



Indiabulls Financial Services Limited
Unaudited Financial Results – Q2 FY 2012-13

October 22, 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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Investor Contact

Ramnath Shenoy

investor.relations@indiabulls.com

+91 22 6189 1444

Media Contact

Kubeir Khera

mediaquery@indiabulls.com

+91 22 6189 1507

Business Update

Year-on-Year (Y-o-Y) Comparison – Key Financial Highlights Q2 FY12-13 v/s Q2 FY11-12

	Q2 FY 12-13	Q2 FY 11-12	Growth (%)
Total Revenues (Rs. Cr.)	1,183.98	912.68	29.73%
NII (Rs. Cr.)	506.74	441.03	14.90%
PBT (Rs. Cr.)	389.13	311.22	25.03%
PAT (Rs. Cr.)	303.59	231.36	31.22%
EPS (Rs.)	9.59	7.35	30.48%

Total half-year interim dividend of Rs. 8/- per share of face value of Rs. 2/-, amounting to 400%, has been declared. Total half-year dividend outflow (including Corporate Dividend Tax) is Rs. 290 Cr.

H1 FY 12-13 Key Financial Highlights (H1 FY 12-13 v/s H1 FY 11-12)

	H1 FY 12-13	H1 FY 11-12	Growth (%)
Total Revenues (Rs. Cr.)	2,240.41	1,752.82	27.82%
NII (Rs. Cr.)	969.40	870.57	11.35%
PBT (Rs. Cr.)	741.07	611.87	21.12%
PAT (Rs. Cr.)	571.24	453.31	26.02%
EPS (Rs.)	18.09	14.40	25.63%

Return on Equity (RoE)

	H1 FY 12-13	H1 FY 11-12
RoE* (annualised)	23.0%	19.7%

* Computed net of minority interest on year opening Net Worth

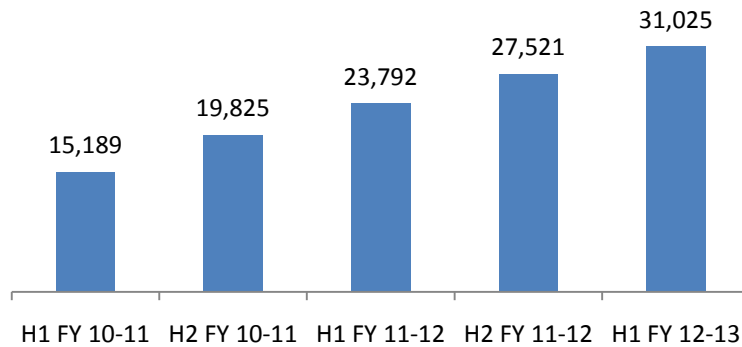
Update on Reverse Merger

- Proposed change of company name:
 - In line with the main business of Mortgage and Home Loans, the Board may consider changing the name of the Company at an appropriate time. The new name will emphasize the Company's continued focus on Home Loans
- Received No Objection Certificates (NOCs) from the stock exchanges
- Received approvals for the reverse merger from shareholders and creditors (secured and unsecured)
- Subsequent to the above, the company has filed the Confirmation Petition involving the reverse merger with the Hon'ble High Court of Delhi, which has re-notified the matter for December 12, 2012

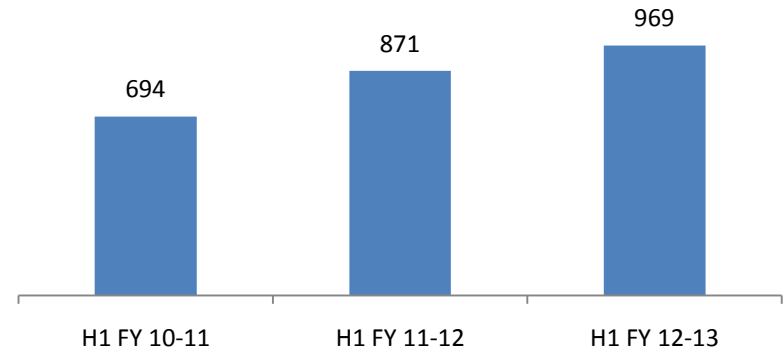
Financial and Operational Highlights

Asset Growth

Assets Under Management (AUM) in Rs. Cr.



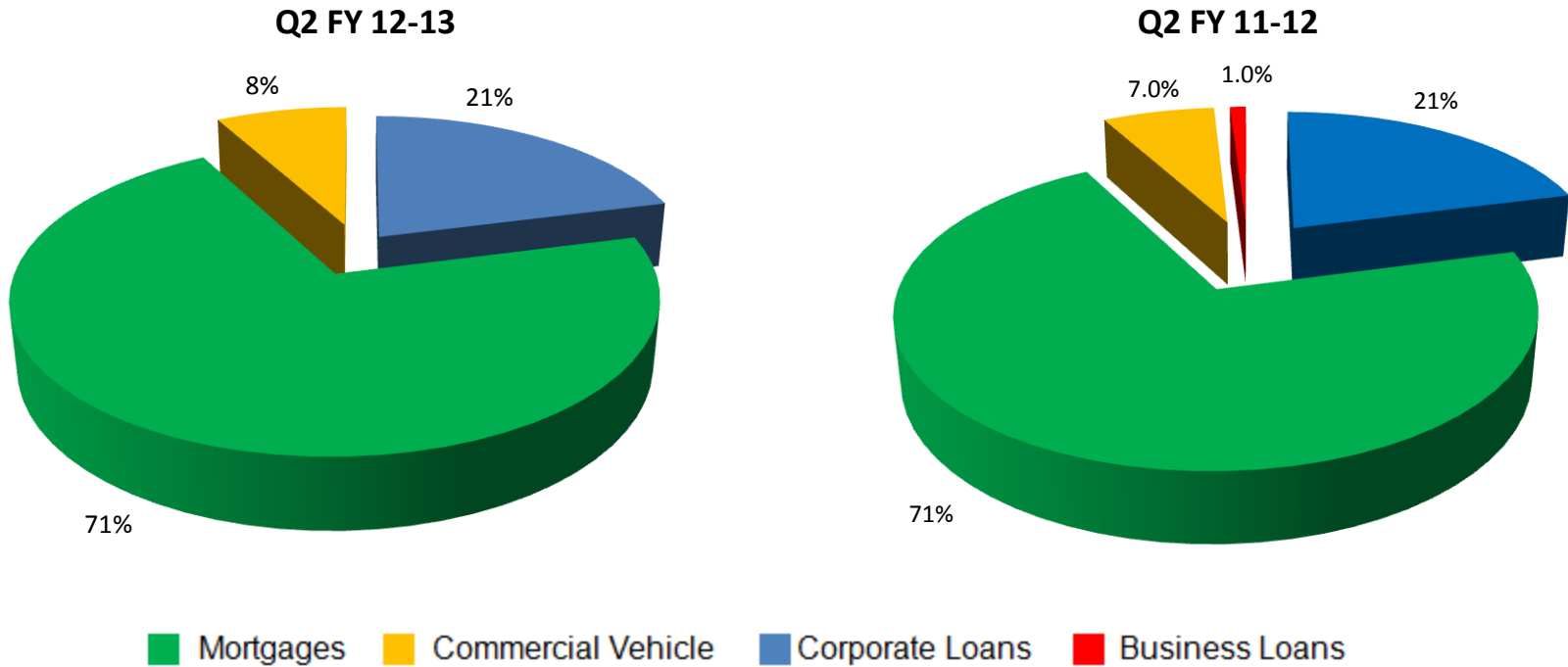
NII (Rs. Cr.)



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

- Focus on secured, long-term, low-risk mortgage loans has resulted in steady growth in assets over the course of the last 12 quarters

Asset Composition

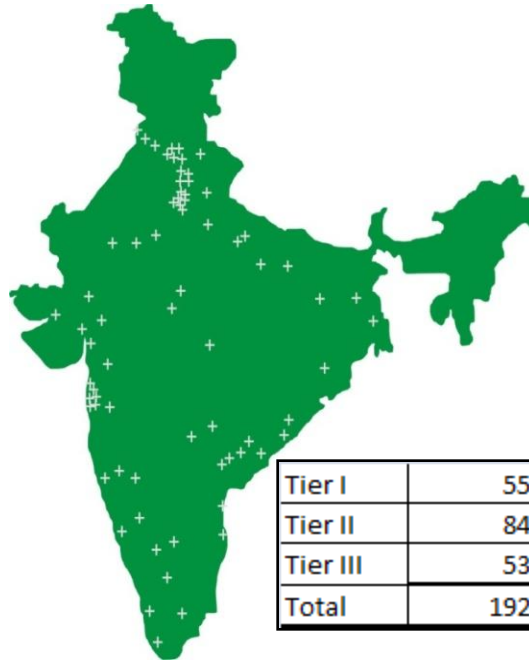


- Home loans, which forms the majority of incremental disbursements, are disbursed at an average ticket size of Rs. 24 lacs; average LTV of 65% (at origination)
- The company’s continued focus on Mortgage loans, especially Home Loans to the salaried segment, has ensured that long-term, low-risk mortgage loans’ contribution to the total assets remains steady at 71%

Home Loans: Expanding Reach

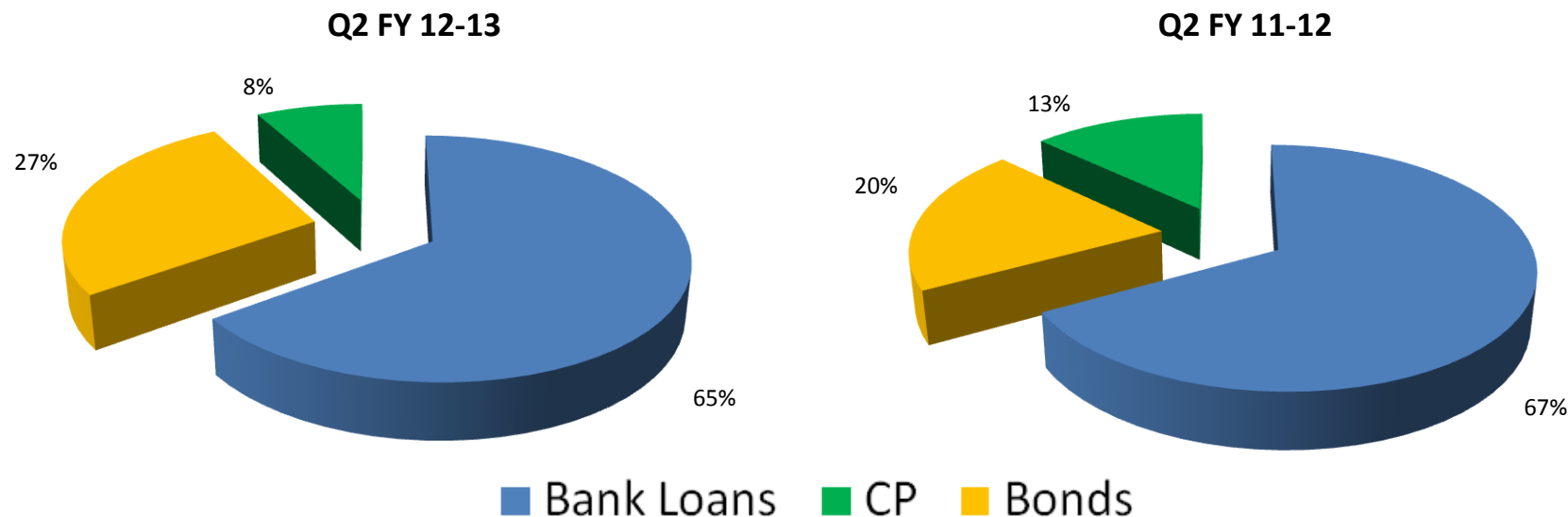


Indiabulls' Distribution Network



- The company has entered into tie-ups with YES Bank and Doha Bank, to source home loans for Indiabulls
- The tie-up with Yes Bank will give IBFSL instant presence in 381 branches across the country, and access to their large and fast growing customer base
- The tie-up with DOHA bank will give IBFSL door-step reach to a large number of affluent NRIs based in the middle-east, especially UAE & Qatar
- The company continues to grow its own branch network, adding 12 branches in H1 FY 2012-13 and now has 192 branches spread across the country
- The company has a well-trained, in-house Direct Sales' Team of over 1,700 people to promptly attend to prospective customers

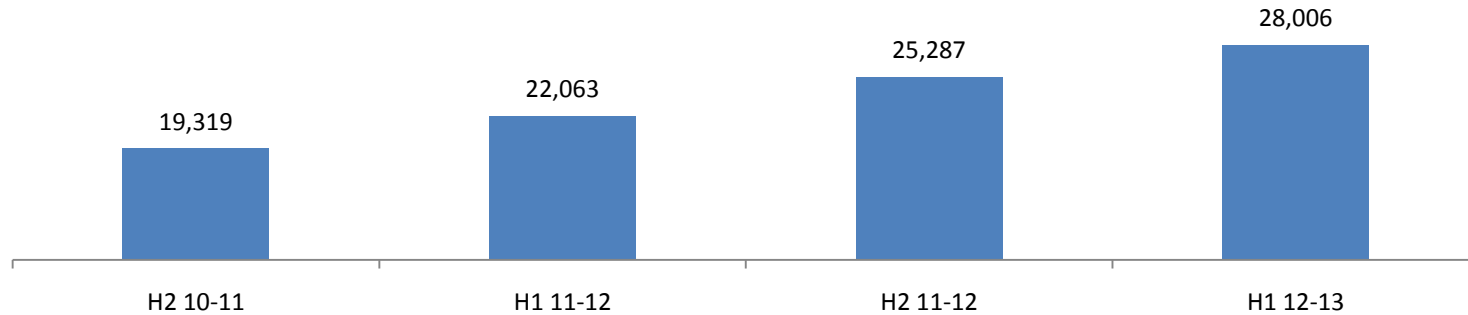
Improving Liability Profile



- 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. 5,708.7 Cr at the end of Q2 FY 12-13
- Funds raised through bonds has grown to Rs. 7,424 Cr in Sep 2012, up from Rs. 4,466 Cr in Sep 2011
- The company has further reduced its reliance on short-term money to 8% of total borrowings, well within its target limit of 15%
- Private insurance companies have now become significant holders of the company's outstanding bond issues
- Some of the largest business houses in India have started investing in the company's bonds

Diversified Borrowing Programme

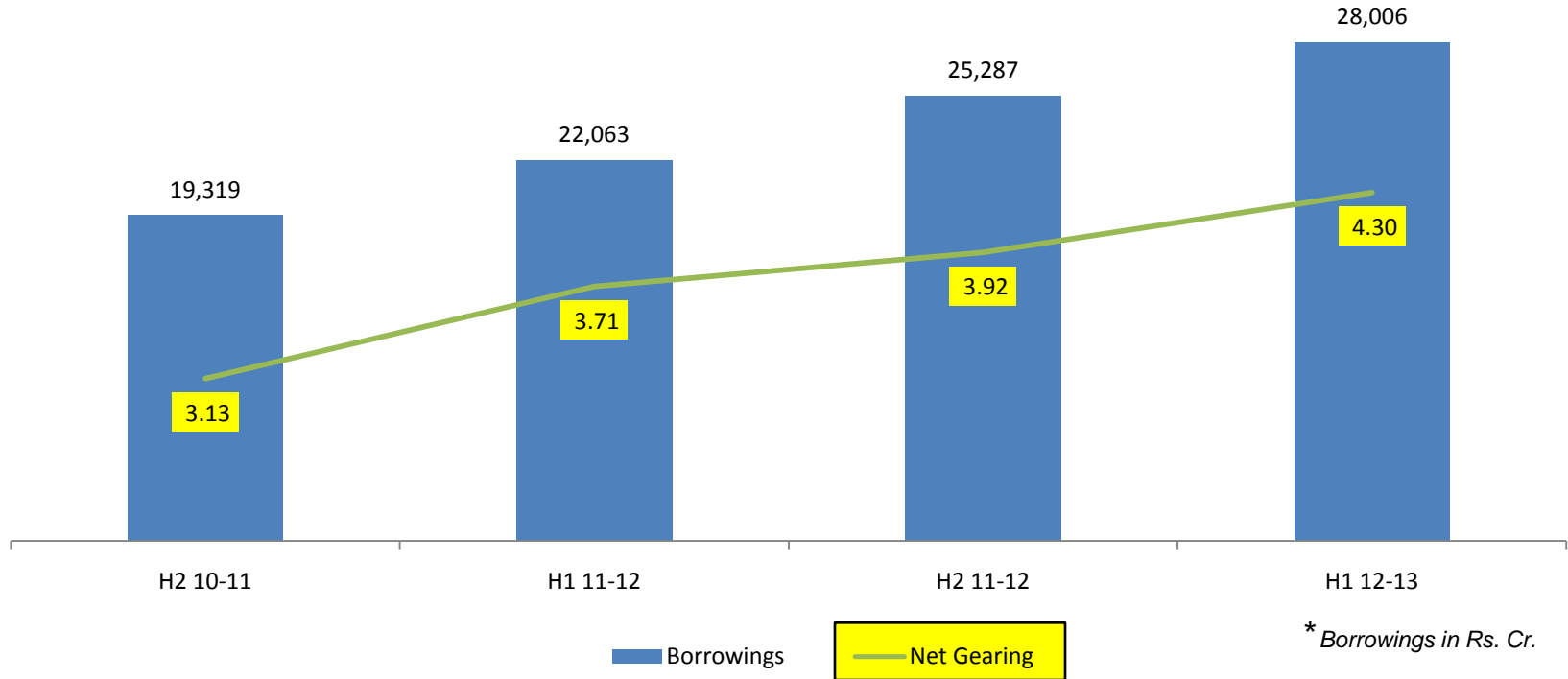
Borrowings (Rs. Cr.)



Total Borrowings (Rs. Cr.)			Contribution in Incremental Borrowing
	Sep-12	Sep-11	Last 12 months
Bank Loans	18,228	14,787	58%
NCD	7,424	4,466	50%
CP	2,354	2,810	-8%
Total	28,006	22,063	100%

- Amongst its lenders, the company now counts 79 strong relationships: 25 PSU banks, 9 Private and Foreign banks and 45 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others

Headroom for Growth

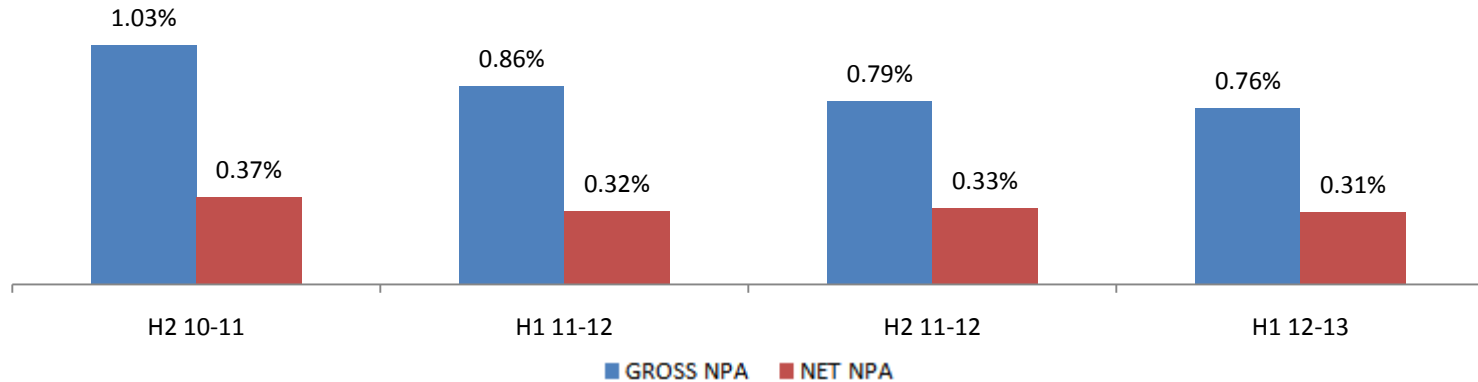


Net Gearing: Borrowings Net of 'Cash & Cash Equivalents' and 'Investments in Liquid Debt Instruments'

- With a Net Gearing of only 4.30, the company is one of the least geared amongst its mortgage financing company peers and has adequate headroom and balance sheet strength to support an expanding loan book

Stable Asset Quality

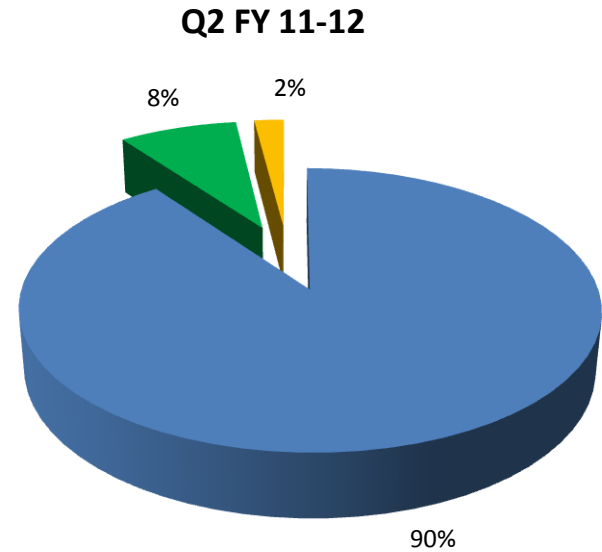
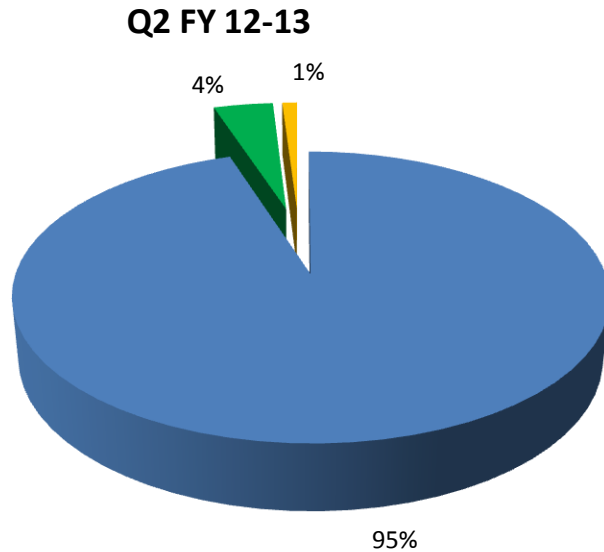
NPA Levels



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

- 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

- 'Interest Income' and 'Fee Income' continue to be significant income streams for the company
- The fee income for H1 FY 2012-13 was Rs. 117.15 Cr

Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	30.09.12 (Unaudited)	31.03.12 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	62.41	62.36
(b) Reserves and Surplus	4,998.13	4,843.10
(c) Money received against share warrants	112.82	-
(2) Minority Interest	138.52	131.50
(3) Non-Current Liabilities		
(a) Long-term borrowings	15,592.02	14,222.94
(b) Other Long term liabilities	6.48	1.81
(c) Long term provisions	396.59	565.07
(4) Current Liabilities		
(a) Short-term borrowings	3,809.50	4,809.51
(b) Trade payables	0.80	1.62
(c) Other current liabilities	9,785.50	7,146.37
(d) Short-term provisions	450.14	441.28
Total	35,352.90	32,225.55
II. ASSETS		
(1) Non-current assets		
(a) Fixed assets	45.50	44.51
(b) Non-current investments	16.77	16.72
(c) Deferred tax assets (net)	122.59	109.76
(d) Long term loans and advances	24,942.78	21,472.93
(e) Other non-current assets	46.24	191.60
(2) Current assets		
(a) Current investments	2,722.74	1,780.06
(b) Trade receivables	0.81	21.31
(c) Cash and bank balances	2,985.92	4,195.56
(d) Short-term loans and advances	4,069.35	4,009.03
(e) Other current assets	400.19	384.07
Total	35,352.90	32,225.55

Rs. 5,708.66 Cr
of Cash & Cash
Equivalents and
Investments in
Liquid Debt
Instruments

Consolidated Income Statement

		(Rupees in Crore)					
Particulars	Quarter ended			Half year ended		Year ended	
	30.09.12 (Unaudited)	30.06.12 (Unaudited)	30.09.11 (Unaudited)	30.09.12 (Unaudited)	30.09.11 (Unaudited)	31.03.12 (Audited)	
1	Income from operations						
	a) Income from Operations	1,119.47	972.20	819.30	2,091.67	1,575.59	3,412.88
	b) Other Operating Income	53.35	67.33	76.87	120.68	135.47	369.00
	Total Income from operations (net)	1,172.82	1,039.53	896.17	2,212.35	1,711.06	3,781.88
2	Expenses						
	a) Employee benefits expense	60.02	55.88	48.02	115.90	93.79	192.37
	b) Depreciation and Amortisation Expenses	3.05	2.24	2.32	5.30	4.51	9.10
	c) Other Expenses	66.37	72.35	95.89	138.72	194.77	402.86
	Total Expenses	129.44	130.48	146.24	259.92	293.07	604.33
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,043.37	909.06	749.94	1,952.43	1,417.99	3,177.56
4	Other Income	11.16	16.90	16.50	28.06	41.76	64.44
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	1,054.53	925.96	766.44	1,980.49	1,459.75	3,242.00
6	Finance costs	665.40	574.03	455.22	1,239.43	847.88	1,920.06
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	389.13	351.93	311.22	741.07	611.87	1,321.94
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	389.13	351.93	311.22	741.07	611.87	1,321.94
10	Tax expense (including Deferred Tax)	85.54	84.29	79.86	169.83	158.56	315.57
11	Net Profit from Ordinary Activities after Tax (9-10)	303.59	267.65	231.36	571.24	453.31	1,006.37
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-	-
13	Net Profit for the period / year (11-12)	303.59	267.65	231.36	571.24	453.31	1,006.37
14	Share of Profit of Associate	0.02	0.03	0.02	0.05	0.05	0.10
15	Minority Interest for the period / year	4.48	2.55	2.76	7.02	5.22	8.33
16	Net Profit from Ordinary Activities after Tax, Share of Profit of Associate and Minority Interest (13+14-15)	299.14	265.12	228.62	564.26	448.14	998.14
17	Paid-up Equity Share Capital (Face Value of Rs.2 per Equity Share)	62.41	62.40	62.24	62.41	62.24	62.36
18	Reserves excluding Revaluation Reserves	4,998.13	5,040.04	4,640.13	4,998.13	4,640.13	4,843.10
19	Minority Interest	138.52	134.05	126.31	138.52	126.31	131.50
20	Earnings per Share before extraordinary items (Face Value of Rs.2 per Equity Share) <i>*(EPS for the quarter and half year are not annualised)</i>						
	-Basic	9.59*	8.50*	7.35*	18.09*	14.40*	32.00
	-Diluted	9.51*	8.42*	7.29*	17.93*	14.29*	31.75
	Earnings per Share after extraordinary items (Face Value of Rs.2 per Equity Share) <i>*(EPS for the quarter and half year are not annualised)</i>						
	-Basic	9.59*	8.50*	7.35*	18.09*	14.40*	32.00
	-Diluted	9.51*	8.42*	7.29*	17.93*	14.29*	31.75

Thank you