

Indiabulls Housing Finance Limited

CMP : Rs 1298.55

August 02, 2018

Continues strong performance, transition to Ind AS positive

Indiabulls Housing Finance has maintained healthy growth momentum reporting 30% increase in the net profit to Rs 1054.72 crore under Ind AS for the quarter ended June 2018. The company has improved margins, while maintained stable asset quality and strong loans growth.

The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS.

The transition to Ind AS has reduced the provision requirement for the company and leading to strong growth in the bottomlines. The company has taken a conservative approach towards ECL policy and additionally opted to retain Rs 1050 crore as adhoc provisions, instead of taking these as profits under Ind AS. Also, these adhoc provisions are not taken into account while arriving at Net NPAs.

The net interest income of the company improved 22% to Rs 1690 crore in the quarter ended June 2018. The company has continued to maintain GNPA ratio as well as NNPA steady at end June 2018. The company has improved spreads to 3.23% in Q1FY2019 from 3.11% in Q4FY2018, as yield on loans improved to 11.15% in Q1FY2019 from 10.86% in Q4FY2018 and cost of funds rose to 7.92% in Q1FY2019 from 7.75% in Q4FY2018.

Total income increased 29% to Rs 3890.27 crore in the quarter ended June 2018. Interest expense increased 27% to Rs 2335.14 crore, while other expenses (including staff cost, provisions and other expenses) declined 14% to Rs 325.31 crore. Ensuing Gross Profit increased 32% to Rs 1410.87 crore in Q1FY2019.

Depreciation increased 13% to Rs 8.43 crore, while PBT moved up 32% to Rs 1402.44 crore.

Effective tax rate was lower at 25.2% in Q1FY2019 from 24.2% in Q1FY2018. The final bottomline of the company moved up 30% to Rs 1054.72 crore in the quarter ended June 2018.

Loan book and asset quality

The loan portfolio of the company increased at strong pace of 33% to Rs 125963 crore at end June 2018 over June 2017. The sold down portfolio stood at Rs 13760 crore at end June 2018, showing an increase of 48% over June 2017.

The share of mortgage loans increased to 79% at end June 2018 from 78% at end June 2017. On the other hand, the share of corporate mortgage eased to 21% at end June 2018 from 22% at end June 2017.

Gross stage 3 assets were flat at 0.78% at end June 2018 from 0.80% at end June 2017. Meanwhile, Net NPA ratio remained flat at 0.59% at end June 2018. The provision coverage ratio for state 3 assets stood at 25% at end June 2018.

Book value of the company stood at Rs 374.89 per share at end June 2018. Adjusted book value (net of net NPAs) was at Rs 357.47 per share at end June 2018.

INDEX DETAILS

SENSEX	37165.16
NIFTY (S&P CNX)	11244.70

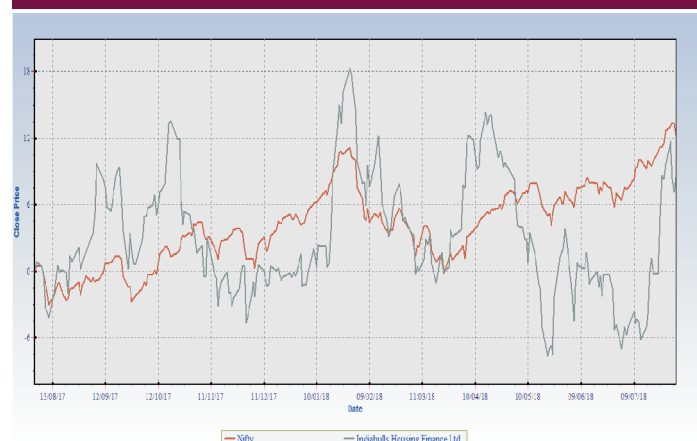
SCRIP DETAILS

Industry	Housing Finance
Mkt Cap (Rs in Crore)	55506.12
Book Value (Rs)	302.20
Free Float (%)	78.43
Avg Vol Weekly (NSE)	1487312
52 Week H/L (NSE)	1439.40 / 1080.45
Dividend Yield (%)	3.15
BSE Code	535789
NSE Code	IBULHSGFIN

SHAREHOLDING PATTERN(%)

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	21.57	23.49
FIIIs	54.03	53.26
DIIIs	14.48	14.11
Others	9.92	9.14
Totals	100	100

Price Comparison with Sensex



Indiabulls Housing Finance: Consolidated Financial Results

Particulars	FY18	FY17	Var %
Income from operations	3890.27	3016.49	29
Other Income	181.05	271.75	-33
Total Income	4071.32	3288.24	24
Interest Expenses	2335.14	1840.75	27
Other expenses	325.31	378.08	-14
Gross profit	1410.87	1069.41	32
Depreciation	8.43	7.47	13
Profit before tax	1402.44	1061.94	32
Provision for tax	353.76	257.05	38
PAT	1048.68	804.89	30
Minority Interest	0	0	-
Profit/Loss of Associate Company	6.04	4.6	31
PAT after Minority Interest	1054.72	809.49	30
EPS*(Rs)	98.9	75.9	

NOTES

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