

Indiabulls

Indiabulls Financial Services Limited Audited Consolidated Financial Results for the year ended March 31, 2007

Particulars	(Rupees in Crores)				
	Nine months ended 31.12.2006 (Unaudited)	Quarter ended		Year ended	
		31.03.2007 (Unaudited)	31.03.2006 (Unaudited)	31.03.2006 (Audited)	31.03.2006 (Audited)
Income from Operations	822.50	418.45	194.31	1,240.95	610.22
Other Income	3.32	0.14	1.17	3.46	2.93
Total Revenue	825.82	418.59	195.48	1,244.41	613.15
Operating Expenses	60.90	23.84	18.39	84.74	56.92
Personnel Cost	160.83	73.41	31.93	234.24	79.89
Administrative & Other Expenses	74.34	29.30	13.87	103.64	53.47
Provision for Doubtful Loans	56.08	14.29	5.09	70.37	9.86
Deferred Employee Compensation Expense	0.68	2.02	0.22	2.70	0.90
Total Expenditure	352.83	142.86	69.50	495.69	201.04
Interest and Finance Charges	43.63	24.34	8.80	67.97	31.49
Depreciation	11.57	6.12	2.32	17.69	7.25
Profit before Tax	417.79	245.27	114.86	663.06	373.37
Provision for Taxation (including Deferred Tax and Fringe Benefits Tax)	131.41	88.25	34.49	219.66	120.01
Net Profit After Tax	286.38	157.02	80.37	443.40	253.36
Paid-up Equity Share Capital (Face Value of Rs. 2/- per share)	33.74	36.66	32.05	36.66	32.05
Paid-up Preference Share Capital (Face Value of Rs. 162/- per share)	347.76	347.76	-	347.76	-
Reserves excluding Revaluation Reserves	1,726.86	1,808.95	1,649.09	1,808.95	1,649.09
Earnings per Share (Face Value of Rs.2 per Share)-Basic (in Rs.)	14.90	7.75	4.63	22.84	15.61
-Diluted (in Rs.)	13.28	7.33	4.53	21.87	15.23
Preference Dividend - Subsidiary (including Corporate Dividend Tax)	-	-	-	-	62
Aggregate of Public Shareholding					
Number of Shares	117,687,803	121,742,353	92,445,198	121,742,353	92,445,198
Percentage of Holding	69.77%	66.43%	57.70%	66.43%	57.70%

Notes to Financial Results:

- Total provision for doubtful loans on account of consumer finance loans upto March 31, 2007 was Rs. 80.23 crore which is 4.4 % of total outstanding and serviced loans of Rs. 1,819 crore.
- 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 and 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)

Audited Financial Results for the year ended March 31, 2007

Particulars	(Rupees in Crores)				
	Nine months ended 31.12.2006 (Unaudited)	Quarter ended		Year ended	
		31.03.2007 (Unaudited)	31.03.2006 (Unaudited)	31.03.2006 (Audited)	31.03.2006 (Audited)
Income from Operations	207.16	145.02	71.37	552.18	211.46
Other Income	1.55	0.01	-	1.56	0.12
Total Revenue	208.71	145.03	71.37	553.74	211.58
Operating Expenses	1.08	0.42	0.44	1.50	1.72
Personnel Cost	9.79	12.21	3.17	22.00	12.01
Administrative & Other Expenses	24.95	7.29	8.82	32.24	23.83
Deferred Employee Compensation Expense	0.68	2.02	0.22	2.70	0.90
Total Expenditure	36.50	21.94	12.65	58.44	38.26
Interest and Finance Charge	48.47	18.45	28.41	63.12	63.97
Depreciation	0.86	0.39	0.20	1.25	0.30
Profit before Tax	126.68	104.25	32.11	239.93	109.95
Provision for Taxation (including Deferred Tax and Fringe Benefits Tax)	42.07	35.78	9.99	77.63	34.79
Net Profit After Tax	84.61	68.49	22.12	153.10	74.26
Paid-up Equity Share Capital	33.74	36.66	32.05	36.66	32.05
Reserves excluding Revaluation Reserve	4.69	3.56	1.38	959.39	951.15
Earnings per Share (Face Value of Rs.2 per Share)-Basic (in Rs.)	4.29	3.42	1.34	8.39	4.89
-Diluted (in Rs.)	4.69	3.78	1.88	6.39	5.44
Aggregate of Public Shareholding					
Number of Shares	117,687,803	121,742,353	92,445,198	121,742,353	92,445,198
Percentage of Holding	69.77%	66.43%	57.70%	66.43%	57.70%
Items exceeding 10% of Total Expenditure					
-Rent	4.68	7.78	1.88	6.39	5.44
-Communication Expenses	1.75	11.99	5.00	4.19	3.53
-Provision for Doubtful Loans	8.38	2.59	5.00	10.97	5.00

Notes to Financial Results:

- The financial results of Indiabulls Financial Services Limited ("IBFSL", "the Company") for the quarter and year ended March 31, 2007 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 16, 2007.
- The Board of Directors of the Company at its meeting held on January 31, 2007, had declared and on February 26, 2007 paid an Interim Dividend of Rs. 2 per share (100% on the face value of Rs. 2 per share) during the financial year 2006-07. Also the Board of Directors at its meeting held on April 16, 2007 has recommended a Final Dividend of Rs. 1 per share (50% on the face value of Rs. 2 per share) for the financial year 2006-07.
- The Board of Directors of the Company had at its meeting held on January 9, 2007, granted 25,00,000 (Twenty Five Lacs) Stock Options representing an equal number of equity shares of face value of Rs. 2/- each in the Company, to the permanent employees of the Company and those of its subsidiary companies, at an exercise price of Rs. 272.50, being the closing market price on the National Stock Exchange of India Ltd., as on January 9, 2007. The Stock Options so granted, shall vest equally over a period of 5 years beginning from January 15, 2008, being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of one year from the relevant vesting date.
- The shareholders of the Company at their meeting held on 30th March 2007 accelerated the vesting of the stock options under the Employee Stock Option Plan 2004 (the Scheme). Pursuant to this, 38,00,000 outstanding options under the Scheme stands vested immediately to certain employees and they exercised their right to accelerated vesting. Pursuant to this, the Board of Directors of the Company at its meeting held on March 30, 2007 has allotted 12,00,000 Equity Shares of Rs. 2 each to eligible employees; and 24,00,000 Equity Shares of Rs. 2 each to IBFSL Employees' Trust, which has been nominated by such employees to receive and hold such equity shares, for their benefit.
- On January 11, 2007, the promoters exercised their options in respect of the Company's Warrants I, allotted to them on August 9th, 2005, and the Company received a sum of Rs. 81,18,00,00, being the balance exercise money due after the proportionate transfer of Warrants I to IBREL in terms of the Scheme of Arrangement. Consequently, the Board of Directors of the Company at their meeting held on January 13, 2007 allotted 1,10,00,000 Equity Shares of face value of Rs.2 each at a price of Rs. 82 per share to its Promoters on conversion of the said Warrants I.
- The Board of Directors of the Company (the Board) at its meeting held on February 04, 2007 proposed to restructure/re-organize the business of the Company. Under the Proposal, it considered alternatives for restructuring the Company including amalgamation of the entire business and undertaking of Indiabulls Credit Services Limited, a subsidiary in which the Company currently holds 53.02% stake, with the Company and make Indiabulls Housing Finance Limited (IHFL) as a wholly owned subsidiary by way of buying the minority stake in IHFL. The Board additionally considered the transfer by way of a demerger of the undertakings, business, activities and operations of the Company pertaining to provision of broker dealer services and advisory services, in particular, Indiabulls Securities Limited, on a going concern basis. Further to this, the Board, in 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) with the Company in consideration for which the Company will issue shares to the shareholders of ICSL.
 - The demerger of the securities broking and advisory business of the Company as a going concern to Indiabulls Securities Limited ("ISL") in consideration for which ISL will issue shares and global depository receipts (GDRs) to the shareholders and GDR holders, respectively, of the Company.
 The Board of Directors of the Company also approved the share exchange ratio in relation to the amalgamation of 3 equity shares in the Company of Rs. 2 each credited as fully paid up, for every 10 equity shares of Rs. 10 each credited as fully paid up held by each member in ICSL and the share entitlement ratio in relation to the Demerger of 1 equity share in ISL of Rs. 2 each credited as fully paid up for every 1 equity share of Rs. 2 each credited as fully paid up held by every member in the Company on the basis of recommendation made by the independent valuers. 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.
- During the quarter, the Company bought the minority stake in Indiabulls Housing Finance Limited to make it a 100% subsidiary on March 28, 2007.
- Consequent to the Scheme of Arrangement between Indiabulls Financial Services Limited and Indiabulls Real Estate Limited ("IBREL") the investment in 96 Subsidiary/Associate companies had been transferred to IBREL and investment in IBREL had been cancelled during the third quarter of the current year and hence these companies have not been included in the consolidation. As a result of the same, the earnings per share and the figures in respect of the current quarter and year to date are not comparable with those of previous periods.
- Subsequent to the year end, Oberon Limited exercised their option to convert 1,15,00,000 convertible preference shares allotted to them on August 02, 2006, at a conversion price of Rs. 162 per equity share. Consequently, the paid up equity capital of the Company stands increased to Rs. 38,95,50,756 divided into 19,47,75,378 equity shares of Rs. 2 each.
- Profit after Tax for the year includes profit from continuing operations Rs. 153.07 crore (Previous Year Rs. 73.89 crore) and profit from discontinued operations Rs. 0.02 crore (Previous year Rs. 0.36 crore). The basic and diluted earnings per share excluding profits from discontinued operations for the current year is Rs. 8.39 and Rs. 8.11 respectively (Previous year Rs. 4.87 and Rs. 4.75 respectively).
- Segmental Results:

Particulars	(Rupees in Crores)				
	Nine months ended 31.12.2006 (Unaudited)	Quarter ended		Year ended	
		31.03.2007 (Unaudited)	31.03.2006 (Unaudited)	31.03.2006 (Audited)	31.03.2006 (Audited)
Revenue by Segment					
Investing & Financing	194.17	83.72	65.69	277.88	205.90
Fee Income	13.46	61.30	6.80	74.76	5.60
Others	1.08	0.01	0.88	1.09	0.02
Total	208.71	145.03	71.37	353.74	211.52
Less: Inter Segment Revenue					
Net Revenue from Operations	208.71	145.03	71.37	353.74	211.52
Segment Results profit before Tax					
Investing & Financing	113.62	43.66	27.51	157.28	105.82
Fees from Services	13.23	61.05	6.32	74.28	5.38
Others	1.08	0.02	0.02	1.08	0.02
Total	127.93	104.73	33.85	232.64	111.22
Less: Interest*					
Other un-allocated expenditure net of un-allocated income	1.25	0.03	0.74	0.03	2.17
Total Profit Before Tax	126.68	104.25	32.11	239.93	109.05
Capital Employed	126.68	104.25	32.11	239.93	109.05
Investing & Financing	1,012.02	1,271.82	954.74	1,271.82	954.74
Fees from Services	0.09	0.81	0.01	0.81	0.01
Others	1,012.11	1,272.63	954.74	1,272.63	954.74
Total	263.47	102.46	45.17	102.46	45.17

* Other than the interest pertaining to the segments having operations which are primarily of financial nature.

12 Number of Investor Complaints received and disposed off during three months ended March 31, 2007:

Opening: Nil, Received: 16, Disposed Off: 16, Pending: Nil.

13 Figures for the prior periods have been regrouped and/or reclassified wherever considered necessary.

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place,

New Delhi 110 001.

Place : Mumbai

Date : April 16, 2007

For and on behalf of Board of Directors

Sameer Gehlaut

Chairman & CEO