

Indiabulls

Indiabulls Financial Services Limited Unaudited Consolidated Financial Results for the quarter ended 30th September, 2006

(Rupees in Lacs)

Particulars	Quarter ended		Half year ended		Year ended
	30.09.06 (Unaudited)	30.09.05 (Unaudited)	30.09.06 (Unaudited)	30.09.05 (Unaudited)	31.03.06 (Audited)
Income from Operations	26,979	15,413	49,002	25,238	61,033
Other Income	58	90	107	128	282
Total Revenue	27,037	15,503	49,109	25,366	61,315
Operating Expenses	1,618	1,633	3,741	2,341	5,692
Employee Remuneration & Benefits	5,290	1,751	9,231	2,840	7,989
Administrative & Other Expenses	5,458	1,994	8,064	3,009	6,333
Deferred Employee Compensation Expense	23	23	45	45	90
Total Expenditure	12,389	5,401	21,081	8,235	20,104
Interest and Finance Charges	1,115	1,016	2,514	1,565	3,149
Depreciation	381	170	685	295	725
Profit before Tax	13,152	8,916	24,829	15,271	37,337
Provision for taxation (including deferred tax and fringe benefits tax)	3,642	2,923	7,658	5,087	12,001
Net Profit	9,510	5,993	17,171	10,174	25,336
Paid-up Equity Share Capital (Face Value of Rs. 2/- per share)	3,229	3,241	3,229	3,241	3,205
Paid-up Preference Share Capital	64,400		64,400		
Reserves excluding revaluation reserves	182,733	132,084	182,733	132,084	164,909
Earnings per share (Face value of Rs.2/- per share) - Basic	5.025	4.134	9.227	6.974	15.610
- Diluted	4.723	4.027	8.747	6.793	15.230
Aggregate of Public Shareholding					
Number of shares	105,303,807	74,887,279	105,303,807	74,887,279	92,445,198
Percentage of holding	65.23%	46.22%	65.23%	46.22%	57.70%

Note :

Indiabulls Financial Services Limited conducts its operations along with its subsidiaries and associates. 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 companies, are 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.

Indiabulls Financial Services Limited (as standalone entity) Unaudited Financial Results for the quarter ended 30th September, 2006

(Rupees in Lacs)

Particulars	Quarter ended		Half year ended		Year ended
	30.09.06 (Unaudited)	30.09.05 (Unaudited)	30.09.06 (Unaudited)	30.09.05 (Unaudited)	31.03.06 (Audited)
Income from Operations	6,587	5,442	12,477	9,754	20,586
Other Income	369	11	415	59	572
Total Revenue	6,956	5,453	12,892	9,813	21,158
Operating Expenses	42	70	83	109	172
Employee Remuneration & Benefits	322	319	601	598	1,201
Administrative & Other Expenses	828	517	1,581	928	2,363
Deferred Employee Compensation Expense	23	23	45	45	90
Total Expenditure	1,215	929	2,310	1,680	3,826
Interest and Finance Charges	1,154	1,649	3,291	2,460	6,397
Depreciation	29	3	56	3	30
Profit before Tax	4,558	2,872	7,225	5,670	10,905
Provision for taxation (including deferred tax and fringe benefits tax)	1,496	949	2,404	1,905	3,479
Net Profit	3,063	1,924	4,831	3,765	7,426
Paid-up Equity Share Capital (Face Value of Rs. 2/- per share)	3,229	3,241	3,229	3,241	3,205
Reserves excluding revaluation reserves (as per last audited Balance Sheet)					95,115
Earnings per share (Face Value of Rs.2/- per share) - Basic	1.523	1.355	2.621	2.651	4.895
- Diluted	1.446	1.320	2.505	2.582	4.776
Aggregate of Public Shareholding					
Number of shares	105,303,807	74,887,279	105,303,807	74,887,279	92,445,198
Percentage of holding	65.23%	46.22%	65.23%	46.22%	57.70%
Items exceeding 10% of aggregate expenditure included under Administrative & Other Expenses :					
--Communication Expenses	67	100	118	187	353
--Rent	154	119	331	236	544
--Provision for Doubtful Assets	276	100	455	103	500

Notes to Financial Results:

- The financial results of Indiabulls Financial Services Limited ('IBFSL', the Company) for the quarter ended September 30, 2006 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 16, 2006; and have been subjected to a Limited Review by the Statutory Auditors of the Company. The above financials pertain to IBFSL as a standalone entity. The consolidated financial results have been furnished optionally to provide additional information.
- During the quarter, the Company has filed an application under Sections 391 to 394 of the Companies Act, 1956 with the Hon'ble High Court of Delhi, New Delhi, seeking its approval to the scheme of arrangement for demerger of the Company's Real Estate Business to Indiabulls Real Estate Ltd (IBREL), which would be a separately traded public company once the proposed demerger is completed. The said scheme of arrangement has been unanimously approved by the equity shareholders and unsecured creditors of the Company at their meeting held on September 18, 2006, and is now subject to the final approval of the Hon'ble High Court of Delhi at New Delhi.
- The Board of Directors of the Company at its meeting held on September 29, 2006, has approved the draft notice containing the special resolution to be passed through postal ballot pursuant to Section 81(1A) of the Companies Act, 1956, for the preferential issue of 72,50,000 equity shares of the Company of face value of Rs. 2/- each at an issue price of Rs. 417/- per share aggregating Rs.30,233 lacs in favour of Crown Capital Limited, a subsidiary of Sovereign Global, subject to the approval of the equity shareholders of the Company.
- Pursuant to the equity shareholders' approval vide a special resolution passed through postal ballot on July 20, 2006, the Board of Directors of the Company has, at its meeting held on August 2, 2006 allotted preference shares to Oberon Limited, an affiliate of Farallon Capital Management, L.L.C. Pursuant to a Share Subscription Agreement dated June 18, 2006, (a) 9,966,667 cumulative, redeemable, non-convertible preference shares of face value Rs.300/- each, and (b) 11,500,000 cumulative, redeemable, convertible preference shares of face value Rs. 300/- each, with each such preference share convertible into 1 (One) equity share of face value Rs. 2/- each at a conversion price of Rs. 300/- have been subscribed to by Oberon Limited.
- During the quarter, the Company, pursuant to approval of the equity shareholders of the Company through postal ballot, has increased the Authorised Share Capital of the Company from Rs. 50,00,00,000/- divided into 25,00,00,000 Equity Shares of Rs. 2/- each to Rs. 12,55,00,00,000/- divided into 50,00,00,000 Equity Shares of Rs. 2/- each, 2,50,00,000 Preference Shares of face value Rs. 300/- each and 2,50,00,000 Preference Shares of face value Rs.162/- each.
- During the quarter, the Company has invested an amount of Rs. 2,765 Lacs in fifty four new wholly owned subsidiaries. Out of these, investment in 53 companies amounting to Rs. 265 Lacs is transferable to IBREL upon the sanctioning of the scheme of arrangement for demerger.
- During the current quarter, the Final Dividend of Rs. 0.30 per share (15% on the face value of Rs. 2/- per share) amounting to Rs. 4,84,27,613/-, which was approved at the Annual General Meeting of the Company held on July 17, 2006 was distributed to the members on August 10, 2006 for the F.Y. 2005-2006.
- The Board of Directors of the Company at its meeting held on October 16, 2006, declared dividend @ 5% on 9,966,667 cumulative, redeemable, non-convertible preference shares of face value Rs.300/- each, and 11,500,000 cumulative, redeemable, convertible preference shares of face value Rs. 300/- each, aggregating Rs. 529.31 lacs payable pro rata for the period from August 2, 2006 to September 30, 2006.
- Company's primary business segment is reflected based on principal business activities carried on by the Company. The Company operates in one reportable business segment i.e. investing and financing related activities and in one geographical segment i.e. within India.
- Number of Investor Complaints received and disposed off during the quarter ended September 30, 2006:
Opening: Nil, Received: 8, Disposed Off: 8, Pending: Nil.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place : Mumbai
Date : October 16, 2006

Sameer Gehlaut
Chairman & CEO