



Indiabulls Financial Services Limited

Earnings Update – Q1 FY10

Un-audited Results

July 31, 2009

Indiabulls

The Board of Directors of Indiabulls Financial Services Limited at their meeting held on July 31, 2009, approved the unaudited results for the quarter ended June 30, 2009.

Highlights:

Indiabulls Financial Services Limited (Consolidated) :

Q1 FY 10 – Key Financial Highlights

- Total Revenues of Rs 396 crores
- Profit after Tax of Rs.74.1 crores
- EPS of Rs. 2.65
- Consolidated Net-worth at Rs 3,635.6 crores as on 30th June, 2009
- Subsequent to QIP issue of Rs 960 crores, consolidated networth has increased to Rs 4,595.6 crores
- CRAR of the company as on 30th June 2009 was 35.6% and has subsequently increased to 48.2% after QIP issue
- Strong credit performance with net NPAs of only 0.4% on total loan portfolio

Business Highlights

- Healthy credit revival and pick-up in disbursal volumes in last 60 days. Target Loan Asset Growth of 30% in FY10 on track.
- Clear trend of strong expansion of NII and margins, reversing the trend of FY 2009 as Liabilities are re-priced lower and asset yields are stable.
- Reaffirmation of all credit rating of the company by CRISIL, including the Highest Credit Rating for the Short Term Debt Programme, in July 2009.
- Strongest balance sheet amongst peers, with highest CRAR and lowest Debt/Equity Ratio, positioning the company to fully capture the opportunity to sustain strong asset growth with attractive risk adjusted spreads in FY10.
- Sharp reduction in negative Cost of Carry on excess liquidity as credit lines replace cash deposits.
- Lowest Net NPA in industry with stable provisioning despite increase in vintage of loan asset book over the last four quarters. Average life of asset on the books now reflects expected duration, thus NPA figures reflect fully seasoned portfolio.
- Benign competitive environment since most NBFCs have shut down their consumer finance businesses.
- Strong growth path in FY 10 and beyond with investments in Life Insurance, Asset Management and Commodity exchange. Recent equity issuance was done to fund these growth vehicles while continuing to have substantial capital available for lending business.

Portfolio Highlights:

- Total outstanding & serviced loans as on June 30, 2009 were Rs. 8,505 crores.
- Average annualized yield on Rs. 8,505 crores outstanding and serviced portfolio is 19.9%
- Aggregate provisions stood at Rs. 137.3 crores representing 1.6% of the above loan portfolio (excluding Rs 65.03 crores of write-offs during the quarter).
- Net NPAs of Rs 37.2 crores which represents 0.4% of the above loan portfolio.

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, new regulations and government policies that might impact the business of Indiabulls, the general state of the Indian economy and the demand for credit 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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Investor Contacts:

*Gagan Banga
Chief Executive Officer
Indiabulls Financial Services Limited
Tel: +91 22 39895555
Fax: +91 22 66311641
Email Investor.relations@indiabulls.com*

Media Contacts:

*Kubeir Khara
Vice President
Indiabulls Financial Services Limited
Tel: +91 22 67430957
Fax: +91 22 67430989
Email Investor.relations@indiabulls.com*