



Indiabulls Financial Services Limited
Unaudited Financial Results – Q2 FY 2011-12

October 21, 2011

Safe Harbour Statement

This document contains certain forward-looking statements based on current expectations of Indiabulls 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 Securities markets, new regulations and government policies that might impact the business of Indiabulls, the general state of the Indian economy and the and the management's ability to implement the company's strategy. Indiabulls doesn't undertake any obligation to update these forward-looking statements.

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Business Update

Year-on-Year (Y-o-Y) Comparison – Key Financial Highlights Q2 FY 11-12 v/s Q2 FY 10-11

	Q2 FY 11-12	Q2 FY 10-11
Total Revenues (Rs. Cr.)	912.70	581.44
NII (Rs. Cr.)	441.03	379.10
PBT (Rs. Cr.)	311.24	251.01
PAT (Rs. Cr.)	231.38	174.46
EPS (Rs.)	7.35	5.57

Interim dividend of Rs. 6/- per share of face value of Rs. 2/-, amounting to 300%, has been declared. Total dividend outflow is Rs. 217 Cr.

H1 FY 11-12 Key Financial Highlights (H1 FY 11-12 v/s H1 FY 10-11)

	H1 FY 11-12	H1 FY 10-11
Total Revenues (Rs. Cr.)	1,752.87	1,052.53
NII (Rs. Cr.)	870.57	693.96
PBT (Rs. Cr.)	611.91	450.81
PAT (Rs. Cr.)	453.36	308.04
EPS (Rs.)	14.40	9.81

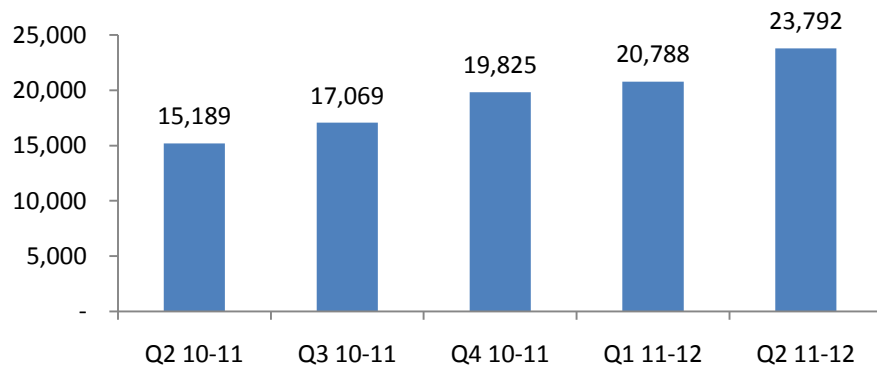
Return on Equity (RoE)

	H1 FY 11-12	FY 10 - 11
RoE* (annualised)	19.7%	17.2%

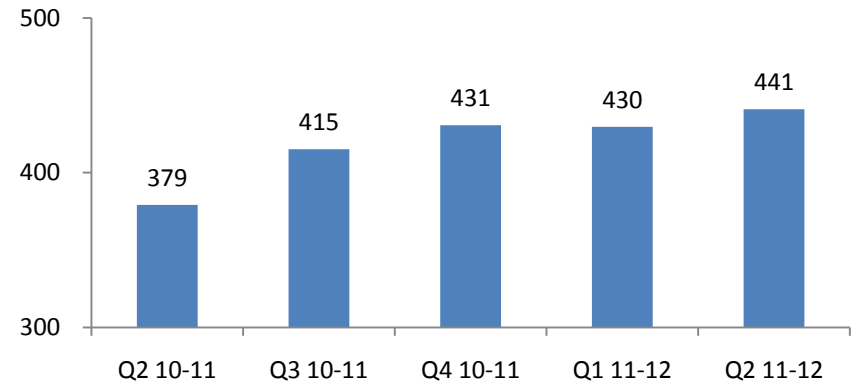
* Computed net of minority interest on year opening Net Worth

Asset Growth

Assets Under Management (AUM) in Rs. Cr.



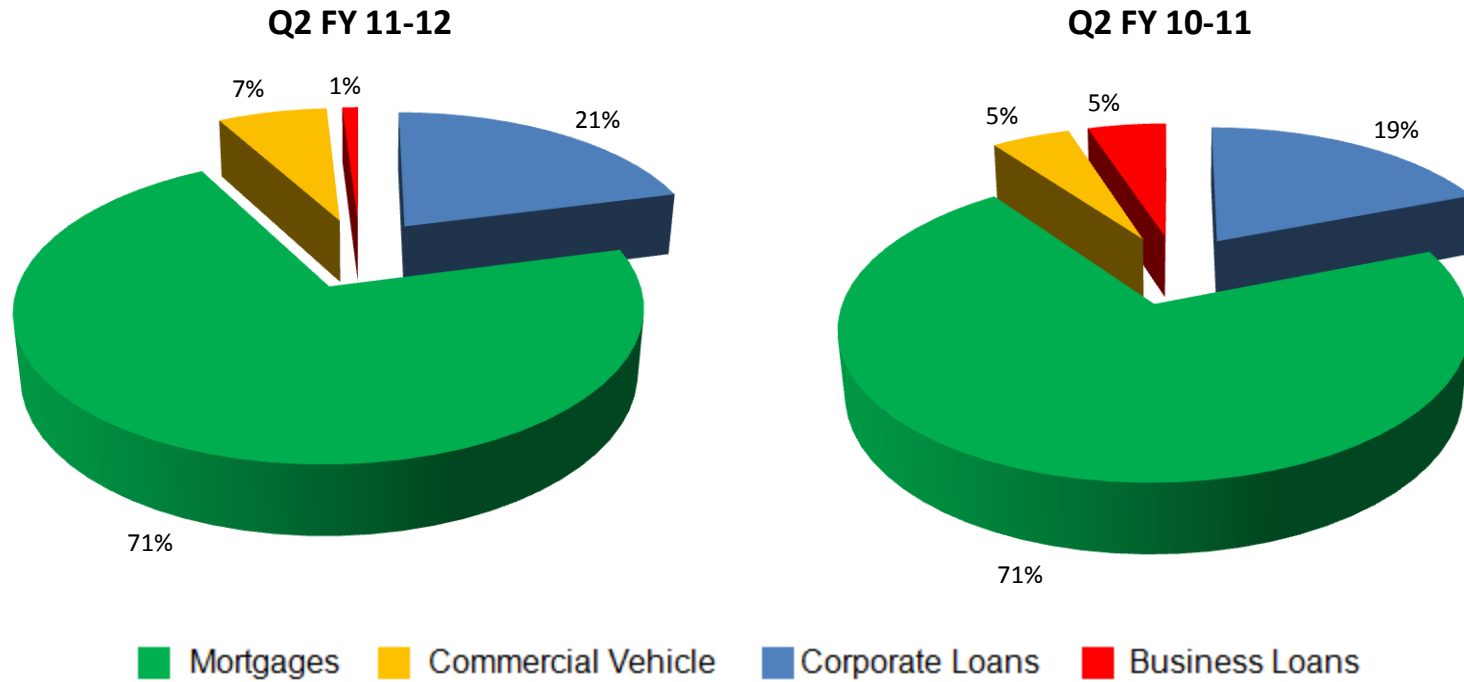
NII (Rs. Cr.)



** NII = Interest Income + Fee Income less Interest & Fees Expense*

- Assets have grown at a quarterly average of Rs. 2,000 Cr over the course of the last 8 quarters
- Long-duration mortgage loans have contributed to steady asset growth and increase in Net Interest Income

Asset Composition



- Home loans, which forms the majority of incremental disburseals, are disbursed at an average ticket size of Rs. 23 lacs; average LTV of 64% at origination, for an average term of about 13 years
- Long-term, low-risk mortgage loans' contribution remains steady at 71% of the total assets

Home Loans: Streamlined Loan Fulfilment



from your home

Online Account Access

Helpline : 1800-200-7777
SMS : 'HOME' to 56677
Email: homeloans@indiabulls.com
www.financial.indiabulls.com



ghar aa jao

Home Loans @

10.75%*

This festive season, make an auspicious new beginning.

Home 48* Loan in **HOURS** Helpline: 1800-200-7777
SMS: 'HOME' to 56677
Email: homeloans@indiabulls.com



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ghar aa jao

Home Loans @

10.75%*

This Ganesh Chaturthi, be blessed with a new home.

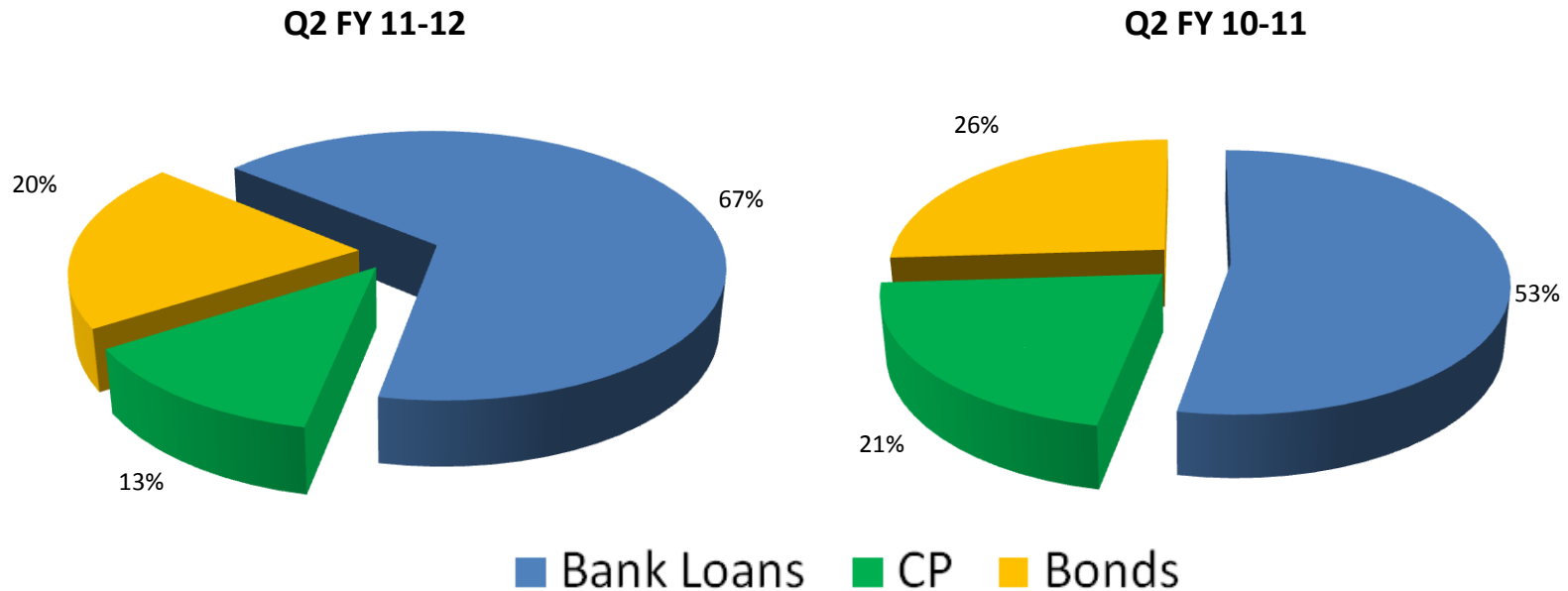
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ghar aa jao

- The branches are set up around the credit decisioning process and are designed as Master Service Centre, Service Centre and Walk-in Branches
- The credit hierarchy is experienced and well-trained with clearly delineated roles, responsibilities and authorities
- Dedicated and experienced in-house technical evaluation teams and legal teams work closely with the credit team
- Cases are appraised through parallel multi-level checks which appraise the customer, property, developer (if any), registration and legal documentation

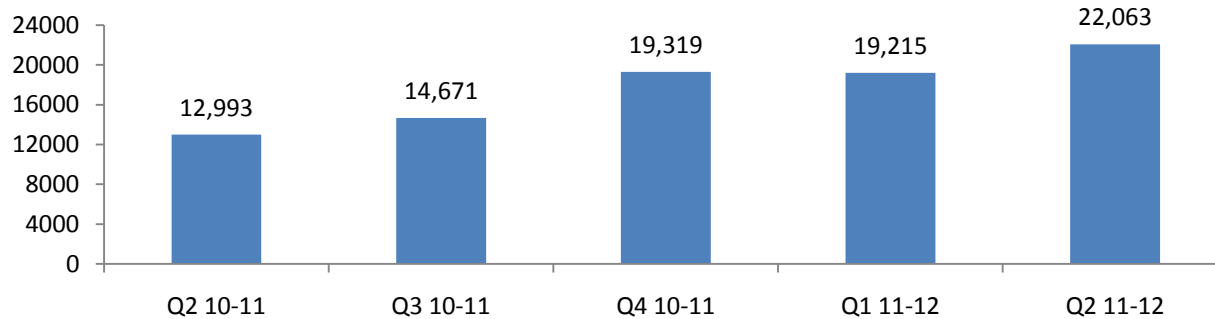
Improving Liability Profile



- During the quarter the company issued bonds of 10 year duration
- In keeping with its stated strategy, the company continues to maintain healthy levels of liquidity with cash, cash equivalents and investments in liquid schemes of mutual funds adding up to Rs. 4,534.87 Cr at the end of Q2 FY 11-12
- The company continues to maintain the levels of short-term money at 13% of total borrowings, well within its target limit of 15%

Diversified Borrowing Programme

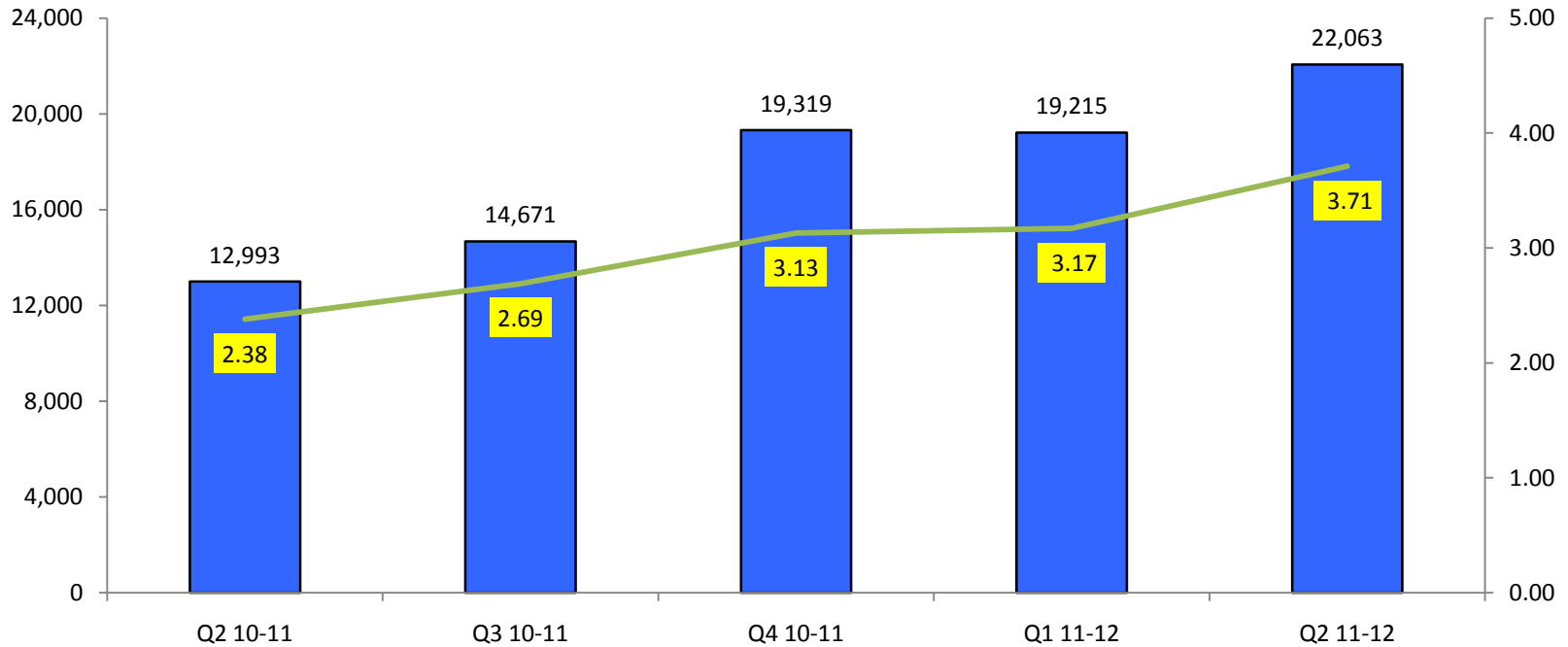
Borrowings (Rs. Cr.)



Total Borrowings (Rs. Cr.)			Contribution in Incremental Borrowing
	Sep-11	Sep-10	Last 12 months
Bank Loans	14,787	6,880	87.2%
NCD	4,466	3,343	12.4%
CP	2,810	2,770	0.4%
Total	22,063	12,993	100%

- Amongst its lenders, the company now counts 60 strong relationships: 22 PSU banks, 14 Private and Foreign banks and 24 other Mutual Funds, Provident Funds, Pension Funds and Insurance Companies

Headroom for Growth



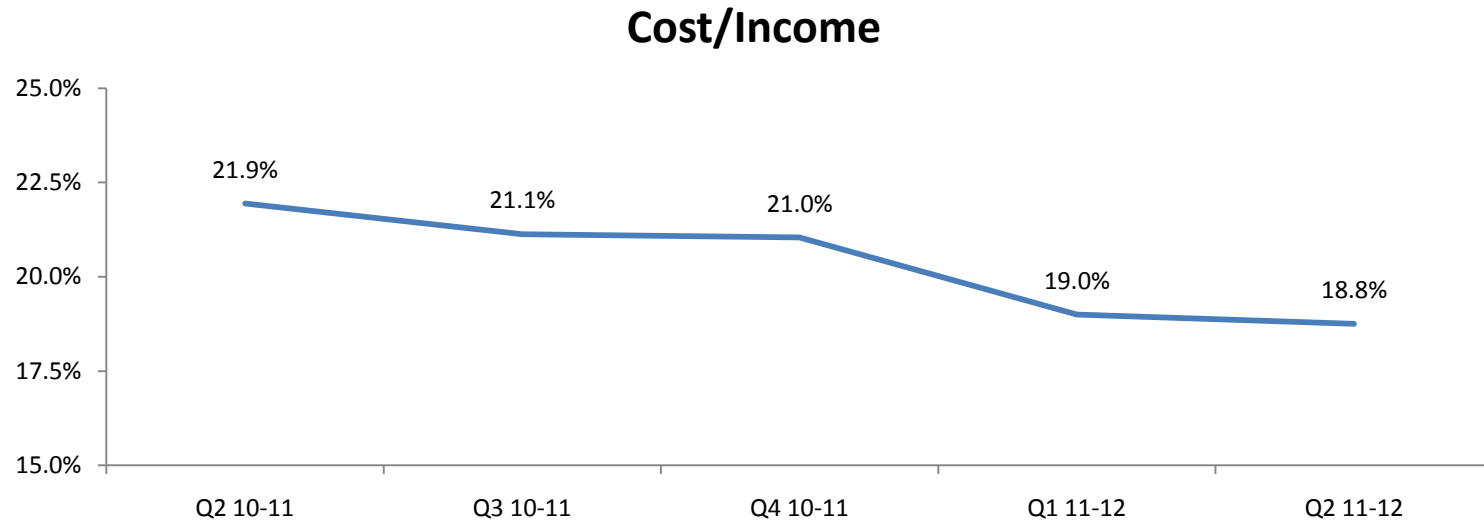
Figures in Rs. Cr.

■ Borrowings
 — Net Gearing

Net Gearing: Borrowings Net of 'Cash & Cash Equivalents' and 'Investments in Liquid Schemes of Mutual Funds'

- With a Net Gearing of only 3.71, the company is one of the least leveraged NBFC & HFC, and has the balance sheet strength to support an expanding loan book

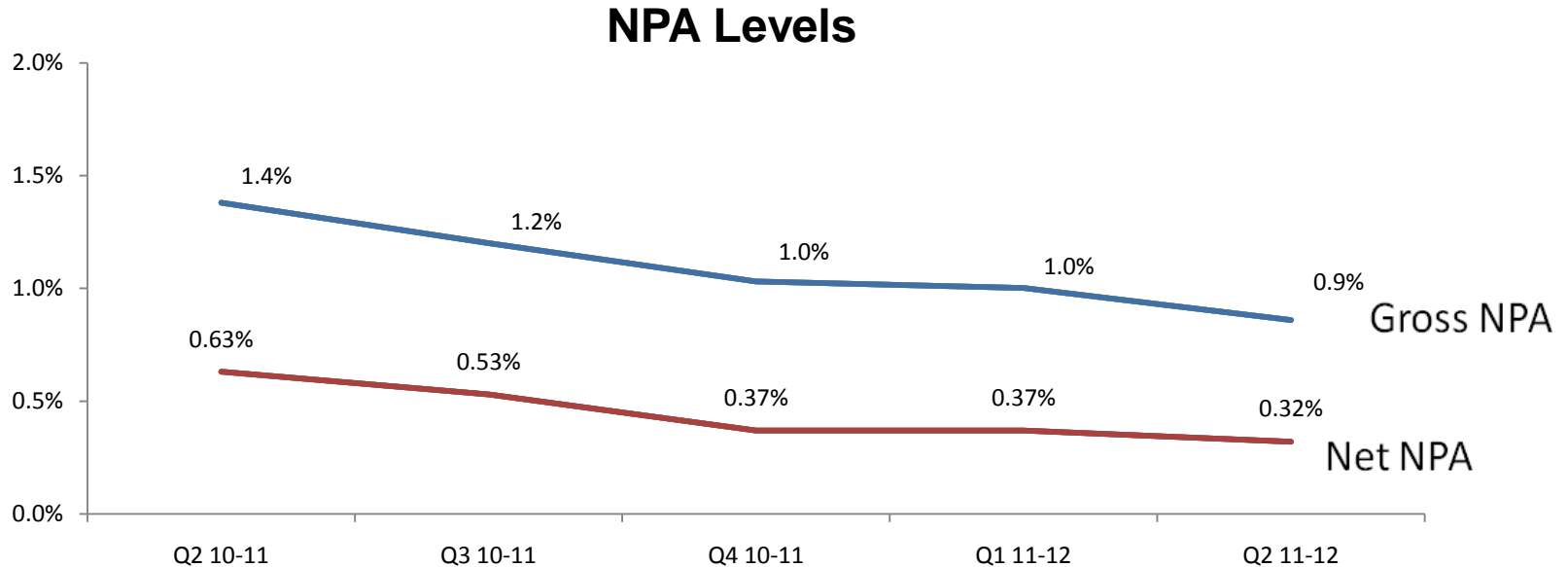
Improving Cost-Income Ratio



Costs include Salaries and Operating Expenses

- The company continues to witness improving operational efficiency, with the cost to income ratio further declining to below 19%

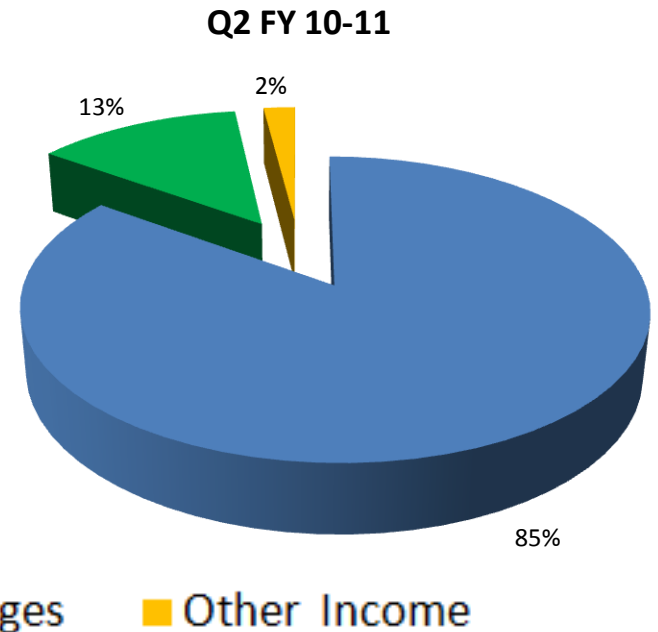
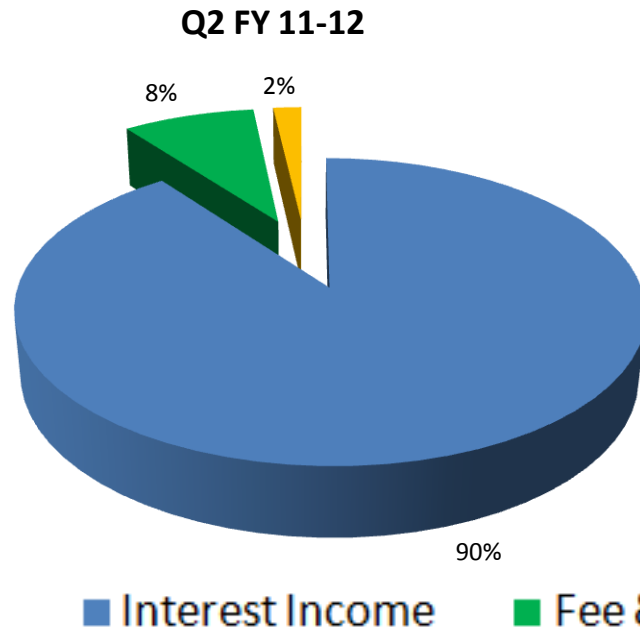
Stable Asset Quality



** Without deducting 'Floating Provision' and RBI prescribed 'Standard Asset Provision' from Gross NPA*

- The incremental provisions & write-offs for Q2 FY 2011-12, including floating and standard asset provisions, is Rs. 72.50 Cr, compared to Rs. 51.75 Cr in Q2 FY 2010 – 11. The company has created the necessary additional provisions towards compliance of the RBI circular dated January 17, 2011 and the NHB circular dated August 5, 2011
- Eight quarters of continuous reduction in Gross and Net NPA levels as low-risk mortgage portfolio increases the asset base, while contributing very low incremental delinquencies

Income Sources



- 'Interest Income' contributes significantly to the total income. Its contribution has increased on account of sustained asset book growth due to long-term mortgage loans
- 'Fee Income' continues to be a significant income stream for the company
- Improving recoveries from written off assets, has led to 'Other Income' maintaining its contribution to the total income

Consolidated Income Statement

		(Rupees in Crore)		
Particulars		Quarter ended		Year ended
		30.09.11 (Unaudited)	30.09.10 (Unaudited)	31.03.11 (Audited)
1	a) Income from Operations	825.27	541.36	2,256.08
	b) Other Operating Income	70.90	30.69	216.62
	Total	896.17	572.05	2,472.70
2	Expenditure			
	a) Employees Cost	48.02	39.66	165.62
	b) Depreciation	2.32	2.45	10.99
	c) Operating Expenses	5.99	7.98	28.30
	d) Administrative & Other Expenses	89.89	87.38	414.09
	Total	146.22	137.47	619.00
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	749.95	434.58	1,853.70
4	Other Income	16.52	9.40	37.25
5	Profit before Interest & Exceptional Items (3+4)	766.47	443.98	1,890.95
6	Interest and Finance Charges	455.22	192.97	899.47
7	Profit after Interest but before Exceptional Items (5-6)	311.25	251.01	991.48
8	Exceptional Items	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	311.25	251.01	991.48
10	Tax expense (including Deferred Tax and Wealth Tax)	79.86	76.55	240.56
11	Net Profit from Ordinary Activities after Tax (9-10)	231.39	174.46	750.92
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-
13	Net Profit for the period/year before Minority Interest (11-12)	231.39	174.46	750.92
14	Minority Interest	2.76	1.78	8.17
15	Net Profit from Ordinary Activities after Tax and Minority Interest (13-14)	228.63	172.68	742.75
16	Paid-up Equity Share Capital (Face Value of Rs.2 per Equity Share)	62.24	62.07	62.20
17	Reserves excluding Revaluation Reserves	4,640.13	4,325.15	4,477.58
18	Minority Interest	126.31	114.74	121.09
19	Earnings per Share before extraordinary items (Face Value of Rs.2 per Equity Share)			
	-Basic	7.35	5.57	23.86
	-Diluted	7.29	5.51	23.63
	Earnings per Share after extraordinary items (Face Value of Rs.2 per Equity Share)			
	-Basic	7.35	5.57	23.86
	-Diluted	7.29	5.51	23.63

Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	30.09.11 (Unaudited)	30.09.10 (Unaudited)
Shareholders Funds		
(a) Share Capital	62.24	62.07
(b) Reserves and Surplus	4,640.13	4,325.15
Minority Interest	126.31	114.74
Share Application Money Pending Allotment		
Loan Funds	22,063.38	12,993.47
Total	26,892.06	17,495.43
Fixed Assets (including Capital work in progress / Capital Advances)	44.83	44.61
Investments (includes Rs. 1,918.66 crore (from Rs 1,853.54 crore in Q2 FY 10 - 11) invested under debt schemes of various Mutual Funds)	1,935.33	2,092.28
Deferred Tax Asset (Net)	97.44	31.47
Current Assets, Loans And Advances		
(a) Sundry Debtors	6.77	6.84
(b) Cash and Bank Balances	2,616.21	2,008.35
(c) Other Current Assets	294.77	153.25
(d) Loans and Advances	23,329.72	15,313.65
	26,247.47	17,482.09
Less: Current Liabilities And Provisions		
(a) Current Liabilities	597.96	1,682.24
(b) Provisions	835.05	472.78
	1,433.01	2,155.02
Net Current Assets	24,814.46	15,327.07
Total	26,892.06	17,495.43

Rs. 4,534.87 Cr
of Cash & Cash
Equivalents and
Investments in
Liquid Mutual
Funds

Thank you