



Indiabulls Financial Services Limited

Earnings Update – Q2 FY10

Unaudited Results

October 31, 2009

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

Highlights:

Indiabulls Financial Services Limited (Consolidated) :

Q2 FY 10 – Key Financial Highlights

- Total Revenues of Rs 395.4 crore
- Profit after Tax of Rs. 73.3 crore
- EPS of Rs. 2.25
- Consolidated Net-worth at Rs 4,441.6 crore
- CRAR of 44.0%
- Net NPAs of 1.7% of the total loan portfolio

Business & Portfolio Highlights Q2 FY10

- Strong pickup in disbursements amounting to Rs. 1,740.0 crore in Q2 FY10. Target Net Asset Growth of 30% in FY10 on track.
- Incremental borrowing costs have declined to 6.5% levels and average borrowing costs are now at around 10%.
- Company has now expanded its banking relationships to 27 Banks. Company is replacing excess cash on balance sheet with undrawn Cash Credit facilities to reduce negative carry.
- The Syndication Desk of the company has commenced operations in Q2 FY10 and contributed to fees income in the current quarter.
- Total outstanding & serviced loans as on September 30, 2009 were Rs. 9,319.6 crore compared to total outstanding & serviced loans of Rs. 8,505.0 crore as on June 30, 2009
- Net NPAs of Rs 160.5 crore which represents 1.7% of the total loan portfolio.

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New Business Update :

Multi Commodity Exchange: IBFSL promoted national level multi commodity exchange, ICEX, in joint venture with MMTC has got the final recognition from the Government of India on 9th October, 2009. During the quarter, two institutional investors, IDFC and KRIBHCO picked up 5% stake each in the venture. A comprehensive technology and communication network connecting members with the exchange has already been put in place and membership drive and brokers' training/mock trading is in full swing. Various contracts for trading in bullion, base metals and agricultural products have already been filed with FMC for approval, and the exchange is all set to launch full commercial operations by the middle of November 2009.

Life Insurance: Our life insurance Joint Venture in partnership with Societe Generale (SocGen) of France has received R1 approval from IRDA on 19th October 2009. This is the stage prior to getting the final regulatory approval (R2), which is expected to be received by middle of December 2009. Also, consequent to RBI's permission in this regard, IBFSL will now hold 74% in the J.V. Meanwhile, the project team is at an advanced stage of internal product design and putting the operating and IT systems in place.

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.

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