



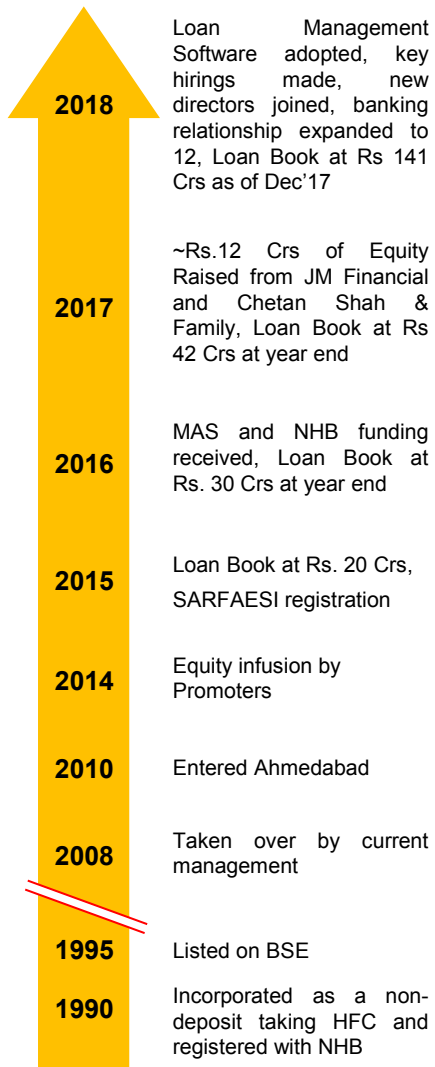
## **India Home Loan Limited**

*December 2017*



# Company Overview

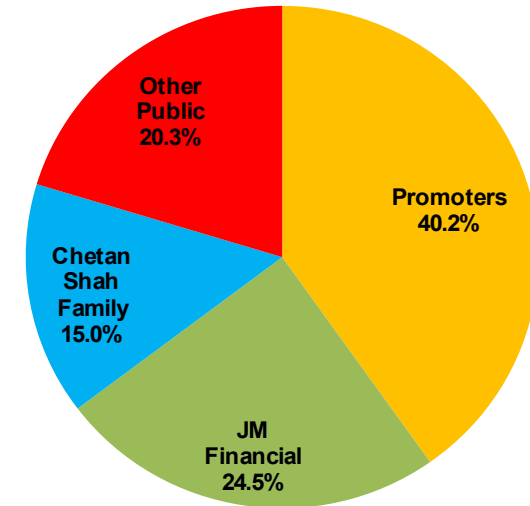
## Event Timeline



## Business Description

- India Home Loan Ltd (“IHLL”) focuses on providing home loans to individuals for purchase, construction and extension with ticket size of Rs.1-15 Lakhs (average of Rs 7.5 Lakhs) in the affordable housing sector
- Specializes on loans to families within the economically weaker sections of the society in the self-employed category where formal income proofs aren't easily available and their repayment capacity is appraised based on their cash flows. Eg., to drivers, barbers, rickshaw drivers, vegetable vendors, etc.
- Also, offers Loan Against Property (“LAP”) with ticket size of Rs 10-50 Lakhs (towards working capital and other business use) and offers Project Loans on a selective basis with a ticket size of Rs 1-5 Crs
- Operates out of Mulund and Ahmedabad with additional 6 supporting branches in Gujarat, Maharashtra and Rajasthan with total staff strength of 42 employees
- Networth of Rs 33.5 Crs and Debt of Rs 118.5 Crs as on 31<sup>st</sup> Dec'17
- Registered under SARFAESI and listed on BSE
- Currently, loan book is diversified between Gujarat (primarily) and Maharashtra. Recently, started operations in Rajasthan

## Shareholding





## Board of Directors

### Executive Directors

**Mr. Mahesh Pujara:** (Chairman & MD) [Age - 63 years]

- ~ 40 years of experience in financial services industry including over 8 years in affordable housing finance
- Has good relationships with government housing boards and local housing authorities in Gujarat
- Leads business in Gujarat region. Also, provides the strategic leadership and focus to the business

**Mr. Mitesh Pujara:** (Director) [Age - 42 years]

- Leads business in Maharashtra region. Also, overlooks the marketing and recovery operations of the business
- Qualifications: B.Com.

**Mr. Subhash Patel:** (Non-Executive Director) [Age- 58 years]

- Practicing Chartered Accountant with 25 years of experience in Project Financing, Audit and Direct Tax
- Qualifications: CA, B.Com, DISA and IFRS

**Mr. Siddharth Kothari:** (Nominee Director) [Age - 42 Years]

- Working with JM Financial Private Equity as Executive Director
- Over 18 years of financial services experience in Private Equity, Taxation and Investment Structuring & Advisory space
- Qualifications: CA, B.Com from Mumbai University

**Mr. Vinit Rai:** (Nominee Director) [Age - 37 Years]

- Working with JM Financial Private Equity as Director
- Over 15 years of financial services experience in Private Equity, Investment Banking and Commercial Banking space
- Qualifications: CA, B.Com from Mumbai University

### Independent Directors

**Mr. Govinder Singh:** (Independent Director) [Age - 62 years]

- Has more than 35 years of experience with brands like Bombay Dyeing, Indo Rama and Garware demonstrating expertise in driving efficiency and productivity. He has been a member of the editorial board and on various committees of ICAI
- Formerly, CFO and International Business Head of Tata Housing Development Company. CEO of Asia Merchants Pvt. Ltd.
- Qualifications: CA

**Mr. Bharat Merchant:** (Independent Director) [Age - 68 years]

- Has more than 4 decades of experience in International Finance & Marketing with specialization in Financing of Third World Countries
- Former CEO of Asia Merchants Pvt. Ltd.
- Qualifications: Post Graduation from Indian Institute of Foreign Trade, Graduation in Economics & Political Science from Mumbai university

**Ms. Harshita Jagwani:** (Woman Independent Director) [Age - 37 years]

- Has more than 15 years of experience in field of Finance and Equity analysis
- Worked with companies like Morgan Stanley, Sutherland Global Services, Arm Research Pvt . Ltd., etc.
- Qualifications: Bachelor of Commerce (Mumbai University) and Master of Management Studies (Mumbai University)

- Core business of operating promoters (Pujaras). Hence, undivided focus is ensured
- With over 10 years of affordable housing finance experience, management has demonstrated ability to work with regulators, builders, DSAs and other stakeholders
- A company of such small size, raising NHB financing, securing subsidies under Pradhan Mantri Aawas Yojana, creating cost efficient builder tie-up strategy etc. are examples of their abilities



# Profit & Loss and Balance Sheet

Profit & Loss							
Rs. Crs.	FY12	FY13	FY14	FY15	FY16	FY17	9MFY18
Interest Income	1.21	1.56	2.03	2.46	4.15	5.52	10.20
Interest Expense	-	-	(0.02)	(0.08)	(1.13)	(1.74)	(3.75)
<b>Net Interest Income</b>	<b>1.21</b>	<b>1.56</b>	<b>2.01</b>	<b>2.38</b>	<b>3.02</b>	<b>3.78</b>	<b>6.45</b>
Other Income	0.05	0.10	0.06	0.05	0.14	0.34	0.25
<b>Total Income</b>	<b>1.26</b>	<b>1.66</b>	<b>2.07</b>	<b>2.43</b>	<b>3.16</b>	<b>4.12</b>	<b>6.71</b>
Operating Expenses	(0.77)	(1.13)	(1.45)	(1.61)	(1.82)	(2.54)	(3.54)
- Employee Cost	(0.23)	(0.33)	(0.38)	(0.55)	(0.47)	(0.60)	(1.04)
- Depreciation	(0.02)	(0.03)	(0.03)	(0.15)	(0.07)	(0.07)	(0.22)
- Other Opex	(0.52)	(0.77)	(1.03)	(0.91)	(1.28)	(1.87)	(2.28)
Provisions	(0.11)	-	0.19	-	(0.06)	(0.18)	(0.18)
<b>PBT</b>	<b>0.38</b>	<b>0.53</b>	<b>0.81</b>	<b>0.82</b>	<b>1.29</b>	<b>1.40</b>	<b>2.99</b>
Tax	(0.35)	(0.12)	(0.21)	(0.24)	(0.43)	(0.41)	(0.80)
<b>PAT</b>	<b>0.03</b>	<b>0.41</b>	<b>0.60</b>	<b>0.58</b>	<b>0.86</b>	<b>0.99</b>	<b>2.18</b>
No of Shares (Crs)	1.09	1.09	1.09	1.14	1.14	1.43	1.43
Basic EPS (Rs.)	0.03	0.38	0.55	0.51	0.76	0.80 <sup>1</sup>	1.53
Key Ratios	FY12	FY13	FY14	FY15	FY16	FY17	9MFY18
RoA	0.3%	3.1%	3.8%	3.0%	3.2%	2.6%	3.2%
RoAE	0.3%	3.2%	3.9%	3.4%	4.8%	4.0%	9.0%
Gross NPA	NA	NA	4.0%	2.0%	1.4%	2.7%	1.0%
Net NPA	NA	NA	1.6%	0.5%	0.7%	1.9%	0.9%

With D/E ratio ~3.5x and a smaller loan book base, IHLL can aim for a staggering loan book growth

Profitable since FY11 with current RoA of 3.2% and RoE of 9.0%

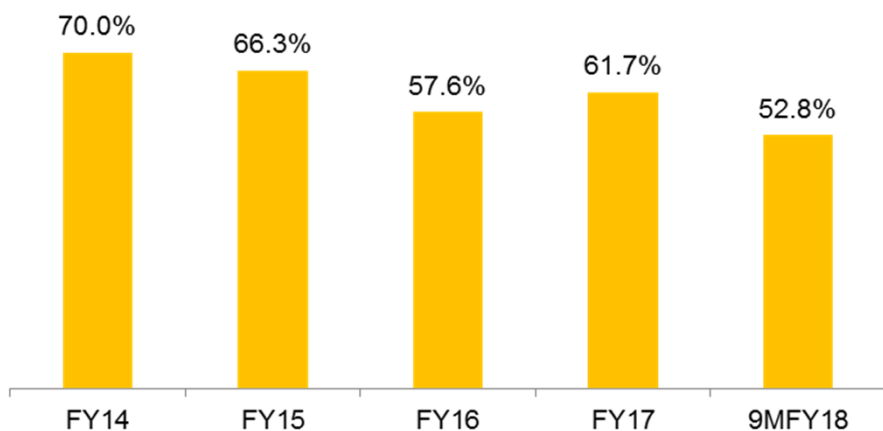
Balance Sheet							
Rs. Crs	FY12	FY13	FY14	FY15	FY16	FY17	9MFY18
Net worth	10.3	15.2	15.8	17.7	18.5	31.3	33.5
Equity Capital (FV-Rs10)	10.9	10.9	10.9	11.4	11.4	14.3	14.3
Equity Warrants	-	4.6	4.6	-	-	-	-
Reserves & Surplus	(0.7)	(0.3)	0.3	6.3	7.1	17.0	19.2
Secured Loans	0.8	0.1	-	5.0	13.2	14.1	118.5
<b>Total Liabilities</b>	<b>11.1</b>	<b>15.3</b>	<b>15.8</b>	<b>22.6</b>	<b>31.7</b>	<b>45.4</b>	<b>151.9</b>
Loans	9.6	11.9	12.7	19.8	31.6	42.6	142.2
Investments	0.6	0.9	0.8	2.3	-	2.5	-
Fixed Assets	0.1	0.1	0.3	0.2	0.1	0.3	0.8
Deferred Tax Assets	0.2	0.2	0.1	(0.1)	(0.1)	(0.2)	(0.3)
Net Current Assets	0.6	2.3	1.9	0.5	0.1	0.1	9.2
Cash	0.3	0.3	0.5	0.6	0.3	1.1	11.2
Other Current Assets	0.4	2.1	1.5	0.0	0.0	0.1	-
(Current Liabilities)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(1.1)	(2.0)
<b>Total Assets</b>	<b>11.1</b>	<b>15.3</b>	<b>15.8</b>	<b>22.6</b>	<b>31.7</b>	<b>45.4</b>	<b>151.9</b>
Key Ratios	FY12	FY13	FY14	FY15	FY16	FY17	9MFY18
Loan Book Growth	27.7%	23.0%	7.0%	55.7%	59.8%	34.9%	
Capital Adequacy Ratio	116.3%	122.4%	156.2%	110.7%	93.5%	117.7%	36.9%
D/E Ratio	0.1x	0.0x	0.0x	0.3x	0.7x	0.5x	3.5x
BVPS (Rs.)	9.4	13.9	14.5	15.5	16.3	21.9	23.4

1. Basic EPS for FY17 is calculated using the weighted average number of shares for the year

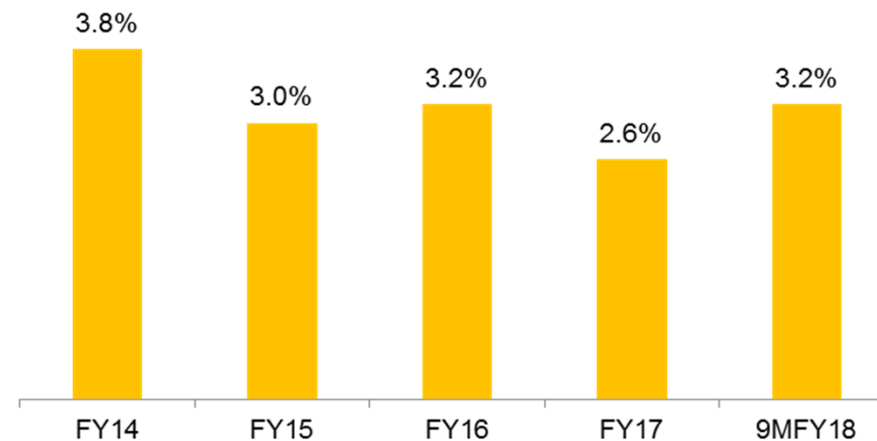


# Financial Performance

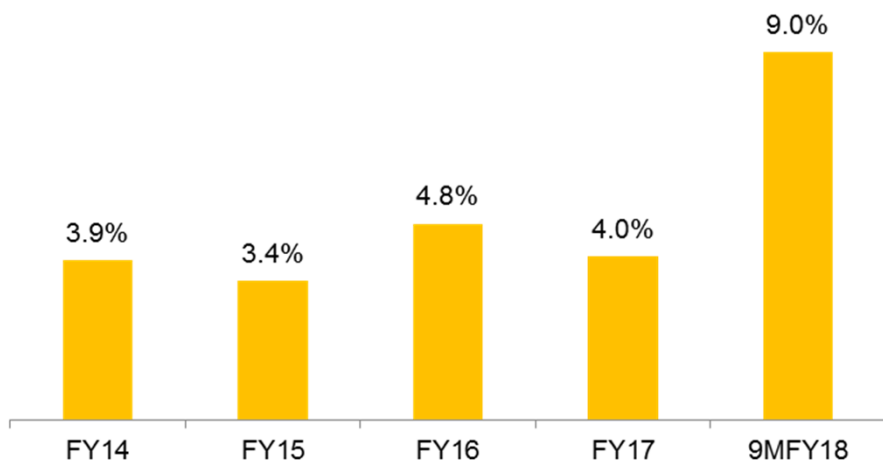
Cost to Income Ratio <sup>1</sup> (%)



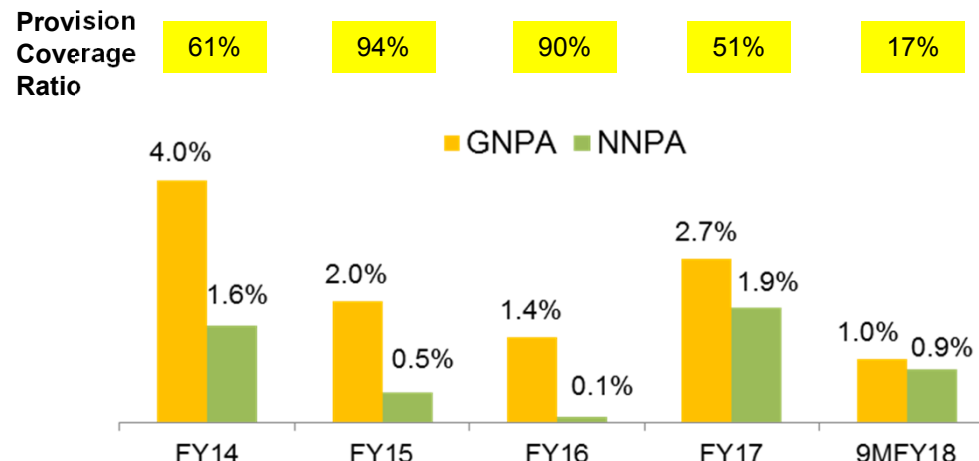
Return on Assets (RoA) (%)



Return on Net Worth (RONW) (%)



Asset Quality



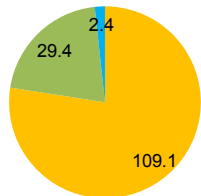
1. Cost to Income calculates as Operating Expenses (including depreciation) / (Net Interest Income + Other Income)



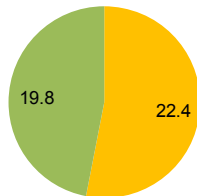
# Loans and Borrowings

## Loan Book – By Region

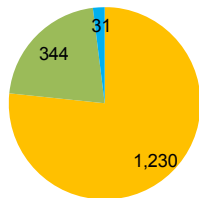
9MFY18 - Rs 140.8 Crs



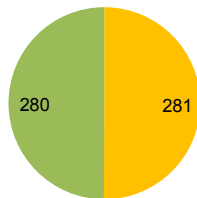
FY17 - Rs 42.2 Crs



9MFY18 - 1,605 Files



FY17 - 561 Files

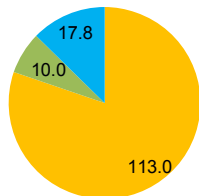


■ Gujarat ■ Maharashtra ■ Rajasthan

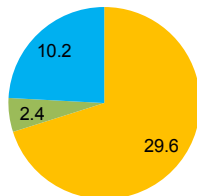
Currently, loan book is diversified between Gujarat and Maharashtra. Recently started operations in Rajasthan

## Loan Book – By Products

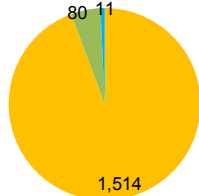
9MFY18 - Rs 140.8 Crs



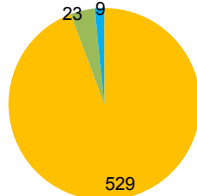
FY17 - Rs 42.2 Crs



9MFY18 - 1,605 Files



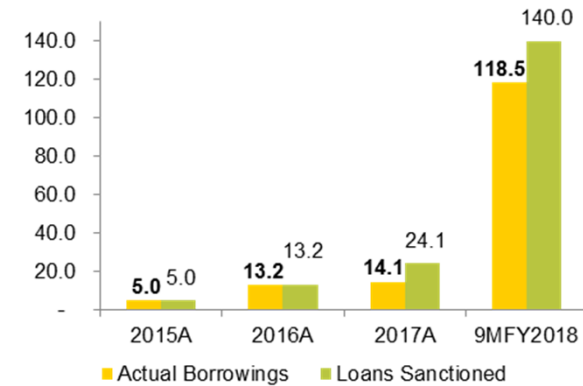
FY17 - 561 Files



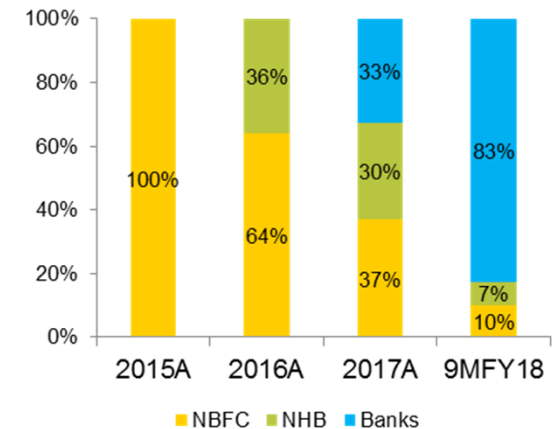
■ Home Loan ■ LAP ■ Project Loan

## Loans Sanctioned and Actual Borrowings

(Rs. Cr.)



## Borrowings – By Source



\* No borrowings before 2015



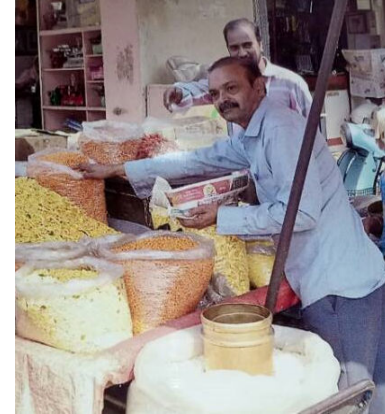
## Borrowers Profiles



**Ramesh S. Pawar**  
Krish Hair Salon



**Rakesh S. Patil**  
Car Mechanic



**Suryakant V. Bhavsar**  
Farsan Stall



**Bapu S. Patil**  
Bakery



**Prabhudas R. Bhavsar**  
Food Stall



**D I Vaghela**  
Tiffin Service



**J B Rabari**  
Kirana Store



**A K Raval**  
Pizza Store



Thank You

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**THANK YOU**