

Indiabulls

Indiabulls Securities Limited Unaudited Consolidated Financial Results for the quarter ended 31st December, 2007

(Rupees in Crore)

Particulars	Quarter ended		9 Months ended		Year ended
	31.12.07 (Unaudited)	31.12.06 (Unaudited)	31.12.07 (Unaudited)	31.12.06 (Unaudited)	31.03.07 (Audited)
1 Income from Operations	206.25	106.87	460.44	314.08	422.83
2 Other Income	3.86	(2.64)	13.64	21.00	23.78
3 Total Income (1+2)	210.11	104.23	474.08	335.08	446.61
Expenditure					
a) Operating Expenses	10.54	17.12	31.01	45.02	61.61
b) Employees Cost	39.66	34.46	76.23	86.59	105.98
c) Administrative & Other Expenses	20.72	15.57	46.33	40.46	50.63
d) Depreciation / Amortisation	5.55	3.89	15.65	9.67	14.44
4 Total	76.47	71.04	169.22	181.74	232.66
5 Interest and Finance Charges	6.03	2.28	10.08	11.78	14.14
6 Profit before Tax (3)-(4+5)	127.61	30.91	294.78	141.56	199.81
7 Tax expense (including Deferred Tax and Fringe Benefits Tax)	45.07	11.08	96.45	42.75	62.42
8 Net Profit after Tax (6-7)	82.54	19.83	198.33	98.81	137.39
9 Paid-up Equity Share Capital	50.69	17.83	50.69	17.83	17.83
Face Value per Equity Share (Rs.)	2.00	10.00	2.00	10.00	10.00
10 Reserves excluding Revaluation Reserves	483.36	262.76	483.36	262.76	301.33
11 Earnings per Share (Face Value of Rs.2 per Equity Share)-Basic (in Rs.)	3.25		7.82		
-Diluted (in Rs.)	3.25		7.82		
Public Shareholding					
- Number of Equity Shares	153,700,858		153,700,858		
- Percentage of shareholding	60.65%		60.65%		

Notes to Financial Results:

- Indiabulls Securities Limited conducts its operations along with its subsidiaries. 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.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary. The numbers for Quarter ended & Nine Months ended December 2007 and Year ended March 2007 are of standalone entity as during that period there was no Subsidiary Company of ISL
- The financial results of Indiabulls Securities Limited ("the Company") for the quarter ended December 31, 2007 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 17, 2008.
- The Scheme of Arrangement ("the Scheme") providing for amalgamation of Indiabulls Credit Services Limited ("ICSL") with Indiabulls Financial Service Limited ("IBFSL") and the demerger of a part of the securities broking and advisory business (fee income) of IBFSL as a going concern, to Indiabulls Securities Limited ("ISL") and their respective shareholders and creditors under sections 391 - 394 of the Companies Act, 1956, had been sanctioned by the Hon'ble High Court of Judicature at Delhi on November 23, 2007. Upon coming into effect of the Scheme on December 24, 2007 and with effect from the Appointed Date on April 1, 2007, ICSL stands amalgamated with IBFSL and the securities broking and advisory business of the Company stands demerged from IBFSL and transferred to and vested in ISL on a going concern basis. In terms of the Scheme, with effect from the Appointed date on April 01, 2007:
 - All business activities of IBFSL, relating to the security broking and advisory business, carried out on or after the Appointed Date are deemed to have been carried out by IBFSL on behalf of ISL on a going concern basis and consequently, all profits and losses of IBFSL and related taxes paid, relating to the security broking and advisory business, are deemed to be the profits, losses and taxes of ISL. The Scheme has accordingly been given effect to in the current quarter.
 - Assets comprising of fixed assets, investments, sundry debtors, loans and advances, security deposits and cash aggregating to Rs. 46,10,32,891, current liabilities (including general purpose liabilities) amounting to Rs. 27,21,24,467 and proportionate liability of Rs. 4,59,46,335 in respect of Preference Share Capital have been transferred to ISL.
 - As a result of the Scheme the existing equity capital of 17,834,099 shares @ Rs. 10 each of ISL has been cancelled, fresh equity capital of 253,426,989 shares is to be issued @ Rs. 2 each and 9,966,667 5% Preference Shares @ Rs. 4.61 is also to be issued.
 - As a result of the Scheme the Capital Redemption Reserve of the company has been reduced by Rs 185,582,833.
 - On August 2, 2006, IBFSL had issued and allotted 9,966,667 Cumulative, Redeemable, Non Convertible Preference shares at Rs. 300 per share to Oberon Limited. The face value per share had reduced to Rs.162 per preference share on the demerger of the real estate business of IBFSL to Indiabulls Real Estate Limited from the appointed date of May 01, 2006 for that demerger. The preference dividend for the half year ended September 30, 2007 @ 5% on the face value of Rs. 162 had already been declared and paid by IBFSL. Consequent to the transfer of Preference Share Capital to ISL, an amount of Rs. 13,43,873 being ISL's share of proportionate dividend and corporate dividend tax on the same on the face value of Rs. 4.61 each for the half year ended on September 30, 2007 has been charged to ISL.
 - An amount of Rs. 9,30,01,590 related to the advisory income net of expenses, for the current year, which had been recorded by IBFSL as the business had been run by IBFSL in trust on behalf of ISL, has been transferred to ISL.
 - Consequent upon the Scheme being given effect to, by IBFSL, IBFSL had declared January 08, 2008 to be the Record Date for determining the shareholders who would be entitled to be allotted shares of ISL, which would be a separately traded public company and would be listed on National Stock exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).
 - As a result of the above, 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.
- During the Nine Months ended CRISIL has assigned a CRISIL BQ – 1 to ISL. This is an opinion on the quality of operations and service offered by the graded broker. The grading is expressed on a five point scale BQ-1 to BQ-5, with BQ-1 being the highest.
- Company's primary business segment is reflected based on principal business activities carried on by the Company. The Company operates in two reportable business segment i.e. broking related activities & trading in securities and in one geographical segment i.e. within India.
- 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.

For and on behalf of Board of Directors

Place : Mumbai
Date : January 17, 2008

Divyesh B Shah
CEO