

# Indiabulls

## Indiabulls Financial Services Limited Unaudited Consolidated Financial Results for the quarter ended September 30, 2008

Particulars	(Rupees in Lakhs)				
	Quarter ended		Half year ended		Year ended
	30.09.08 (Unaudited)	30.09.07 (Unaudited)	30.09.08 (Unaudited)	30.09.07 (Unaudited)	31.03.08 (Audited)
1 a) Income from Operations	43,407.76	39,000.36	79,025.44	76,096.14	110,873.48
b) Other Operating Income	20,692.39	10,286.38	41,441.03	17,461.51	57,751.48
2 Expenditure					
a) Employees Cost	4,075.40	8,440.36	8,468.60	16,231.75	23,891.74
b) Depreciation	307.82	709.14	494.24	1,358.01	715.67
c) Operating Expenses	838.56	1,820.07	1,924.20	3,783.38	4,263.06
d) Administrative & Other Expenses	15,736.63	7,049.42	23,036.17	12,796.69	17,676.47
<b>Total</b>	<b>20,958.41</b>	<b>18,018.99</b>	<b>33,923.21</b>	<b>34,169.83</b>	<b>46,546.94</b>
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	43,141.74	31,267.75	86,543.26	59,387.82	122,078.02
4 Other Income	52.66	246.90	94.37	259.11	251.51
5 Profit before Interest & Exceptional Items (3+4)	43,194.40	31,514.65	86,637.63	59,646.93	122,329.53
6 Interest and Finance Charges	25,792.82	5,306.72	49,169.51	8,629.48	39,225.59
7 Profit after Interest but before Exceptional Items (5-6)	17,401.58	26,207.93	37,468.12	51,017.45	83,103.94
8 Exceptional Items	-	-	-	-	-
<b>9 Profit from Ordinary Activities before Tax (7-8)</b>	<b>17,401.58</b>	<b>26,207.93</b>	<b>37,468.12</b>	<b>51,017.45</b>	<b>83,103.94</b>
10 Tax expense (including Deferred Tax and Fringe Benefits Tax)	3,828.39	8,889.34	9,002.06	17,063.62	25,039.96
<b>11 Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>13,573.19</b>	<b>17,318.59</b>	<b>28,466.06</b>	<b>33,953.83</b>	<b>58,063.98</b>
12 Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-	-
<b>13 Net Profit for the period before Minority Interest (11-12)</b>	<b>13,573.19</b>	<b>17,318.59</b>	<b>28,466.06</b>	<b>33,953.83</b>	<b>58,063.98</b>
14 Minority Interest	215.09	(1,223.85)	425.96	94.19	624.73
<b>15 Net Profit from Ordinary Activities after Tax and Minority Interest (13-14)</b>	<b>13,358.10</b>	<b>18,542.44</b>	<b>28,040.10</b>	<b>33,859.64</b>	<b>57,439.25</b>
16 Preference Dividend for the period (including corporate dividend tax thereon)	462.58	237.42	920.14	472.25	1,065.54
17 Paid-up Equity Share Capital (Face Value of Rs.2 per Equity Share)	5,072.60	4,454.93	5,072.60	4,454.93	5,068.54
18 Paid-up Preference Share Capital	15,686.54	16,146.00	15,686.54	16,146.00	15,686.54
Face Value per Preference Share (Rs.)	157.39	162.00	157.39	162.00	157.39
19 Reserves excluding Revaluation Reserves	347,022.44	322,751.57	347,022.44	322,751.57	319,822.97
20 Minority Interest	9,926.92	34,689.58	9,926.92	34,689.58	9,500.97
21 Share of Reserves and Surplus in Associate (included in other income above)	1.59	1.53	3.00	3.15	7.09
22 Earnings per Share before extraordinary items (Face Value of Rs.2 per Equity Share)					
-Basic	5.09	8.22	10.70	15.46	22.84
-Diluted	5.04	8.03	10.56	15.04	22.09
Earnings per Share after extraordinary items (Face Value of Rs.2 per Equity Share)					
-Basic	5.09	8.22	10.70	15.46	22.84
-Diluted	5.04	8.03	10.56	15.04	22.09
<b>23 Public Shareholding</b>					
- Number of Equity Shares	148,207,797	144,887,033	148,207,797	144,887,033	147,986,523
- Percentage of shareholding	58.43%	65.05%	58.43%	65.05%	58.39%
<b>Notes to Financial Results:</b>					
1 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) notified by the Companies (Accounting Standards) Rules, 2006. 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.					
2 Figures for the prior year / periods have been regrouped and / or reclassified wherever considered necessary, except for the effect of discontinued operations pursuant to the demerger of the securities broking and advisory services business (a part of Fee Income) to Indiabulls Securities Limited and the merger of Indiabulls Credit Services Limited with the Company. Figures for the current quarter, half year and previous year are post demerger/merger and figures for previous quarter and half year are pre demerger/merger and are not comparable.					
3 <b>Segment Results:</b>					
Particulars	(Rupees in Lakhs)				
	Quarter ended		Half year ended		Year ended
	30.09.08 (Unaudited)	30.09.07 (Unaudited)	30.09.08 (Unaudited)	30.09.07 (Unaudited)	31.03.08 (Audited)
<b>1 Segment Revenue</b>					
Investing & Financing related activities	52,917.37	33,619.23	102,306.40	65,753.24	144,473.60
Broking related activities	-	14,301.78	-	24,337.31	-
Fee Income	318.21	1,151.77	2,770.64	2,279.31	8,070.07
Others	11,135.40	259.64	15,700.56	1,230.34	16,322.59
<b>Total</b>	<b>64,370.98</b>	<b>49,332.42</b>	<b>120,777.60</b>	<b>93,600.20</b>	<b>168,866.26</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Income from Operations</b>	<b>64,370.98</b>	<b>49,332.42</b>	<b>120,777.60</b>	<b>93,600.20</b>	<b>168,866.26</b>
<b>2 Segment Results profit before Tax and Interest</b>					
Investing & Financing related activities	7,078.99	15,787.04	20,620.78	32,751.88	60,483.98
Broking related activities	-	9,143.04	-	15,184.87	-
Fee Income	305.20	1,112.93	2,737.90	2,200.17	8,050.02
Others	10,512.34	259.64	14,768.76	1,230.34	15,840.68
<b>Total</b>	<b>17,896.53</b>	<b>26,302.65</b>	<b>38,127.44</b>	<b>51,367.26</b>	<b>84,374.68</b>
(i) Less: Interest	-	-	-	-	-
(ii) Other un-allocable expenditure	494.95	94.72	659.32	349.81	1,270.74
net off unallocable income					
<b>Total Profit Before Tax</b>	<b>17,401.58</b>	<b>26,207.93</b>	<b>37,468.12</b>	<b>51,017.45</b>	<b>83,103.94</b>
<b>3 Capital Employed (Segment Assets - Segment Liabilities)</b>					
Investing & Financing related activities	317,264.81	164,284.06	317,264.81	164,284.06	(33,237.66)
Broking related activities	-	4,692.65	-	4,692.65	-
Fee Income	812.17	493.45	812.17	493.45	1,959.23
Others	70,680.66	62,266.13	70,680.66	62,266.13	52,863.89
Unallocable Capital Employed	(11,049.14)	146,305.79	(11,049.14)	146,305.79	328,492.62
<b>Total</b>	<b>377,708.50</b>	<b>378,042.08</b>	<b>377,708.50</b>	<b>378,042.08</b>	<b>350,078.08</b>

**Indiabulls Financial Services Limited (as standalone entity)**  
**Unaudited Financial Results**  
**for the quarter ended September 30, 2008**

(Rupees in Lakhs)

Particulars	Quarter ended		Half year ended		Year ended
	30.09.08 (Unaudited)	30.09.07 (Unaudited)	30.09.08 (Unaudited)	30.09.07 (Unaudited)	31.03.08 (Audited)
1 a) Income from Operations	38,914.63	20,694.80	70,494.14	29,253.11	96,118.59
b) Other Operating Income	8,569.78	5,676.17	23,456.10	8,482.75	36,450.94
2 Expenditure					
a) Employees Cost	3,264.64	796.98	6,937.13	1,340.86	20,802.30
b) Depreciation	282.40	73.32	443.91	125.22	605.11
c) Operating Expenses	704.17	504.66	1,590.67	604.66	2,957.74
d) Administrative & Other Expenses	14,512.34	2,695.92	20,192.98	3,395.70	15,254.30
<b>Total</b>	<b>18,763.55</b>	<b>4,070.88</b>	<b>29,164.69</b>	<b>5,466.44</b>	<b>39,619.45</b>
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	28,720.86	22,300.09	64,785.55	32,269.42	92,950.08
4 Other Income	50.47	0.10	90.16	0.10	215.03
5 Profit before Interest & Exceptional Items (3+4)	28,771.33	22,300.19	64,875.71	32,269.52	93,165.11
6 Interest and Finance Charges	23,179.92	4,561.26	45,056.87	6,880.94	36,478.83
7 Profit after Interest but before Exceptional Items (5-6)	5,591.41	17,738.93	19,818.84	25,388.58	56,686.28
8 Exceptional Items	-	-	-	-	-
9 Profit from Ordinary Activities before Tax (7-8)	5,591.41	17,738.93	19,818.84	25,388.58	56,686.28
10 Tax expense (including Deferred Tax and Fringe Benefits Tax)	1,109.05	6,034.11	4,825.52	8,501.61	18,489.28
11 Net Profit from Ordinary Activities after Tax (9-10)	4,482.36	11,704.82	14,993.32	16,886.97	38,197.00
12 Extraordinary Items (net of tax expense Rs. NIL)	-	-	-	-	-
13 Net Profit for the period (11-12)	4,482.36	11,704.82	14,993.32	16,886.97	38,197.00
14 Preference Dividend for the period (Including corporate dividend tax thereon)	462.58	237.42	920.14	472.25	1,065.55
15 Paid-up Equity Share Capital (Face Value of Rs.2 per Equity Share)	5,072.60	4,454.93	5,072.60	4,454.93	5,068.54
16 Paid-up Preference Share Capital	15,686.54	16,146.00	15,686.54	16,146.00	15,686.54
Face Value per Preference Share (Rs.)	157.39	162.00	157.39	162.00	157.39
17 Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2008	-	-	-	-	288,613.53
18 Earnings per Share before extraordinary items (Face Value of Rs.2 per Equity Share)					
-Basic	1.59	5.15	5.55	7.60	15.08
-Diluted	1.57	5.03	5.48	7.39	14.59
Earnings per Share after extraordinary items (Face Value of Rs.2 per Equity Share)					
-Basic	1.59	5.15	5.55	7.60	15.08
-Diluted	1.57	5.03	5.48	7.39	14.59
19 Public Shareholding					
- Number of Equity Shares	148,207,797	144,887,033	148,207,797	144,887,033	147,986,523
- Percentage of shareholding	58.43%	65.05%	58.43%	65.05%	58.39%
Items exceeding 10% of Total Expenditure					
--Assignment expenses	2,566.59	-	3,123.83	-	-
--Provision for Doubtful Loans	5,682.36	2,048.44	6,477.64	2,402.15	4,551.20
--Bad Debts written off	4,216.97	13.98	6,977.62	13.98	4,444.55

**Notes to Financial Results:**

- The consolidated and standalone financial results of Indiabulls Financial Services Limited ('IBFSL', 'the Company') for the quarter ended September 30, 2008 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 21, 2008. The financial results pertaining to IBFSL as a standalone entity have been subjected to a limited review by the Statutory Auditors of the Company.
- During the quarter Forward Markets Commission, Department of Consumer Affairs, Government of India had given their in principle approval on MMTc's proposal for setting up a Nation wide Multi Commodity Exchange to be set up in NCR (Gurgaon) in partnership with the Company.
- The Board of Directors of the Company at its meeting held on September 17, 2008 allotted 202,780 Equity Shares of face value of Rs. 2/- each to eligible employees in terms of 'IBFSL-ICSL Employee Stock Option Plan - 2006'.
- The dividend for Financial Year 2007-08 of Rs. 8.50 per equity share (425% on the face value of Rs. 2/- per equity share) amounting to Rs. 21,541.29 lakhs (excluding corporate dividend tax) was approved at the Annual General Meeting of the Company held on September 05, 2008 and was paid by the Company on September 09, 2008 into the Dividend Account.
- During the quarter, Indiabulls Securities Limited (ISL) agreed to subscribe to 24.5% of the paid up share capital of Indiabulls Life Insurance Company Limited (ILICL). With this, the share capital structure of ILICL would be IBFSL 49.5%, ISL 24.5% and Sogecap, France - 26%. The Company being a Non-Banking Finance Company, Reserve Bank of India, has capped the Company's total investment upto 49.5% of the share capital of ILICL.
- During the Quarter, the Company invested an amount of Rs 5 lakhs in one wholly owned Subsidiary - International Multi Commodity Exchange Limited.
- Segment Results:

(Rupees in Lakhs)

Particulars	Quarter ended		Half year ended		Year ended
	30.09.08 (Unaudited)	30.09.07 (Unaudited)	30.09.08 (Unaudited)	30.09.07 (Unaudited)	31.03.08 (Audited)
1 Segment Revenue					
Investing & Financing related activities	47,317.29	25,360.70	91,724.46	35,700.28	125,548.46
Fee Income	164.50	1,010.37	2,315.94	2,035.68	7,236.10
Others	-	-	-	-	-
<b>Total</b>	<b>47,481.79</b>	<b>26,371.07</b>	<b>94,040.40</b>	<b>37,735.96</b>	<b>132,784.56</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Income from Operations</b>	<b>47,481.79</b>	<b>26,371.07</b>	<b>94,040.40</b>	<b>37,735.96</b>	<b>132,784.56</b>
2 Segment Results profit before Tax and Interest					
Investing & Financing related activities	5,733.85	16,824.38	17,940.89	23,508.64	50,469.45
Fee Income	162.61	974.05	2,312.37	1,959.23	7,235.99
Others	-	-	-	-	-
<b>Total</b>	<b>5,896.46</b>	<b>17,798.43</b>	<b>20,253.26</b>	<b>25,467.87</b>	<b>57,705.44</b>
(i) Less: Interest	-	-	-	-	-
(ii) Other un-allocable expenditure net off unallocable income	305.05	59.50	434.42	79.29	1,019.16
<b>Total Profit Before Tax</b>	<b>5,591.41</b>	<b>17,738.93</b>	<b>19,818.84</b>	<b>25,388.58</b>	<b>56,686.28</b>
3 Capital Employed (Segment Assets - Segment Liabilities)					
Investing & Financing related activities	320,884.94	275,878.55	320,884.94	275,878.55	1,156.47
Fee Income	170.12	341.07	170.12	341.07	1,241.15
Others	-	-	-	-	-
Unallocable Capital Employed	2,471.24	(199.64)	2,471.24	(199.64)	306,970.99
<b>Total</b>	<b>323,526.30</b>	<b>276,019.98</b>	<b>323,526.30</b>	<b>276,019.98</b>	<b>309,368.61</b>

8 Number of Investor Complaints received and disposed off during the quarter ended September 30, 2008:  
Opening: Nil, Received: 59, Disposed Off: 59, Pending: Nil.

9 Figures for the prior year / periods have been regrouped and / or reclassified wherever considered necessary, except for the effect of discontinued operations pursuant to the demerger of the securities broking and advisory services business (a part of Fee Income) to Indiabulls Securities Limited and the merger of Indiabulls Credit Services Limited with the Company during the previous financial year. Figures for the current quarter, half year and previous year are post demerger/merger and figures for previous quarter and half year are pre demerger/merger and are not comparable.

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 : October 21, 2008

Gagan Banga  
CEO