

Unaudited financial results for the quarter and nine months ended December 31, 2006 (Consolidated)

Rs. in Lakhs

Sr. No.	Particulars	Three months ended 31.12.06	Three months ended 31.12.05	Nine months ended 31.12.2006	Nine months ended 31.12.2005	Year ended 31.03.2006 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Income from Operations	5,833.36	5,310.55	17,169.14	14,283.28	22,071.44
2	Other Income	115.66	132.48	528.87	236.12	364.04
3	Total Revenue	5,949.02	5,443.03	17,698.01	14,519.40	22,435.48
	a) Sub-brokerage and Commissions	700.07	518.83	1,907.71	1,451.38	2,425.23
	b) Employee Cost	1,288.31	821.07	3,836.26	2,465.14	4,691.58
	c) Rent	411.88	310.42	1,184.32	883.55	1,201.75
	d) Other Expenditure	1,231.51	721.91	3,720.86	2,094.75	3,426.22
4	Total Expenditure	3,631.77	2,372.23	10,649.15	6,894.82	11,744.78
5	Profit before Interest, Depreciation and Tax (3-4)	2,317.25	3,070.80	7,048.86	7,624.58	10,690.70
6	Interest	171.47	35.17	266.08	168.89	194.40
7	Depreciation	288.53	135.73	654.97	335.05	494.29
8	Profit before Tax (5-6-7)	1,857.25	2,899.90	6,127.81	7,120.64	10,002.01
9	Less: Provision for Tax (See Note 3 below)	724.00	971.78	2,211.18	2,444.67	3,144.04
10	Profit After Tax before Share of profit of an Associate and Minority Interest (8-9)	1,133.25	1,928.12	3,916.63	4,675.97	6,857.97
11	Add: Share of profit of an Associate	7.27	-	17.44	-	1.69
12	Less: Minority Interest	(0.64)	(1.00)	(0.64)	-	0.64
13	Profit After Tax (10+11-12)	1,141.16	1,929.12	3,934.71	4,675.97	6,859.02
14	Paid up Equity Share capital (Face value Rs.10)	6,930.75	6,481.88	6,930.75	6,481.88	6,692.07
15	Reserves excluding revaluation reserves (as per Balance Sheet)					59,143.42
16	Earnings per share-Basic (Rs.)	1.65	4.12	5.69	11.34	14.43
	Earnings per share-Diluted (Rs.)	1.64	4.12	5.65	11.34	13.76

Unaudited financial results for the quarter and nine months ended December 31, 2006 (Stand alone)

Rs. in Lakhs

Sr. No.	Particulars	Three months ended 31.12.06	Three months ended 31.12.05	Nine Months ended 31.12.2006	Nine months ended 31.12.2005	Year ended 31.03.06 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Income from Operations	1,648.33	5,064.40	9,591.63	13,781.65	21,280.82
2	Other Income	297.75	153.62	828.59	244.42	415.69
3	Total Revenue	1,946.08	5,218.02	10,420.22	14,026.07	21,696.51
	a) Sub-brokerage and Commissions	-	514.25	682.63	1,435.56	2,359.67
	b) Employee Cost	223.55	727.59	1,550.96	2,289.57	4,410.98
	c) Rent	38.10	309.89	415.86	882.32	1,191.00
	d) Other Expenditure	130.30	604.42	1,539.42	1,836.50	3,022.44
4	Total Expenditure	391.95	2,156.15	4,188.87	6,443.95	10,984.09
5	Profit before Interest, Depreciation and Tax (3-4)	1,554.13	3,061.87	6,231.35	7,582.12	10,712.42
6	Interest	147.04	34.76	220.49	167.20	191.84
7	Depreciation	5.71	127.85	207.07	314.29	463.96
8	Profit before Tax (5-6-7)	1,401.38	2,899.26	5,803.79	7,100.63	10,056.62
9	Less: Provision for Tax	582.07	968.69	1,979.90	2,433.94	3,144.78
10	Profit After Tax (8-9)	819.31	1,930.57	3,823.89	4,666.69	6,911.84
11	Paid up Equity Share capital (Face value Rs.10)	6,930.75	6,481.88	6,930.75	6,481.88	6,692.07
12	Reserves excluding revaluation reserves (as per Balance Sheet)					59,186.48
13	Earnings per share-Basic (Rs.)	1.18	4.13	5.53	11.32	14.54
	Earnings per share-Diluted (Rs.)	1.17	4.13	5.49	11.32	13.86
14	Aggregate of Public shareholdings:					
	- Number of shares (nos.)	26,962,462	23,297,794	26,962,462	23,297,794	32,301,494
	- Percentage of shareholding	38.90%	35.94%	38.90%	35.94%	48.27%

Notes:

- 1 Effective July 01, 2006, as part of restructuring process, the Company transferred its Securities Broking Business to its wholly owned subsidiary namely IL&FS Investsmart Securities Ltd. Consequently financial results of the Company on standalone basis for current quarter/ nine months are not comparable with the corresponding previous quarter/ nine months and for the year ended March 31, 2006.
- 2 The Company had agreed to no longer undertake project syndication business with effect from July 01, 2006, which would henceforth be managed by Infrastructure Leasing & Financial Services Ltd. or any of its associates. However, the Company has several mandates under execution or in pipeline which would be completed over a period of time. The plans and the terms for the discontinuance of the business are in process of finalisation. The Income booked during the quarter and nine months ended December 31, 2006 on syndication business mandates is Rs.109.66 lakhs and Rs.1,629.87 lakhs, respectively
- 3 Provision for Tax includes short provision for tax of earlier years Rs.86.97 lakhs, Deferred Tax and Fringe Benefit Tax.
- 4 During the quarter, the Company invested Rs.26.33 lakhs in Tajir Investment & Properties Ltd. pursuant to which it has become its wholly owned subsidiary. Subsequently, on December 19, 2006, its name has been changed to IL&FS Investsmart Financial Services Ltd. During the same period, the Company has converted part of the Optionally Fully Convertible Debentures into Equity shares aggregating Rs.10,000 lakhs.
- 5 The Company also invested Rs.146.26 lakhs (SGD 507,000) in its Singapore based wholly owned subsidiary IL&FS Investsmart Asia-Pacific Pte. Ltd.
- 6 During the quarter, the Company divested its entire holding in its wholly owned subsidiary namely Investsmart Insurance Agency Pvt. Ltd.
- 7 Equity investor complaints/ grievances for the quarter ended December 31, 2006: Pending at beginning of the quarter - Nil, received and resolved/ replied during the quarter - 58, unresolved at the end of the quarter - Nil.
- 8 The Consolidated financial results of the Company is prepared in accordance with Accounting Standard (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. All significant intra-group balances and intra-group transactions and unrealised profits have been eliminated. Investments in Associate has been accounted based on equity method in accordance with AS 23 on Accounting for Investments in an Associate in Consolidated Financial Statements.
- 9 The Company (stand alone and consolidated) has a single reportable business segment of "Financial Intermediation and related business".
- 10 The above financial results of the Company on a stand alone and consolidated basis for the quarter and nine months ended December 31, 2006 have been reviewed by the Audit Committee and approved by the Board at its meeting held on January 31, 2007. A limited review of the unaudited financial results for the nine months ended December 31, 2006 have been completed by the statutory auditors of the Company.
- 11 Previous period/ year figures have been regrouped and rearranged wherever necessary, in order to be consistent with the current period.

For and on behalf of the Board of Directors

Place: Mumbai
Date: January 31, 2007

Ramesh C Bawa
Managing Director and CEO