



Indiabulls Financial Services Limited
Audited Financial Results – FY 2011-12

April 27, 2012

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

Key Financial Highlights: FY 2011-12

	FY 11-12	FY 10-11	Growth
Total Revenues (Rs. Cr.)	3,846.3	2,510.0	53%
NII (Rs. Cr.)	1,866.0	1,539.7	21%
PBT (Rs. Cr.)	1,321.9	999.7	32%
PAT (Rs. Cr.)	1,006.4	759.1	33%
EPS (Rs.)	32.0	23.9	34%

- Return on Equity (RoE) has grown to 20.35%. The company intends to further improve RoE by maintaining an overall business growth of 30%
- 350% final dividend of Rs. 7/- per share of face value of Rs 2/- has been proposed. With this, the total dividend for FY 2011-12 (including interim dividend of Rs. 6/- already paid) is Rs. 13/- per share of face value of Rs 2/- amounting to 650%, total outflow of Rs. 470.7 Cr (inclusive of Dividend Distribution Tax)

Business Update

Year-on-Year (Y-o-Y) Comparison* – Q4 FY 11-12 v/s Q4 FY 10-11

	Q4 FY 11-12	Q4 FY 10-11	Growth
Total Revenues (Rs. Cr.)	1,121.7	772.4	45%
NII (Rs. Cr.)	544.5	430.6	26%
PBT (Rs. Cr.)	375.1	251.2	49%
PAT (Rs. Cr.)	303.0	243.7	24%
EPS (Rs.)	9.6	7.5	28%

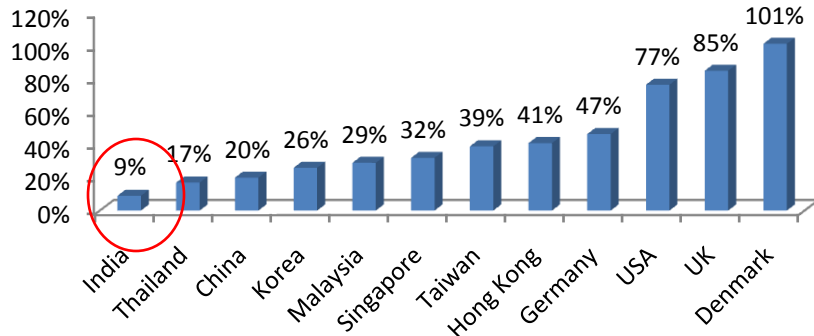
** Due to change in clause 41 format as issued by SEBI, the figures stated in the Earnings Update exclude profit/ (loss) of associates*

Reverse Merger with Housing Finance Company

- The Board has decided to restructure the business of Indiabulls Financial Services Limited (IBFSL) by way of its reverse merger with its wholly owned subsidiary, Indiabulls Housing Finance Limited (IHFL), a Housing Finance Company (HFC) registered with NHB .
- Majority of the existing and incremental business of IBFSL relates to housing finance and all other companies with similar asset profile and business are already licensed as HFCs
- Amalgamation with IHFL will consolidate the capital resulting in higher capital being available to the merged HFC entity, enabling it to steadily grow its mortgage loans business
- Consequent to the Scheme becoming effective, upon sanction by Hon'ble High Court of Delhi and other regulatory and stakeholder approvals, the shareholders of IBFSL will get 1 (one) equity shares of Rs. 2/- each of IHFL for every 1 (one) equity share of Rs. 2/- each held by them in IBFSL. The appointed date of the Amalgamation is April 1, 2012

Indian Mortgage Market

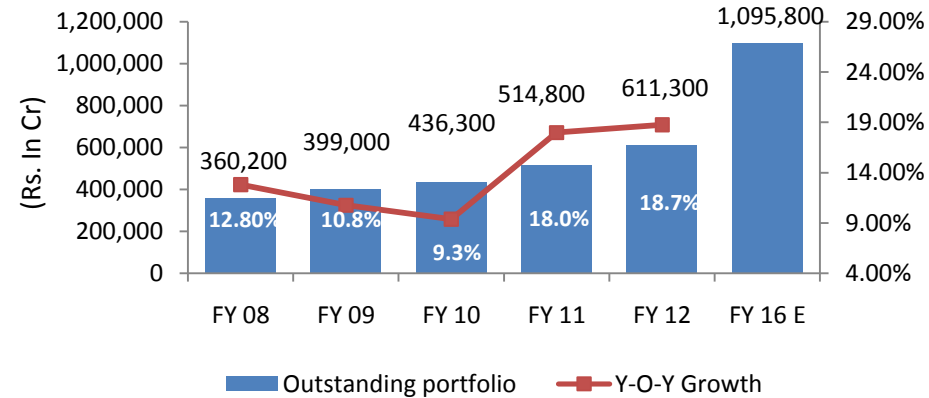
Mortgages % of GDP



Source: European Mortgage Federation, 2010 & World Bank, 2008

- Lower mortgage penetration compared to Asian peers implies huge opportunity for growth
- Mortgage/GDP ratio is expected to improve to 12% by FY15

Home Loan Portfolio Growth



Source: CRISIL Report

- Home loan industry to grow at 15.7% CAGR from FY12 to FY16 on a large base of more than Rs.6,00,000 Crores
- Indian Home Loans' industry is characterized by low Average LTVs of 65-70% and predominantly first-time home loan borrowers, implying significant borrower equity and end-use towards self-occupied residential property
- The expected growth in the low risk home loan Industry gives opportunity for Indiabulls to sustain current growth in its mortgage business

Factors Driving Mortgage Demand

- Tax incentives have lowered the effective interest rates of mortgages
 - For a home loan of Rs.20 Lacs, tenor of 15 years and interest rate of 10.75%p.a, the effective rate post tax incentives is 6.75%p.a
- Increase in the disposable income in tandem with the property prices have kept the affordability at 5 times the annual income.
- Increasing urbanization and demographic evolutions will result in 40% of Indian population residing in cities by 2030, up from current rate of 31%.**
- Current urban housing shortage is 26.53 million units*

Tax benefit on home Loans

Affordability & Accessibility

Urbanization & Demographic Improvements

Shortage in Housing supply

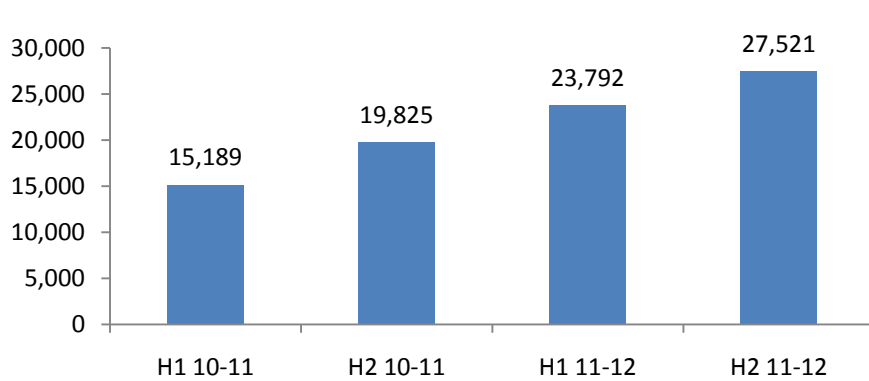
*Source: Ministry of Housing and Urban Poverty Alleviation Report

**Source: McKinsey Global Institute Report

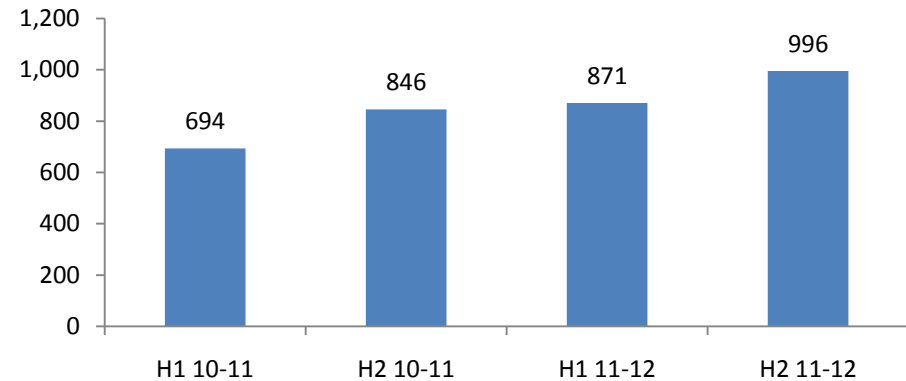
Financial and Operational Highlights

Asset Growth

Assets Under Management (AUM) in Rs. Cr.



NII in Rs. Cr.

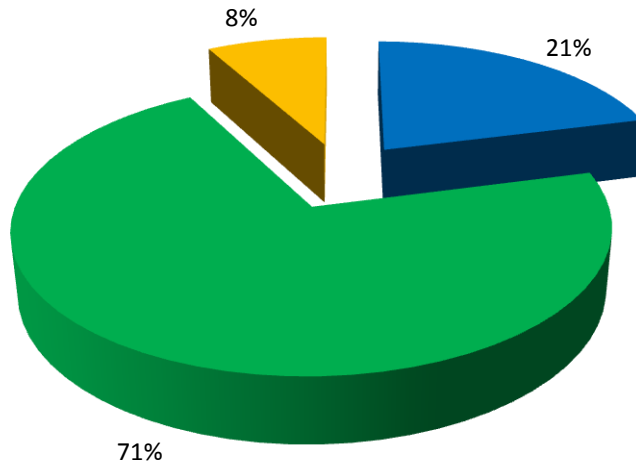


** NII = Interest Income + Fee Income less Interest Expense*

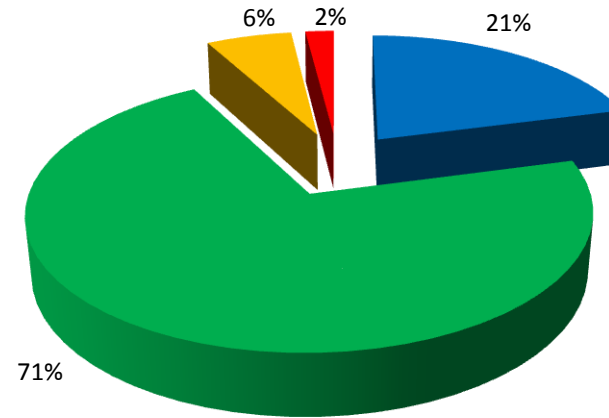
- Assets have grown at a quarterly average of approx Rs. 2,000 Cr over the course of the last 10 quarters
- Net Interest Income continues to steadily increase on the back of steady asset growth from long-duration mortgages

Asset Composition

FY 11-12



FY 10-11



■ Mortgages
 ■ Commercial Vehicle
 ■ Corporate Loans
 ■ Business Loans

- 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 14 years
- Long-term, low-risk mortgage loans' contribution remains steady at 71% of the total assets

Home Loans: Streamlined Loan Fulfilment



Relax – we'll take care of your home loan needs!
Indiabulls Home Loans @

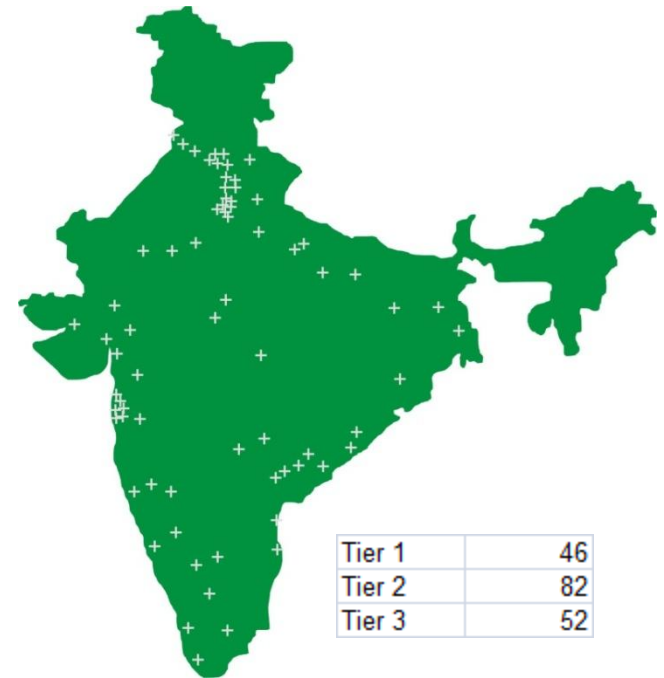
10.5%

Indiabulls HOME LOANS

Ab Ghar Aa Jao

HELPLINE: 1800 200 7777 | SMS: 'HOME' TO 56677

Indiabulls' Distribution Network



Plan a new look for your dream home! Home Loans @

10.5%

Indiabulls HOME LOANS

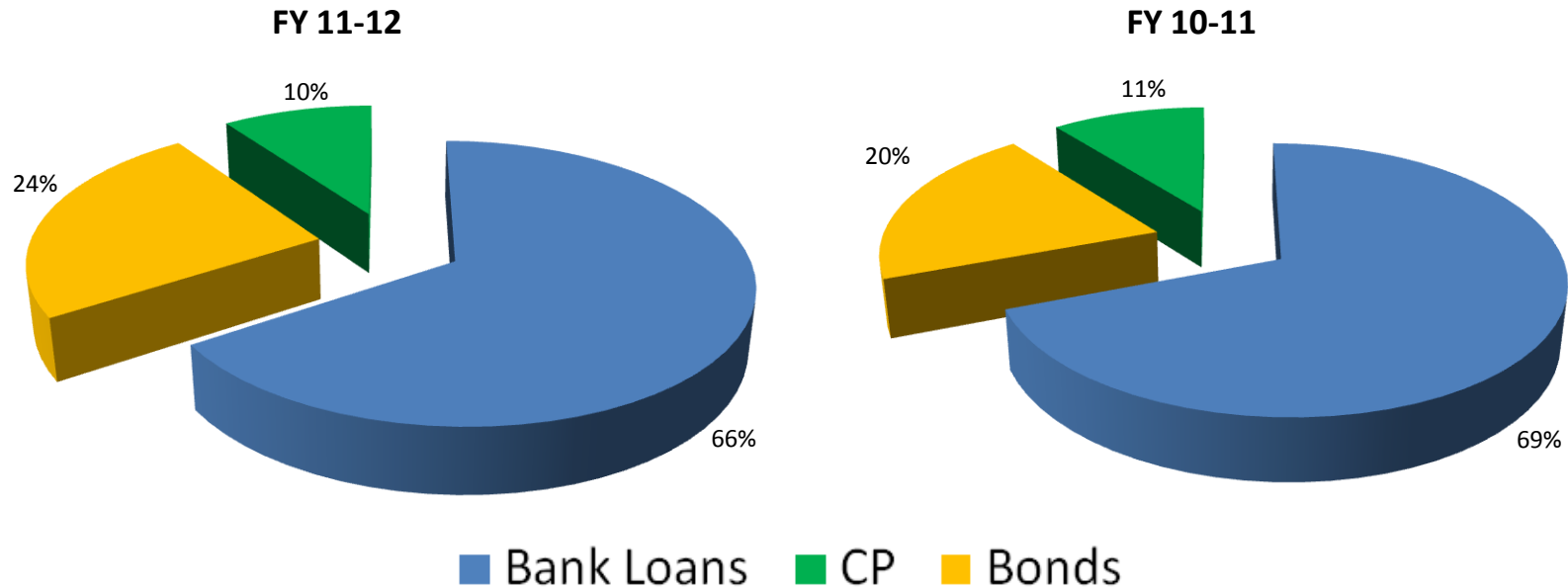
Ab Ghar Aa Jao

HELPLINE: 1800 200 7777 | SMS: 'HOME' TO 56677



- In FY 2012, the company's document management system received the ISO certification (ISO 9001:2008)
- The company continues to grow its branch network and now has 180 branches spread across the country
- The company has a well-trained, in-house Direct Sales' Team of over 1,400 people to promptly attend to prospective customers

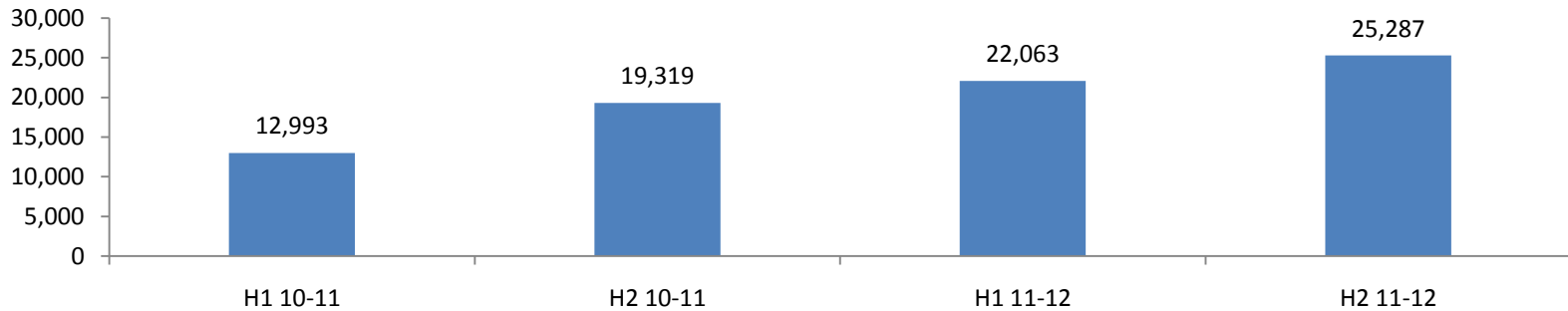
Improving Liability Profile



- In keeping with its stated strategy, the company continues to maintain healthy levels of liquidity with cash, cash equivalents and investments in liquid debt instruments adding up to Rs. 5,975.62 Cr at the end of FY 11-12
- Funds raised through bonds has grown to Rs. 6,167 Cr in Mar 2012, up from Rs. 3,903 Cr in Mar 2011
- The company has further reduced its reliance on short-term money to 10% of total borrowings, well within its target limit of 15%

Diversified Borrowing Programme

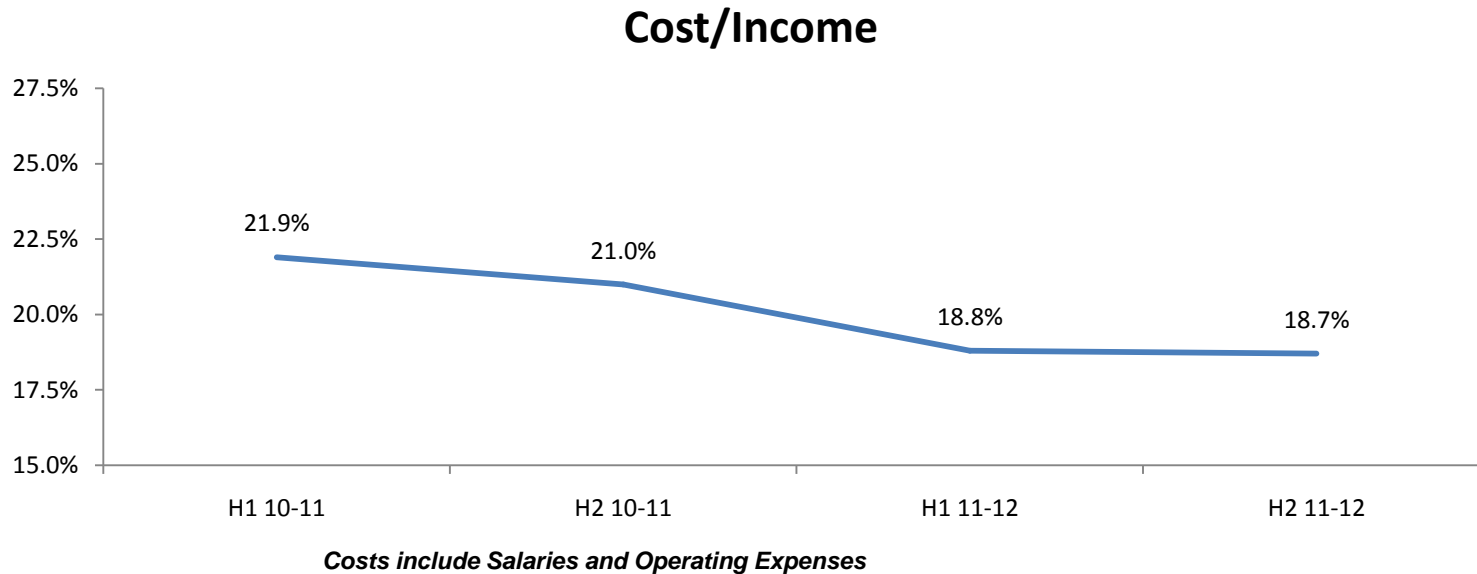
Borrowings (Rs. Cr.)



	Total Borrowings (Rs. Cr.)		Contribution in Incremental Borrowing
	Mar-12	Mar-11	Last 12 months
Bank Loans	16,629	13,371	55%
Bonds	6,167	3,903	38%
CP	2,491	2,045	7%
Total	25,287	19,319	100%

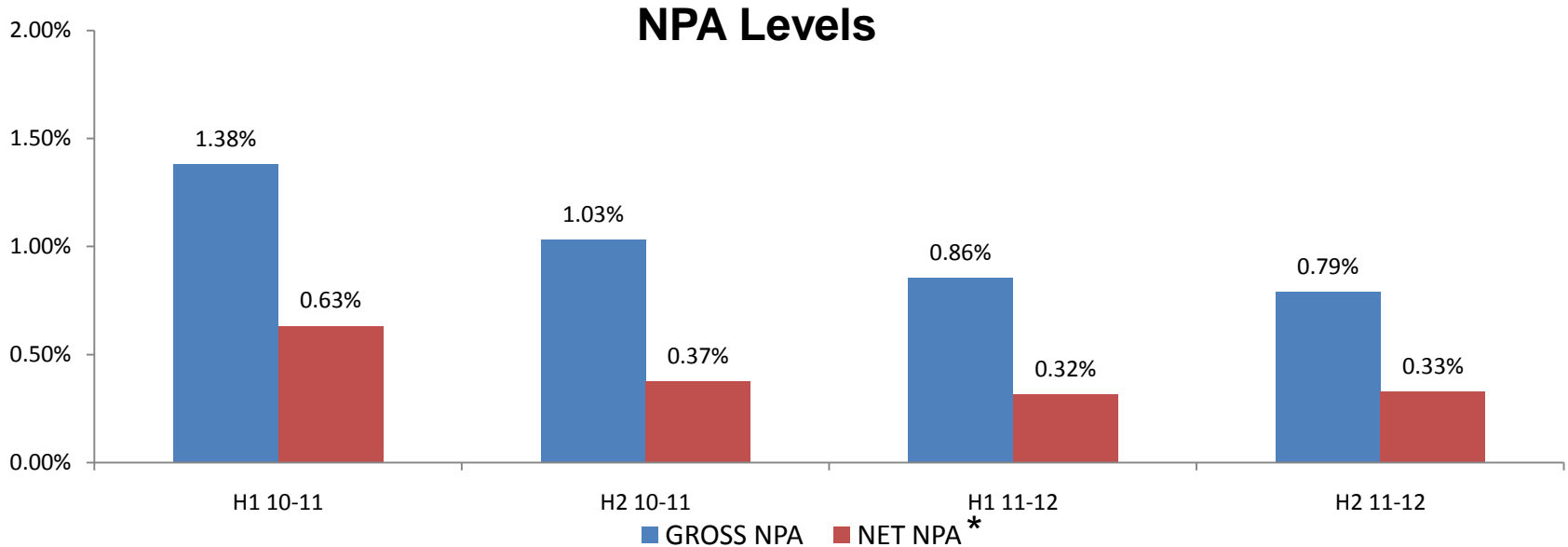
- Amongst its lenders, the company now counts 67 strong relationships: 23 PSU banks, 15 Private and Foreign banks and 29 other Mutual Funds, Provident Funds, Pension Funds and Insurance Companies

Improving Cost-Income Ratio



- The company continues to witness improving operational efficiency, with the cost to income ratio further declining to below 19%
- Going forward the company expects the Cost/Income ratio to improve further

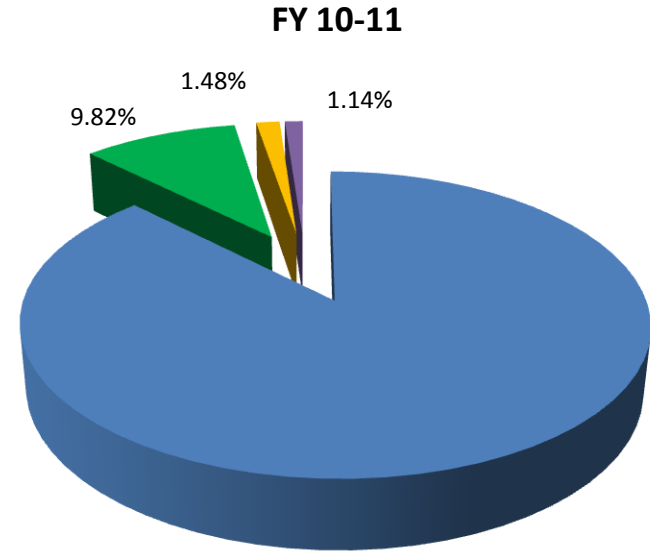
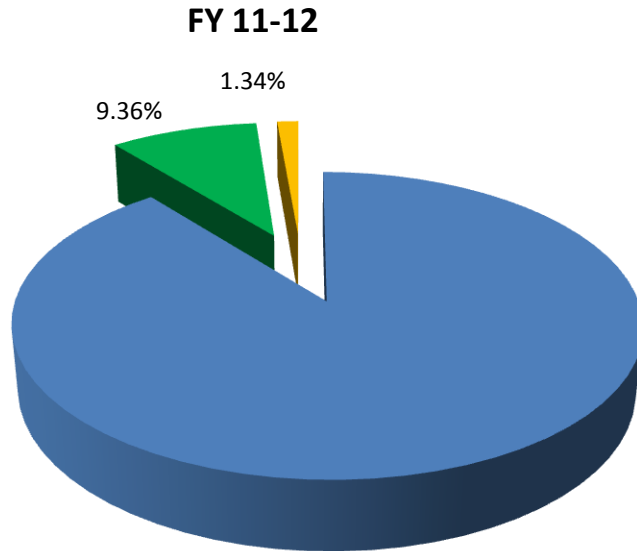
Stable Asset Quality



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

- The total provision pool, including floating and standard asset provisions, stood at Rs.329.83Cr as on March 31, 2012, compared to Rs.219.74Cr on March 31, 2011
- Low Gross and Net NPA levels as low-risk mortgage portfolio increases the asset base, while contributing very low incremental delinquencies

Income Sources



■ Interest Income
 ■ Fees
 ■ Other Income
 ■ Profit/Loss on Sale of Non Trade Investment

- '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 and misc income, has led to 'Other Income' maintaining its contribution to the total income

Consolidated Balance Sheet



Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	31.03.12 (Audited)	31.03.11 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	62.36	62.20
(b) Reserves and Surplus	4,843.10	4,477.58
(2) Share application money pending allotment	-	0.27
(3) Minority Interest	131.50	121.09
(4) Non-Current Liabilities		
(a) Long-term borrowings	14,222.94	12,897.05
(b) Other Long term liabilities	1.81	0.02
(c) Long term provisions	565.07	297.24
(5) Current Liabilities		
(a) Short-term borrowings	4,809.51	3,543.30
(b) Trade payables	1.62	1.04
(c) Other current liabilities	7,146.37	3,463.87
(d) Short-term provisions	441.28	363.59
Total	32,225.56	25,227.25
II.Assets		
(6) Non-current assets		
(a) Fixed assets	44.51	42.16
(b) Non-current investments	16.72	16.62
(c) Deferred tax assets (net)	109.77	72.16
(d) Long term loans and advances	21,472.93	15,724.81
(e) Other non-current assets	191.60	71.29
(7) Current assets		
(a) Current investments	1,780.06	3,072.75
(b) Trade receivables	21.31	7.66
(c) Cash and cash equivalents	4,195.56	2,144.67
(d) Short-term loans and advances	3,994.56	3,861.29
(e) Other current assets	398.54	213.84
Total	32,225.56	25,227.25

Rs. 5,975.62 Cr
of Cash & Cash
Equivalents and
Liquid Debt
Investments

Consolidated Income Statement

		(Rupees in Crore)				
	Particulars	Quarter ended			Year ended	
		31.03.12 (Unaudited)	31.12.11 (Unaudited)	31.03.11 (Unaudited)	31.03.12 (Audited)	31.03.11 (Audited)
1	a) Income from Operations	949.27	854.55	684.81	3,386.75	2,256.08
	b) Other Operating Income	159.36	107.64	77.58	395.13	216.62
	Total	1,108.63	962.20	762.39	3,781.88	2,472.71
2	Expenses					
	a) Employees Cost	53.12	45.46	41.43	192.37	165.62
	b) Depreciation and Amortisation Expenses	2.35	2.23	3.57	9.10	10.99
	c) Operating Expenses	7.26	11.01	7.65	32.52	28.30
	d) Administrative & Other Expenses	123.24	66.58	148.38	370.34	405.89
	Total	185.97	125.28	201.02	604.33	610.80
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	922.65	836.92	561.37	3,177.56	1,861.91
4	Other Income	13.07	9.61	9.98	64.44	37.25
5	Profit before Interest & Exceptional Items (3+4)	935.72	846.53	571.35	3,242.00	1,899.16
6	Interest and Finance Charges	560.58	511.60	320.17	1,920.06	899.47
7	Profit after Interest but before Exceptional Items (5-6)	375.14	334.93	251.18	1,321.94	999.69
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	375.14	334.93	251.18	1,321.94	999.69
10	Tax expense (including Deferred Tax and Wealth Tax)	72.14	84.88	7.44	315.57	240.56
11	Net Profit from Ordinary Activities after Tax (9-10)	303.01	250.05	243.75	1,006.37	759.12
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-
13	Net Profit for the year before Minority Interest (11-12)	303.01	250.05	243.75	1,006.37	759.12
14	Share of Profit / (Loss) of Associates	0.03	0.02	(7.62)	0.10	(8.20)
15	Minority Interest for the period / year	0.45	2.66	0.10	8.33	8.17
16	Net Profit from Ordinary Activities after Tax, Share of Profit / (Loss) of Associates and Minority Interest (13+14-15)	302.59	247.41	236.03	998.14	742.75
17	Paid-up Equity Share Capital (Face Value of Rs.2 per Equity Share)	62.36	62.28	62.20	62.36	62.20
18	Reserves excluding Revaluation Reserves	4,843.10	4,843.22	4,477.58	4,843.10	4,477.58
19	Minority Interest	131.50	128.97	121.09	131.50	121.09
20	Earnings per Share before extraordinary items (Face Value of Rs.2 per Equity Share)					
	-Basic	9.64	7.95	7.52	32.00	23.86
	-Diluted	9.56	7.90	7.47	31.75	23.63
	Earnings per Share after extraordinary items (Face Value of Rs.2 per Equity Share)					
	-Basic	9.64	7.95	7.52	32.00	23.86
	-Diluted	9.56	7.90	7.47	31.75	23.63

Thank you