Billion	BWR AA+

13 **The Rating details from Moody's Ratings is as under:-**

Long Term Corporate Family Rating	B3
Foreign and Local Currency Senior Secured MTN program Rating of \$ 350 Mn	(P) B3

14 The Company's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.

15 The interim dividend of Rs. 9/- per equity share (450% of the face value of Rs. 2/- per equity share) was approved at the meeting of the Board of Directors of the Company held on May 19, 2021 and the Company had transferred Rs. 416.11 Crores on May 21, 2021 into the designated Dividend Account.

16 Figures for the prior year / period have been regrouped and / or reclassified wherever considered necessary.

Registered Office: M-62&63, First Floor, Connaught Place, New Delhi- 110 001.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 05, 2021

Gagan Banga
Vice-Chairman, Managing Director & CEO