



Indiabulls Financial Services Limited

Earnings Update – Q1 FY08

Unaudited Results

July 24, 2007

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The Board of Directors of Indiabulls Financial Services Limited at their meeting held on July 24, 2007, took on record the unaudited results for the quarter ended June 30, 2007.

Highlights:

Quarter 1 FY 08 compared to Quarter 1 FY 07

- **Consolidated Total Revenues up 100.6% to Rs. 442.8 crore in Q1 of FY 08 from Rs. 220.7 crore in Q1 of FY 07**
- **Consolidated Profit After Tax up 117.1% to Rs. 166.4 crore in Q1 of FY 08 from Rs. 76.6 crore in Q1 of FY 07**

Business highlights

- Financing Income was Rs. 308.7 crore (69.7% of total revenues) in Q1 of FY 08 compared to Rs. 112.9 crore (51.2% of total revenues) in Q1 of FY 07
- Total outstanding & serviced loans as on June 30, 2007 were Rs 4,139.7 crore (Secured: 61.1% ; Unsecured: 38.9%) compared to a total outstanding and serviced loans of Rs.1,078.0 crore as on June 30, 2006 (increase of 284.0% yoy)
- Total consumer loans outstanding & serviced as on June 30, 2007 were Rs 2,744.9 crore as compared to Rs 297.4 crore as on June 30, 2006 (increase of 823.0% yoy)
- Small ticket unsecured personal loans of Rs 434.8 crore of represented 15.8% of consumer loan portfolio as of June 30, 2007 as compared to Rs. 161.8 crore or 54.4% of consumer loan portfolio as of June 30, 2006
- Yield data:
 - Outstanding and serviced consumer loan portfolio: Average annualized yield of 24.7%
 - Outstanding and serviced total loan portfolio: Average annualized yield of 23.6%
- Delinquency & Provisions data for Consumer Finance loans:
 - Total provisions of Rs 107.8 crore or 3.9% of Rs. 2,744.9 crore consumer loans portfolio
 - Gross non performing loans where the installments are outstanding for more than 90 days as on June 30, 2007 are Rs 49.9 crore or 1.8% of the consumer loans portfolio
 - Based on a 180 days overdue basis, the non performing loans as on June 30, 2007 stood at Rs 26.9 crore or 1.0% of the consumer loans portfolio
- Fee based income from loan processing, insurance and advisory of Rs.31.6 crore i.e. 7.1% of total revenues in Q1 of FY 08 compared to 7.3 crore i.e. 3.3% of total revenues in Q1 of FY 07.
- The consolidated Net worth of Indiabulls Financial Services Limited is Rs. 3,612.9 crore as on June 30, 2007 compared to Rs. 1,773.2 crore as on June 30, 2006

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First Quarter FY 2008 compared to First Quarter FY 2007

<u>Consolidated Financials</u> <u>(Rs. Crore except EPS)</u>	Q1 FY 2008 (Unaudited)	Q1 FY 2007 (Unaudited)	Growth (%) QoQ
Brokerage and capital market related income	102.4	98.6	3.8%
Financing Income	308.7	112.9	173.3%
Fee based income (loan processing, insurance and advisory fees)	31.6	7.3	332.0%
Other Income	0.1	1.8	-93.5%
Total Revenues	442.8	220.7	100.6%
Profits before interest and taxes	281.3	130.8	115.1%
Interest Expense	33.2	14.0	137.5%
Profits before taxes	248.1	116.8	112.5%
Profits After tax	166.4	76.6	117.1%
EPS (basic) Rs.	Rs. 7.21	Rs. 4.20	71.7%

First Quarter FY 2008 compared to Fourth Quarter FY 2007 (sequential quarterly comparison)

- Consolidated Total Revenues up 5.8% to Rs. 442.8 crore in Q1 FY 08 from Rs. 418.6 crore in Q4 FY 07
- Consolidated Profits After Tax up 6.0% to Rs. 166.4 crore in Q1 FY 08 from Rs. 157.0 crore in Q4 FY 07

Merger / De-Merger Update:

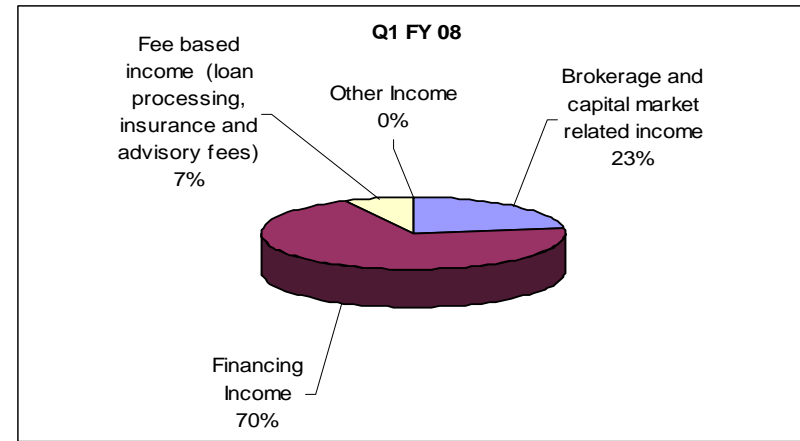
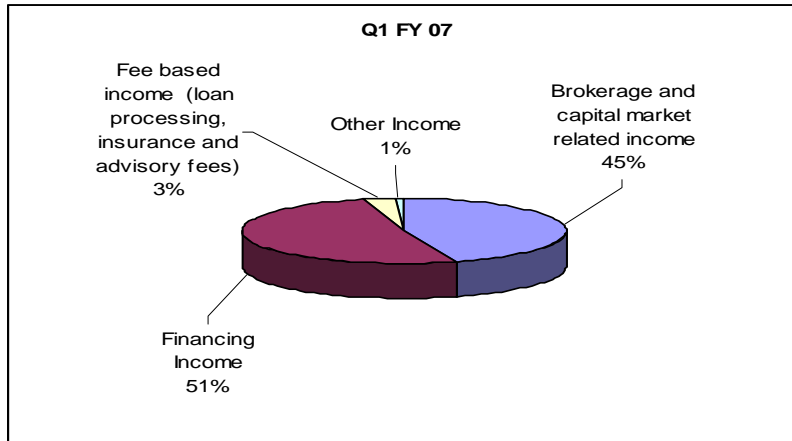
- Company has filed the composite scheme of arrangement in High Court, Delhi in order to restructure and reorganize its business. The scheme provides for:
 - Amalgamation (merger) of Indiabulls Credit Services Limited (“ICSL”), a majority-owned subsidiary, with the Company.
 - De-merger of the Company’s securities broking and advisory business to Indiabulls Securities Limited which would be a separately traded public entity after the proposed scheme is implemented. Upon de-merger, every shareholder holding one share of Indiabulls Financial Services Ltd would get one share of Indiabulls Securities Ltd, the de-merged entity.

The proposed amalgamation and de-merger is expected to be completed in the third quarter of the current financial year.

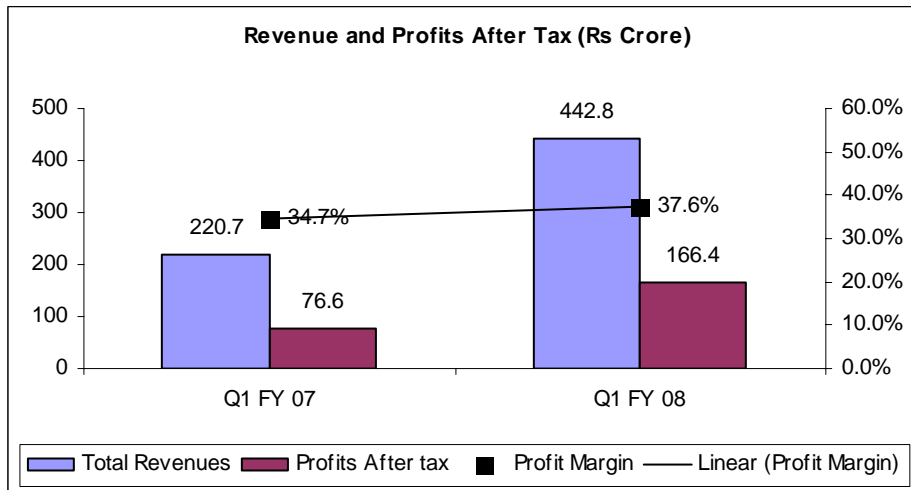
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Revenue Mix in Q1 FY 2008 as compared to Q1 FY 2007

- Financing Income is the dominant income driver in Q1 FY08 as brokerage and capital market related income becomes less than a quarter of total revenues



Strong Growth in Revenues and PAT continues



Safe Harbor

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 in either Consumer Finance or Securities Business, the general state of the Indian economy and the demand for credit by commercial enterprises and consumers, and the management's ability to implement the company's strategy. Indiabulls 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 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.

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