

Indiabulls

Indiabulls Financial Services Limited Unaudited Consolidated Financial Results for the quarter ended June 30, 2007

Particulars	Quarter ended		Year ended
	30.06.07 (Unaudited)	30.06.06 (Unaudited)	31.03.07 (Audited)
Income from Operations	442.71	220.72	1,240.95
Other Income	0.12	-	3.46
Total Revenue	442.83	220.72	1,244.41
Operating Expenses	19.63	21.22	84.74
Personnel Cost	77.91	39.40	234.24
Administrative & Other Expenses	28.72	18.86	103.64
Provision for Doubtful Loans	28.75	7.20	70.37
Deferred Employee Compensation Expense	-	0.23	2.70
Total Expenditure	155.01	86.91	495.69
Interest and Finance Charges	33.23	13.99	67.97
Depreciation / Amortisation	6.49	3.04	17.69
Profit before Tax	248.10	116.78	663.06
Provision for Taxation (including Deferred Tax and Fringe Benefits Tax)	31.74	40.16	219.66
Net Profit	166.36	76.62	443.40
Paid-up Equity Share Capital (Face Value of Rs.2 per Share)	44.55	32.29	36.66
Paid-up Preference Share Capital (Face Value of Rs. 162/- per share)	161.46	-	347.76
Reserves excluding Revaluation Reserves	3,408.86	1,740.04	1,808.95
Earnings per Share (Face Value of Rs.2 per Share)-Basic (in Rs.)	7.21	4.20	22.84
-Diluted (in Rs.)	7.05	4.01	21.87
Aggregate of Public Shareholding			
Number of Shares	133,242,353	98,565,230	121,742,353
Percentage of Holding	59.82%	61.06%	66.43%

Notes to Financial Results:

- Indiabulls Financial Services Limited conducts its operations along with its subsidiaries and associate. The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in the Accounting Standards (AS 21 and AS 23) issued by The Institute of Chartered Accountants of India. The financial statements of the parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, transactions and resulting unrealized gains / losses. The investment in associate is accounted on "Equity Method". The consolidated financial statements are prepared by applying uniform accounting policies.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary, except for the effect of discontinued operations (pursuant to the demerger of the real estate undertaking to Indiabulls Real Estate Limited) for the comparative quarter of the previous year, as the same is not considered material.

Indiabulls Financial Services Limited (as standalone entity) Unaudited Financial Results for the quarter ended June 30, 2007

Particulars	Quarter ended		Year ended
	30.06.07 (Unaudited)	30.06.06 (Unaudited)	31.03.07 (Audited)
Income from Operations	113.65	59.36	352.18
Other Income	-	-	1.56
Total Revenue	113.65	59.36	353.74
Operating Expenses	1.00	0.41	1.50
Personnel Cost	5.44	2.77	22.00
Administrative & Other Expenses	7.00	7.52	32.24
Deferred Employee Compensation Expense	-	0.23	2.70
Total Expenditure	13.44	10.93	58.44
Interest and Finance Charges	23.20	21.37	63.12
Depreciation	0.52	0.28	1.25
Profit before Tax	76.49	26.78	230.93
Provision for Taxation (including Deferred Tax and Fringe Benefits Tax)	24.67	9.09	77.83
Net Profit	51.82	17.69	153.10
Paid-up Equity Share Capital (Face Value of Rs.2 per Share)	44.55	32.29	36.66
Reserves excluding Revaluation Reserves	-	-	959.39
Earnings per Share (Face Value of Rs.2 per Share) - Basic (in Rs.)	2.37	1.10	8.39
- Diluted (in Rs.)	2.31	1.06	8.11
Aggregate of Public Shareholding			
Number of Shares	133,242,353	98,565,230	121,742,353
Percentage of Holding	59.82%	61.06%	66.43%
Items exceeding 10% of Total Expenditure			
--Rent	1.08	1.77	6.39
--Provision for Doubtful Loans	3.54	1.79	10.97

Notes to Financial Results:

- The financial results of Indiabulls Financial Services Limited ("IBFSL", "the Company") for the Quarter ended June 30, 2007 have been reviewed by the Audit Committee and approved by the Board of Directors ("the Board") at its meeting held on July 24, 2007. The above financial results pertain to IBFSL as a standalone entity and have been subjected to a Limited Review by the Statutory Auditors of the Company. The consolidated financial results have been furnished optionally to provide additional information.
- Accounting Standard (AS) 15 (Revised) - Employee Benefits, issued by The Institute of Chartered Accountants of India has become mandatory to the company effective April 01, 2007. Provision for employee benefits for the year ended March 31, 2007 and for the quarter ended June 30, 2007 have been made as per the revised AS-15, which does not have an impact on the opening reserves and the profits for the quarter.
- During the quarter, Oberon Limited ("Oberon") exercised their option to convert the 1,15,00,000 (One Crore Fifteen Lacs) Convertible Preference Shares of face value Rs. 162 each, into as many Equity Shares of face value Rs. 2 each in the Company. Pursuant to the exercise of the option to convert by Oberon, the Board of Directors of the Company, at their meeting held on April 11, 2007 allotted an aggregate of 1,15,00,000 (One Crore Fifteen Lacs) Equity Shares of face value Rs. 2 each, at a conversion price of Rs.162 per Equity Share.
- During the quarter, the Promoter Directors ("Promoters") of the Company exercised their option to convert 50,00,000 (Fifty Lacs) warrants [out of 1,00,00,000 (One Crore) Series II warrants], into as many Equity Shares of face value of Rs. 2 each in the Company. Consequently, the Board of Directors of the Company at its meeting held on April 23, 2007, allotted an aggregate of 50,00,000 (Fifty Lacs) Equity Shares of face value Rs. 2 each at a conversion price of Rs. 134.87 per Equity Share to the Promoters of the Company.
- During the quarter, the Company has completed the listing of 22,970,903 Global Depository Receipts (GDRs) at the Luxembourg Stock Exchange. The GDRs were offered at US\$ 13.06 per GDR, each GDR representing one equity share of Rs 2/- each of the Company thereby raising Rs.1,223.51 crore.
- Consequent to the above conversion of Convertible Preference Shares (Point 3 above), exercise of Warrants (Point 4 above) and the GDR issue (Point 5 above), the paid-up equity share capital of the Company has increased to Rs. 445,492,952/- and securities premium account has increased to Rs 22,896,140,785/- (net of issue expenses)
- During the quarter, the Company invested Rs. 500,000 in a wholly owned subsidiary.
- The Board of Directors of the Company at its meeting held on February 04, 2007 proposed to restructure / re-organize the business of the Company. Further to this, the Board, at its meeting held on February 15, 2007 approved the restructuring proposal which is sought to be implemented in terms of a composite scheme of arrangement under the provisions of Sections 391-394 of the Companies Act, 1956 which will provide for:
 - The amalgamation of Indiabulls Credit Services Limited ("ICSL") - a 53.02% subsidiary, in consideration for which the Company will issue shares to the minority shareholders of ICSL;
 - The demerger of a part of the securities broking and advisory business (Fee Income) of the Company as a going concern, to Indiabulls Securities Limited ("ISL") - a 100% subsidiary, in consideration for which ISL will issue equity shares and Global Depository Receipts ("GDRs") to the shareholders and GDR holders, respectively, of the Company.
 The above proposals are subject to obtaining necessary approvals from the shareholders and regulatory authorities including those of the Stock Exchanges under the Listing Agreement, creditors and sanction of the scheme of arrangement in terms thereof by the Hon'ble High Court of Delhi. The said amalgamation / demerger shall be effective from April 01, 2007, being the appointed date. The in principle approvals from the Stock Exchanges have already been received by the Company.
- Segment Results

Particulars	Quarter ended		Year ended
	30.06.07 (Unaudited)	30.06.06 (Unaudited)	31.03.07 (Audited)
Revenue by Segment			
Investing & Financing	103.40	59.36	277.89
Fee Income	10.25	-	74.76
Others	-	-	1.09
Total	113.65	59.36	353.74
Less: Inter Segment Revenue	-	-	-
Net Revenue from Operations	113.65	59.36	353.74
Segment Results profit before Tax			
Investing & Financing	66.81	26.96	157.24
Fee Income	9.85	-	74.28
Others	-	-	1.08
Total	76.66	26.96	232.60
Less: Interest	-	-	-
Other un-allocated expenditure (net of unallocable income)	0.17	0.18	1.67
Total Profit Before Tax	76.49	26.78	230.93
Capital Employed			
Investing & Financing	1,737.06	995.56	1,257.86
Fee Income	(0.64)	-	11.81
Others	-	-	-
Total	1,736.42	995.56	1,269.67
Unallocable Capital Employed	912.40	5.81	74.14

10 Number of Investor Complaints received and disposed off during the quarter ended June 30, 2007
Opening Nil, Received: 28, Disposed Off: 28, Pending: Nil

11 Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary, except for the effect of discontinued operations (pursuant to the demerger of the real estate undertaking to Indiabulls Real Estate Limited) for the comparative quarter of the previous year, as the same is not considered material.

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi 110 001.

For and on behalf of Board of Directors

Place : Mumbai
Date : July 24, 2007

Sameer Gehlaut
Chairman & CEO