

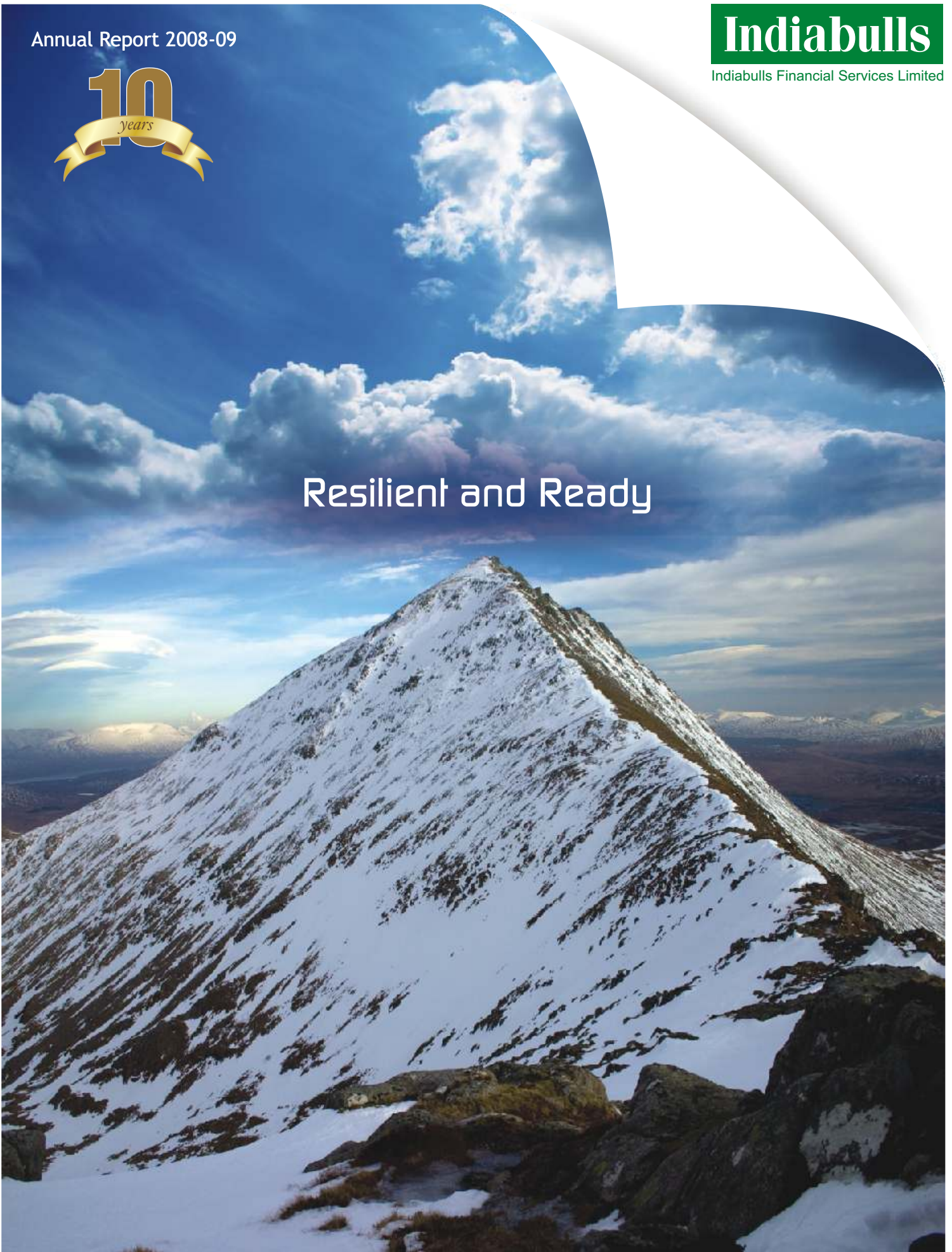
Annual Report 2008-09



Indiabulls

Indiabulls Financial Services Limited

Resilient and Ready



annual report 2009

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Resilient and Ready

Keen business insight and market understanding form the very fibre of IBFSL. Our intrinsic acumen has empowered us to draw an intelligent blue-print for our business. A resilient existence post the financial storm is a demonstration of our reliable and progressive strategies. We are followed by an enviable trail of a healthy balance sheet, a stable funding base and the highest efficiency in collections. From where we stand today, we envision a future teeming with lucrative prospects. Standing tall on the sturdy platform of sustainable financial strength, we are primed to churn optimum value out of what lays ahead. Indeed, we are ready for a brighter future.



Corporate Highlights

PERCEPTIVE BUSINESS INSIGHT HAS ENABLED IBFSL TO DRAW UP INTUITIVE MARKETING STRATEGIES AT ALL TIMES. AS A RESULT, THE COMPANY TREADED A CAUTIOUS AND CONSERVATIVE ROUTE WELL-AHEAD OF THE DOWNTURN. IT IS NOT SURPRISING THAT TODAY, IBFSL ENJOYS A FIRM STANDING, IN WAKE OF THE RECEDING FINANCIAL STORM.



Revenues

Rs. 20,058 Mn

Rs. 20,028 Mn

EBITDA

Rs. 12,139 Mn

Rs. 12,138 Mn

Our Resilient Traits:

- **A large multi-product NBFC:** Several large competitors have either closed down or are winding down operations. This has reduced competition dramatically.
- **Enhanced credit limits during the year:** Borrowing program with the highest credit rating has been enhanced from Rs.20 bn to Rs.50 bn in FY08, while almost all other NBFCs rated by CRISIL (S&P subsidiary) have either been downgraded or put on negative outlook.
- **Widened banking relationships:** Banking relationships with majority of PSU banks as opposed to relationships having preponderance of MFs and foreign banks.
- **Strong balance sheet:** Amongst the highest capitalised NBFCs with a high Net Worth and CRAR as well as nil Net NPAs.

Financial Highlights (Consolidated)

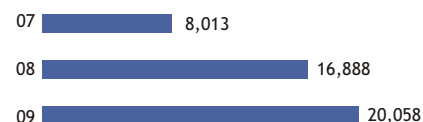


(Rs. In Million)

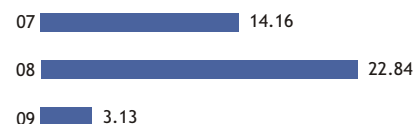
	08-09	07-08	06-07 Proforma Figures*	06-07
Total Income	20,057.86	16,887.65	8,012.55	12,444.00
Operating Expenses	227.06	426.31	225.12	847.00
Employee Cost	1,668.92	2,389.17	1,298.32	2,369.00
Administrative and Other expenses	6,022.65	1,767.65	1,230.26	1,740.00
Earning before Interest, Tax & Depreciation	12,139.23	12,304.52	5,258.85	7,488.00
Interest	10,286.57	3,922.56	621.63	680.00
Depreciation	78.10	71.57	32.09	177.00
Profit Before Tax	1,774.56	8,310.39	4,605.13	6,631.00
Tax	714.98	2,504.00	1,565.02	2,197.00
Profit After Tax	1,059.58	5,806.40	3,040.11	4,434.00
Equity Share Capital	507.26	506.85	367.00	367.00
Reserves & Surplus	33,222.94	32,932.30	13,945.75	18,089.00
Net Worth	35,298.85	35,007.81	18,711.51	21,933.58
Market Capitalisation	22,852.04	105,628.37	76,536.00	76,536.00
Key Indicators				
Earnings Per Share - Rs.	3.13	22.84	14.16	22.84
Net Profit margin %	5.28%	34.38%	37.94%	35.63%
Return on Net Worth %	3.00%	16.59%	16.25%	20.22%

*After excluding Indiabulls Securities Limited and its subsidiaries for effective comparison, which has been demerged from the company w.e.f. 1st April 2007.

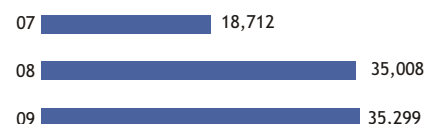
Revenues (Rs. in Million)*



Basic Earnings per Share (in Rs.)*



Net Worth (Rs. in Million)*



About us

assets under
management

>8,900

locations

>130

Indiabulls financial services is one of india's leading and fastest growing private sector financial services companies. The fiscal 2008-09 marks the company's 10th successful year of service to its stakeholders.

employees

>4,500

Incorporated on

10th January, 2000

Products

As an integrated financial services powerhouse, we provide Consumer Finance, Housing Finance, Commercial Loans, Life Insurance, Asset Management and Advisory services.

Listings

The Equity shares of IBFSL are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The GDRs of the Company are listed on Luxembourg Stock Exchange.

New Growth Drivers



Indiabulls Société Générale Life Insurance Company Ltd

- The Joint Venture between IBFSL and Société Générale is awaiting regulatory approvals from IRDA.
- There is a steady progress on operational aspects including preliminary work on products, pricing and strategy.

National Commodities Exchange

- Financial closure for the joint venture between IBFSL and MMTC for the setting up of the Commodities Exchange is achieved, in line with government guidelines.
- Recognition of the exchange from the Forward Markets Commission is expected shortly.

Asset Management

- IBFSL has received in principal approval from SEBI regarding its Asset Management business and it is expected to commence shortly.
- The Company is looking at marketing its products to its over 1,000,000 existing clients and is also expected to tap the open market by leveraging its pan-India branch network.



We are primed to foray into the new and promising spheres of insurance, asset management and commodity exchange.

Corporate Information

Board of Directors

Mr. Sameer Gehlaut
Mr. Rajiv Rattan
Mr. Saurabh K Mittal
Mr. Gagan Banga
Mr. Aishwarya Katoch
Mr. Shamsher Singh
Mr. Karan Singh
Mr. Prem Prakash Mirdha



Banking & Financing Relationships

AMCs

ABN Fortis Mutual Fund
Birla Sunlife Mutual Fund
Canara Rebeco Mutual Fund
DWS Mutual Fund
HDFC Mutual Fund
HSBC Mutual Fund
ICICI Prudential Mutual Fund
IDFC Mutual Fund
JM Mutual Fund
LIC Mutual Fund
MIRAE Mutual Fund
PNB Principal Mutual Fund
Reliance Mutual Fund
Religare Mutual Fund
State Bank of India Mutual Fund
TATA Mutual Fund

BANKS

ABN AMRO Bank
Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Bank of Rajasthan
Canara Bank
Central Bank of India
Citibank
Corporation Bank
DBS Bank
Dena Bank
Deutsche Bank
HDFC Bank
HSBC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indusind Bank

Ing Vysya Bank
J&K Bank
Karur Vysya Bank
Karnataka Bank
Kotak Mahindra Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of India
Standard Chartered Bank
State Bank of Indore
Syndicate Bank
Uco Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank

INSTITUTIONS

Citi Corp
ECL Finance Ltd
GE Capital
HDFC Ltd
JM Financial
Kotak Prime
Reliance Capital Ltd



Registered Office

F-60, Malhotra Building,
2nd Floor, Connaught Place,
New Delhi - 110 001, INDIA
Website: www.indiabulls.com/financial

Corporate Offices:

S. P. Center, "C" Wing,
41/44, Minoo Desai Road,
Near Radio Club, Colaba,
Mumbai - 400 005

"Indiabulls House", 448-451,
Udyog Vihar, Phase V,
Gurgaon - 122 001

Company Secretary

Mr. Amit Jain

Registrar & Transfer Agent:

Karvy Computershare Private Limited
Plot No.17 to 24
Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants

INTERNAL AUDITORS

N.D Kapur & Co.
Chartered Accountants
2-A, Shanker Market,
Connaught Place, New Delhi-110001

Chairman's Letter

"Our business philosophy is underpinned by consistent and sustainable growth; and to achieve that we are guided by our intuitive judgment combined with constant learning, something which helps us respond proactively to unfolding events."



Mr. Sameer Gehlaut, Founder and Chairman

Dear Shareholders,

The bygone year was the most extraordinary one in the history of financial services industry across the world this century. Many well-entrenched beliefs and expectations that were considered infallible and akin to laws of nature were thrown overboard. With the specter of the biggest, most renowned names of the financial world collapsing into bankruptcy overnight, the unthinkable became reality. In a matter of weeks, the whole global financial system got caught into a deep freeze mode in a financial "ice age". Flourishing until not very long ago, the Indian financial services sector too did not remain insulated for long from the collapse of the Western world's financial ecosystem. Thanks to the prudent regulatory regime of our country, Indian financial houses fared relatively much better when compared to the rest of the world. However, the onslaught of a global recession impacted the Indian economy adversely and even the domestic economy's growth decelerated substantially. Thanks to our insights at IBFSL of building a quality lending and advisory business based on solid foundations, some might argue that we saw this coming. Indeed, to weather this storm, we dug in deep very early on and stood steadfastly without being shaken or displaced from the global financial tsunami. As a result, we have preserved our strengths and now stand tall in times of recovery. Today, we are arguably the best capitalised NBFC in the business with the healthiest ratings, liquidity position and fund raising capabilities as demonstrated by the stupendous success of our most recent QIP offering of Rs 960 crore. Our ability to come out strong and mostly unscathed is testimony to our vision of building a business on sound foundations that has long term enduring qualities.

I take pride in announcing that despite tough times, the total revenues of IBFSL as a standalone entity stood at Rs. 1,783.5 crore in FY 2009, as compared with Rs. 1,327.9 crore in FY 2008, up by 34.3%. The EBITDA of IBFSL as a standalone entity was recorded at Rs. 1,191.8 crore in FY 2009, up 27.1% from Rs. 937.7 crore in FY 2008. I'm pleased to state that your Company is amongst the largest NBFCs with a strong balance sheet, near zero net NPA loan portfolio, strong and robust operational capabilities with an ability to lend. However, as I mentioned earlier, we had our share of testing times and our bottom line was adversely impacted and the Profit



after Tax of IBFSL as a standalone entity was down by 50.2% to Rs. 190.2 crore in FY 2009 from Rs. 382 crore in FY 2008. Although our profitability was under pressure on account of several market driven factors, our operating business delivered encouraging results and continues to remain strong.

A DIFFERENTIATED APPROACH

Protected by the impenetrable armour of fail-safe strategies, this year has shown that we are well prepared to combat unexpected challenges. Our balanced performance was a result of our ability to tread a cautious path during the year under consideration. We intelligently focused on collections and consolidation, coupled with high quality secured as well as steady lending, even if it meant that we had to remain highly liquid with a high short-term carrying cost. Despite the global turmoil, not only was our short term credit rating retained at the highest notch of P1+ by CRISIL, but our borrowing limit under our commercial paper program was raised to Rs. 5,000 crore during the year under review. Not only that, on account of our ability to manage our liquidity profile without government support, ours was one of the few large NBFCs that did not take recourse to the special liquidity window created by the Government for NBFCs. Our prudent and efficient approach to our asset-liability management has paid off handsomely. At a time when the entire industry is still recovering from credit seizure, we are already charting our path to capitalise on our increased borrowing and lending opportunities. Today, with more than 45 institutions lending to us, with many of them now from the public sector, we have significantly widened our borrowing base. This is strong testimony to the faith reposed in us as a highly responsible and well-run NBFC. Today, we enjoy a capital adequacy of over 40%, the highest in the industry. Our recent Qualified Institutional Placement (QIP) of Rs. 960 crore is further testimony to the trust our investors have reposed in us. Such facts accentuate the confidence the industry has in your Company as a resilient and dependable entity to partner with.

As a preeminent player, we are quick to gauge the business climate and adapt our strategies accordingly. During FY 2008-09, we also made a strategic move to rejig our liability profile by decreasing our reliance on short-term borrowings and resorting to more stable long-term funding. I'm pleased to state that today we have access to a stable mix of short and medium-term funding that is positioning us to capitalise on the renewed appetite for borrowing by successful and growing businesses. It is not surprising then that while some of our peers were affected by the storm, through our vigilant approach we have emerged a stronger and a more potent player.

MOVING AHEAD

Emerging unscathed from the financial mayhem has reinforced our confidence in ourselves. With soaring aspirations, we are aligning our strategies to our growth path. With the markets gradually beginning to recover, we are aptly

positioned to take advantage of our liquidity strength for generating healthy profits and minimising our cost to carry.

Our future looks exciting. As the Indian economy resumes its path closer towards high single digit growth rates, we are primed to make the most of it. We rededicate ourselves to the singular focus of growing a robust, secured and granular lending portfolio, targeting the burgeoning middle class consumers and the growing small and medium sized businesses of India.

BEYOND THE HORIZON

We are constantly on the move, scouting new opportunities of value creation. As mentioned in our last year's report, we have taken concrete steps towards venturing into the insurance market, the asset management sphere as well as the commodities exchange business. I'm pleased to inform you that having got the final approval from the Government of India, we are all set to commence our Commodities Exchange business in partnership with MMTC. Given that the recent turbulent market conditions caused regulators to maintain a cautious "wait and watch" stance, getting the requisite regulatory approvals for our insurance and asset management initiatives have taken longer than expected. Having already shored up the necessary capital and expecting a more favorable economic climate going forward, we expect expeditious regulatory approvals and remain confident and committed towards growing these exciting undertakings.

OUTLOOK

From where we stand today, we are all set to take on the opportunities the future unfolds. We expect to fully recover our earnings power in FY 2010 and continue on our strong historical growth path. We are targeting a strong growth in the asset portfolio of over 30%, during FY 2010. Furthermore, the competitive environment within the lending business has become increasingly favourable. Today, some NBFCs are no longer operating within the consumer finance space and others are capital constrained. This presents us with an opportunity to dispense excellent credit at attractive risk adjusted rates.

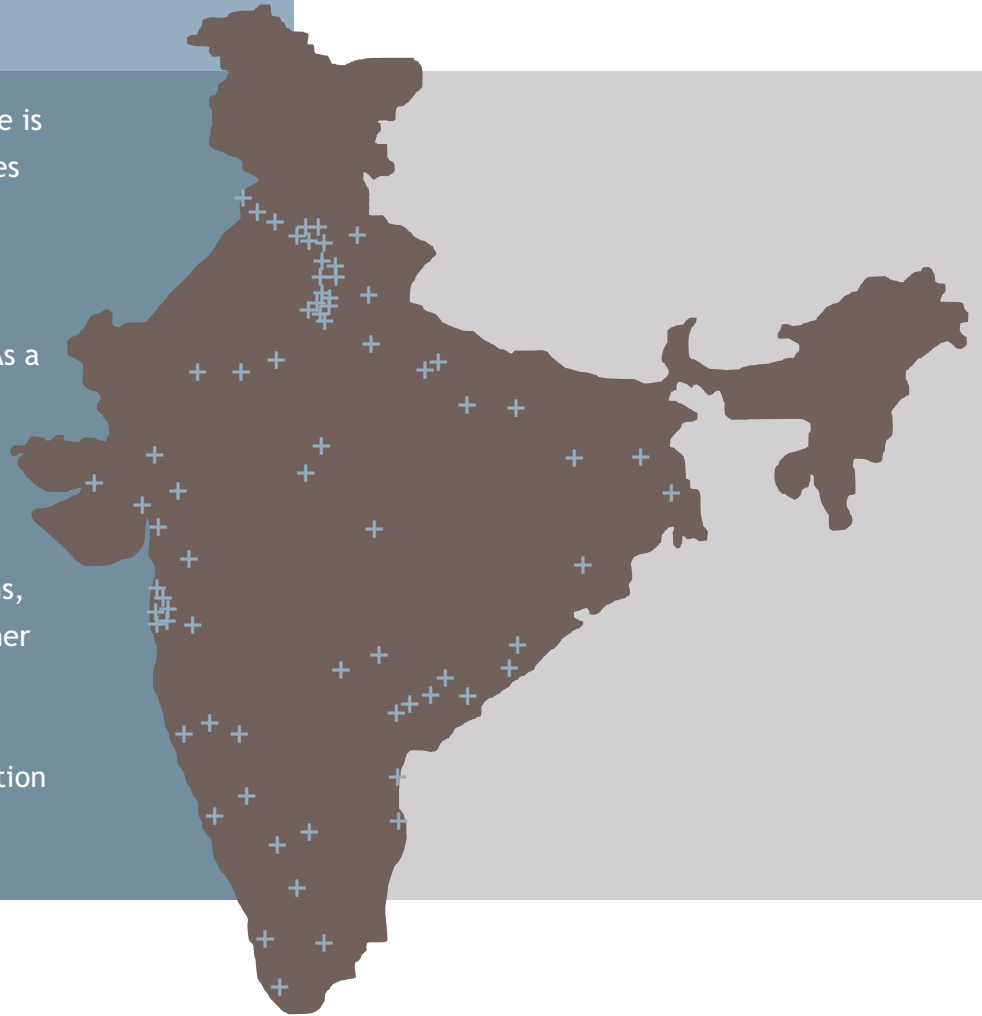
I'm pleased to state that we also enjoy unutilised credit lines of over Rs. 1,400 crore that are coupled with only a small percentage of liabilities coming due in short term, allowing us to carry significantly lower amounts of cash to maintain our liquidity and cash buffer. With our proven collections and cash management abilities, we have what it takes to deliver strong value growth to our stakeholders. Driven by a resilient reputation, a healthy balance sheet, a stable funding base, and the highest efficiency in collections, we are perfectly positioned to gain a greater market share.

I take this opportunity in thanking all our shareholders, customers, bankers, regulators and our employees for their faith in our aspirations.

01

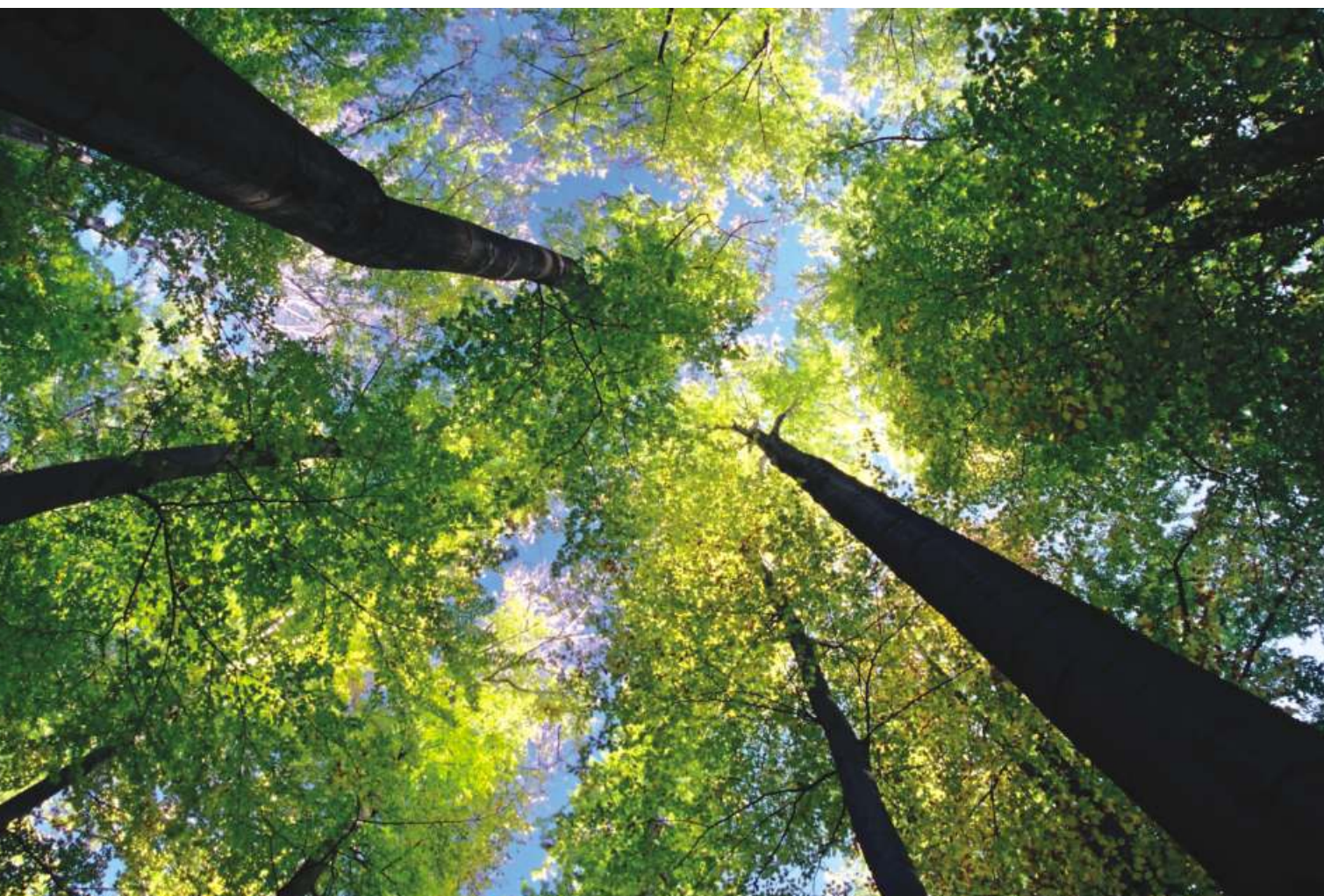
Our Vast Reach across India

A pervasive market presence is a propelling force that drives success. At IBFSL, we have suitably incorporated this important growth rudiment into our business strategy. As a result, today we have established our footprint across the country. Having developed an excellent network across 134 locations, we truly are a trusted partner for retail customers. Local talent further adds regional insight to our large distribution network.





Presence in 134 locations across
the country in 18 States and
Union Territories



02

Standing Tall After the Storm

We not only weathered the storm, but we have also gained the strength to emerge as one of the biggest beneficiaries of the impending upside in the financial services segment.

As we successfully steered our course through the financial storm during the bygone fiscal, we have proved that tough times are truly an acid test of the eminent. Forewarned by our keen business insight, we were forearmed with stringent risk mitigation measures. The result was a display of aggressive risk management and that too, at a time when our contemporaries were mired in the pressures following the downturn. Our intuitive strategies enabled us to maintain a strong cash balance throughout the meltdown. Today, we are among the privileged few that enjoy a stable financing profile with low cost of funds.



03

Delivering Value at Every Step

Having emerged successful through these tough times, we have started marching towards our future with renewed vigour. With newer faith in our proven strategies, we are making the right moves to continue on the success track we are set out on. This explains our migration from unsecured to secured lending. In fact, we were one of the pre-eminent players in the market to foresee the ensuing credit cycle shift. The result was our early exit from small ticket personal loans during 2007, when our peers were ramping up their business in this arena. Such prudent business measures are the driving force behind our success today.

With our foray into the syndication business, we have identified lucrative prospects to deepen shareholder value. A unique combination of a strong balance sheet and wide banking relationships has enabled us to offer debt syndication services to mid and large size corporates. These new initiatives are aligned towards our avowed objective of charting growth and delivering value at every step of the way.



04

A Sturdy Funding Base

Judicious and cautious strategies have stood us in good stead. During the year under consideration, we successfully reaped the results of our market understanding and foresight. Even as credit squeeze was endemic during the year under consideration, we succeeded in strengthening our funding base. Our widened banking relationships already cover majority of PSU banks, while maintaining large relationships with strong private banks. We replaced sub-one year tenor instruments such as CP with long-term loans from banks and mutual funds, ensuring perpetual working capital facilities. We concluded the first SME portfolio sell down transaction from a private NBFC to a PSU bank in March'09 and opened a refinance window with PSU banks. All our sold-down portfolios maintained AAA (so) rating with collection efficiencies greater than 97%, enabling access to various refinance options.



05

The Rudiments of Success

Operational efficiency and effective intellectual capital are the fail-proof ingredients to success. At IBFSL, we harbor both. Our conscious effort and stringent strategies have provided us with minimal non-performing assets and zero liquidity borrowings from RBI. Our discreet and proficient approach towards our asset-liability management has paid off considerably. Today, we have one of the strongest balance sheets in the industry along with a stable financing profile and low cost of funds. We have developed a dedicated collection team of as many as over 3000 employees, enabling us to maintain our superior collection efficiencies through FY 2009. Our experienced and dedicated intellectual pool further infuses momentum in our steps towards our growth.



06

Exploring New Avenues

Our success and the determination to consistently deepen shareholder wealth have pushed us to open new doors of value creation. Leveraging our pan-India branch network, we are gearing ourselves to tap the asset management market by reaching out to our over 1,000,000 existing clients. We are all set to foray into the commodities exchange space to further expand our horizons. We have already developed the requisite technology platform for the exchange, including network and infrastructure. And that is not all. Insurance is another lucrative prospect that has crossed our radar. We have entered into a joint venture with Société Générale to kick start our insurance business, which is awaiting regulatory approvals.

At IBFSL, we are primed to churn favourable results out of these exciting opportunities.



Management Discussion & Analysis

ECONOMIC AND INDUSTRIAL REVIEW

The fiscal year ended March 31, 2009 was characterised by extremely volatile global financial markets, a significant lack of liquidity, loss of confidence in the financial sector and disruptions in the credit markets. The turmoil through which the global financial markets went through in the last one year did not leave the country un-impacted. The temporary liquidity squeeze in India, caused by the global financial crisis, caused short term borrowing costs to increase sharply as compared to the prior fiscal year. Further, due to continuing uncertainty in the economic environment, players in the financial sector were forced to carry high unencumbered liquid positions during the year, resulting in a sharp increase in the negative carry on cash reserves.

The position was no better in the other industrial sectors with most corporates facing a tremendous pressure on their margins due to huge increase in the costs of financing accompanied at the same time by a sharp decline in the demand for industrial products both, within the country and outside, the result being a near total wipe out of profitability for most corporate entities.

To offset the impact of global financial crisis, the regulators in India have undertaken various financial market reforms, followed by the introduction of innovative financial instruments and the entry of sophisticated domestic and international players. Sectors such as banking, asset management and brokerage have been liberalised to allow private sector involvement, which has contributed to the development and modernisation of the financial services



“A sturdy standing following the financial downturn is an extension of our resolve to deliver value at all times. We have indeed proved that it takes a perfect combination of knowledge, diligence and determination to forge a sustainable existence.”

Gagan Banga
CEO, Indiabulls Financial Services Ltd



sector. This is particularly evident in the non-banking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve positive growth rates.

The impact of the measures taken is visible in a large and rapidly growing middle class with increasing levels of discretionary income available for consumption and investment purposes. As investments among Indian consumers increase, the requirement for available credit in India has correspondingly increased. The last few years have seen not only a great expansion of the Indian economy but also a great expansion of consumer lending. Previously, Indian consumers were averse to the concept of using credit to fund purchases and preferred to save prior to spending. With a variety of consumer credit products becoming widely available, Indian consumers became more willing to acquire assets through borrowing.

BUSINESS REVIEW

Indiabulls Financial Services Limited (Indiabulls) is one of India's largest non-banking financial companies, with total consolidated loan assets on a managed basis of Rs. 89,319.1 million as at March 31, 2009. It offers a broad suite of lending and other financial products to target the client base of middle and upper-middle income individuals and small and medium-sized enterprises or SMEs. The lending and other financial products of Indiabulls include individual home mortgages and other housing loans; secured and unsecured commercial loans to SMEs; "loans against shares," secured by marketable, liquid securities; and life insurance policies, pension plans and other financial products. It has a presence in 134 locations in India, spread across 18 states and union territories. Over the past several years, Indiabulls has expanded its presence into markets that are of greater relevance to the products it offers. Portfolio performance and profitability are the factors that drive the branch network.

IBFSL generates its revenues through the following activities:-

Financing activities: These involve offering various lending products including individual home mortgages and other housing loans; secured and unsecured commercial loans to SMEs; margin loans or "loans against shares," secured by marketable, liquid securities; secured commercial vehicle and tractor loans and loans to retail Indian investors subscribing to registered equity offerings, or "IPO financing". The financing activity generates revenues from interest payments made by our borrowers, loan processing fees and the sale of loans receivables to banks and other NBFCs.

Investment activities: A portion of Indiabulls cash holdings is invested in mutual funds, equity shares, debt securities and other investments and as at March 31, 2009, the value of such investments was Rs. 11,955.2 million. Investment activity generates revenues from dividends and interest payments made upon such securities.

Fee-based activities: Such activities involve selling life insurance policies, pension plans and other financial products by Indiabulls in its capacity as corporate agent for insurance companies such as Max New York Life. Fee based activities generate revenues from fees and commissions paid on each such policy or product sold by Indiabulls.

Indiabulls recorded a total income of Rs. 20,057.9 million for the fiscal year ended March 31, 2009, an 18.8% increase from Rs. 16,887.6 million for the prior fiscal year. This primarily was due to an increase of Rs. 4,640.0 million, or 33.5%, in income from financing activities due to increased lending across various products, to Rs. 18,500.1 million for the fiscal year ended March 31, 2009 from Rs. 13,860.2 million for the prior fiscal year.

Management Discussion & Analysis

Income from investing activities income including dividend income and profit on investment/dealing in securities was Rs. 1,191.6 million for the fiscal year ended March 31, 2009, a 41.7% decrease from Rs. 2,044.8 million for the prior fiscal year.

Fee-based income for the fiscal year ended March 31, 2009 was Rs. 366.1 million, a 62.7% decrease from Rs. 982.7 million for the prior fiscal year. This was due to the slowdown in the global and Indian financial markets.

The profitability of the Company however showed a sharp decline of 81.8% with a net profit of Rs. 1059.6 million being recorded for the fiscal year March 31, 2009 as against Rs. 5806.4 million for the previous financial year.

BUSINESS STRENGTHS

The Company believes that its success in becoming one of India's leading financial services companies has been driven by the following:

Strong financial position and equity capital base:

The Company believes that its strong financial position in addition to a healthy equity capital base and access to large credit lines, bank facilities and the commercial paper market allows it to acquire customers and provide financing at attractive terms by presenting the Company as a credible and trustworthy counterpart for consumers to do business with. The Company has emerged stronger through the global financial crisis during 2008 to be standing as a leading, large, multi-product NBFC in India. CRISIL (a subsidiary of S&P) enhanced its borrowing limits to Rs. 50 billion from Rs. 20 billion, while maintaining the highest P1+ rating, for the Company's short-term unsecured borrowing programme.

Strong relationships with banks

The Company has a strong banking relationship with bankers, including 23 public sector banks in India. This is in addition to its strong relationships with mutual funds and other NBFCs.

Centralised risk management and dedicated collections team

The credit analysis team of the Company uses software technology to centralise functions such as risk management and credit analysis which





allows it to closely supervise and control the loan application and approval process. The Company also has an experienced collection team, and does not depend on external collection agencies. This experienced team has enabled it to maintain high collection efficiencies throughout the fiscal year ended March 31, 2009, which was reflected in CRISIL's published data on portfolio performance, which showed Company's steady collection ratios. The centralized credit analysis and dedicated collections team together help maintain the quality and growth of the loan portfolio of the Company.

Broad offering of lending products designed to address our clients' needs

The broad offering of lending products by the Company has enabled it to gain new clients and increase revenues thereby helping to differentiate it from other single product offering NBFCs in lending business. The broad array of products, such as home loans, loans against properties, business loans, commercial vehicle financing and loans against shares, allow the Company to cross-sell multiple products to its clients and, in turn, capture a greater share of our clients' total financial products borrowing.

Strong brand recognition

The Company is one of India's leading NBFCs and has a strong brand recognition within India, which helps attract new, potential clients. In the year 2007, it was awarded the status of "Superbrand" by the Superbrands Council, whose members are some of India's pre-eminent business leaders. In addition, the Company has established a network of easily-accessible branches across 134 locations throughout India, and the wide presence of these branches further enhances its brand recognition with prospective clients.

Experienced senior management team

Indiabulls management team has a continued and strong focus on identifying quality growth areas that are capable of providing high returns. It has demonstrated a strong growth with a focus on minimising the risk profile of the Company. Under the leadership of the management team, the Company has diversified into various profitable business segments. In addition, the management promotes a results-oriented culture that rewards employees on the basis of merit. In order to strengthen the credit appraisal and risk management systems, the Company has hired a number of senior managers who have extensive experience in the Indian banking sector and specialised lending finance firms providing loans to retail customers, to develop and implement the credit policies of the Company.

BUSINESS STRATEGY

The Company is focused on maximising growth opportunities within the financial services industry, the strategy being driven by the following key principles.

Continue to grow our client base while maintaining a high-quality loan portfolio

The Company started its consumer finance business by issuing small-ticket unsecured loans, which generally earn higher yields and profit margins. Over the past three years, however, it has moved towards more secured lending, such as mortgage-backed loans and commercial vehicle refinancing. As the Company continues to grow its client base, it shall maintain its focus on secured lending to lower risk segments in order to maintain a high-quality loan portfolio and minimise client delinquencies and defaults.

Management Discussion & Analysis

Cross-sell products and services to existing clients

The Company is presently are entering into and/or evaluating opportunities to develop new businesses. For example, it is in the process of developing an asset management business to manage mutual funds which would be marketed to the clients. The Company is also in the process of developing a life insurance business with Société Générale Insurance. It is felt that these new business areas will help diversify Company's revenue sources in the coming years and provide new products and services which can be cross-sold to the clients.

Diversify sources of funding

Because the Company is a non-deposit taking NBFC, it relies on short- to mid-term funding from banks, NBFCs and other corporates. While it presently has sufficient funds to meet the short-term funding needs, the Company shall continue to identify various alternative sources of funding to maintain a low cost of funds and shall continue to assign its loan receivables to banks and other NBFCs, to enhance liquidity.

Maintain strict risk management policies for our loan portfolios

The Company is focussed on building a large loan portfolio with minimum delinquency risk. Therefore, it will continue to maintain strict risk management standards to reduce delinquency risks and promote a robust recovery process.

NEW BUSINESS OPPORTUNITIES

In addition to growing the lending business, the Company is in the process of developing an asset management business to manage mutual funds and a life insurance business with Société Générale Insurance. These businesses require regulatory approvals, before they can commence their respective businesses and the Company is at various approval stages in relation to each of the above new businesses.

The Company has also invested in a Multi-Commodity Exchange, namely Indian Commodity Exchange Limited (ICEL) (earlier known as International Multi Commodity Exchange Limited). As on March 31, 2009, the Company owned 100% of the equity shares of ICEL. Subsequently, ICEL has further allotted 3,99,50,000 equity shares of Rs. 10 each, fully paid up at par, to the Company and 5,00,00,000 equity shares of Rs. 10





each, fully paid up at par, to various other investors, resulting in the Company's ownership getting pegged at 44.44% of ICEL Equity. ICEL intends to further allot its shares to the investors. The said company is yet to commence its business.

PERCEIVED BUSINESS RISKS

The Company's business activities expose it to a variety of risks including liquidity risk and interest rate risk. Identification and management of these risks are essential to its success and financial soundness.

HUMAN RESOURCES

Your Company's multi-business context poses unique challenges to the Human Resource function. The Company's businesses are managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the competitive market. The Company's employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the largest corporate houses. The Company has a structured recruitment process, the focus is on recruiting people who have the right mindset for working at Indiabulls, supported by structured training programmes and internal growth opportunities.

During the year, even while the economic meltdown impacted the financial health of the organisations across the global, the Company's focus has been on unlocking the people potential and further developing their functional, operational and behavioral competencies. The Company has also launched Employee Stock Option Scheme for its employees with the basic objective of

ensuring the employee participation in the growth and progress of the Company. The belief "great people create great organisation" has been at the core of the Company's approach to its people.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate and effective internal control systems which ensure efficiency in operations and optimum utilisation of resources, accuracy and promptness in reporting adherence to the standards of efficiency set for various functional areas and the deviations if any, from the standards so set, so that corrective actions can be initiated at the appropriate time.

The effectiveness of internal control systems is constantly monitored by the Audit Committee set up by the Board and the required changes are introduced whenever and wherever necessary.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Report on Corporate Governance

1. The Company's philosophy on Corporate Governance

Sound Corporate governance practices and responsible corporate behaviour contribute to long term performance of companies. Best practices on governance issues are an evolutionary and continuing process. There is no single template to define good governance. Broadly however good corporate governance practices should aim at striking a balance between interests of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the company on the other.

The corporate governance policy in the company encompasses the simple tenets of integrity, transparency and fairness in whatever the company does and what it basically aims at achieving is a complete adherence to the applicable statutes while at the same time ensuring a complete commitment to values and the highest ethical standards in every facet of its operations and in each of the functional areas. This in turn ensures that best in the class concept of corporate governance practices become a way of life in the Company.

In line with the nature and size of operations of the Company, the corporate governance framework in Indiabulls Financial Services Limited ("IBFSL" or "the Company") is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- Independent verification and assured integrity of financial reporting
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests
- A sound system of risk management and internal control.
- Compliance with applicable laws, rules and regulations in letter and spirit.

2. Board of Directors (Board)

(A) Composition and size of the Board

The Board of Directors in IBFSL has been constituted in a manner which ensures appropriate mix of executive/non executive and independent directors to ensure proper governance and management. The Board members have collective experience in diverse fields like finance, banking engineering and technology.

The Board consists of eight directors, two of whom including the Chairman and the CEO are Executive Directors. The remaining six directors are Non-Executive Directors, with four of such directors being Independent Directors. The Chairman being an Executive Director, the number of Independent Non-Executive Directors on the Board is 50% of the Board strength at any point of time. The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various board committees, are depicted in the table given below:

S.no	Name of the Director	Category of Directorship	No. of Directorship in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
				Member	Chairman
1.	Mr. Sameer Gehlaut	Executive Director	3	3	1
2.	Mr. Rajiv Rattan	Non-Executive Director	12	6	Nil
3.	Mr. Saurabh K Mittal	Non-Executive Director	3	2	Nil
4.	Mr. Gagan Banga	Executive Director	6	1	Nil
5.	Mr. Aishwarya Katoch	Non-Executive Independent Director	5	9	5
6.	Mr. Shamsher Singh	Non-Executive Independent Director	2	3	3
7.	Mr. Karan Singh	Non-Executive Independent Director	6	3	2
8.	Mr. Prem Prakash Mirdha	Non-Executive Independent Director	3	2	Nil

* Does not include directorships held in foreign companies & private limited companies.

**Only memberships / chairmanships of the Audit committees / Shareholders Grievance Committees in various public limited companies, considered

(B) Number and Dates of Board Meetings held, the attendance record of Directors thereat and at the last AGM held

During the financial year 2008-2009 the Board met 23 (Twenty Three) times. The dates of the Board meetings were April 4, 2008, April 16, 2008, April 24, 2008, May 15, 2008, May 20, 2008, June 10, 2008, June 27, 2008, July 7, 2008, July 25, 2008, July 31, 2008, August 26, 2008, September 17, 2008, September 23, 2008, October 6, 2008, October 21, 2008, October 31, 2008, November 3, 2008, November 14, 2008, December 8, 2008, December 15, 2008, January 5, 2009, January 23, 2009 and March 12, 2009.

The last Annual General Meeting of the Company was held on September 05, 2008.

A table depicting the attendance of Directors at various board meetings held during the financial year 2008-2009 and at the Annual General Meeting last held is given below:

Sr. no.	Name of the Director	No. of board meetings attended	Attendance at the last AGM
1.	Mr. Sameer Gehlaut	22	No
2.	Mr. Rajiv Rattan	21	Yes
3.	Mr. Saurabh K. Mittal	12	No
4.	Mr. Gagan Banga	23	No
5.	Mr. Aishwarya Katoch	23	Yes
6.	Mr. Shamsher Singh	23	Yes
7.	Mr. Karan Singh	23	Yes
8.	Mr. Prem Prakash Mirdha	20	No

(C) Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the company www.indiabulls.com/financial. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this Report.

The code of conduct seeks to ensure that the Directors and the Senior Management Personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes on one hand and values and ethics on the other.

3. Committees of the Board

The Board constituted Committees namely - The Audit Committee; The Remuneration Committee and The Share transfer cum Shareholders'/Investors' Grievance Committee. These Committees act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairman. Matters requiring Board's attention/approval are placed before the Board. The role, the composition of these Committees including the number of meetings held during the financial year and the related attendance details are provided hereunder.

(A) Audit Committee

Composition

The Audit Committee comprises of three members namely Mr. Shamsher Singh as the Chairman, Mr. Aishwarya Katoch and Mr. Saurabh K. Mittal all Non-Executive Directors. Two out of the three members comprising the Committee i.e. Mr. Shamsher Singh and Mr. Aishwarya Katoch, are Independent Directors. Mr. Amit Jain is the Secretary to the Audit Committee.

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee, inter-alia, include :

- to oversee the financial reporting process and disclosure of financial information;
- to review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- to review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;

- to recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- to hold discussions with the Statutory and Internal Auditors to decide about the scope of audit.

Meetings and Attendance during the year

During the year ended March 31st, 2009, the committee met four times. The dates of the meetings being April 23, 2008, July 23, 2008, October 17, 2008 and January 20, 2009.

The attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Shamsheer Singh	4	4
Mr. Aishwarya Katoch	4	4
Mr. Saurabh Mittal	4	3

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings by invitation.

(B) Remuneration Committee

Composition

The Company has in place a Remuneration Committee comprising of three Independent Non-Executive Directors namely, Mr. Aishwarya Katoch, as Chairman, Mr. Prem Prakash Mirdha and Mr. Shamsheer Singh.

Terms of reference

The terms of reference of Remuneration Committee, inter-alia, include :

- to recommend to the Board compensation terms of the Executive Directors;
- to assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

Meetings

During the year, the Committee met twice on 4th July, 2008 and 25th July, 2008 and the meetings were attended by all of its members.

Remuneration Policy

Company's remuneration Policy is market led and takes into account the competitive circumstance of the business so as to attract and retain quality talent and leverage performance significantly.

Director's Remuneration:

(i) Remuneration of Executive Directors

The Table given below specifies the details of remuneration of package of Executive Directors and their relationships with each other

Name of the Director	Relationship With other Director	Salary and allowances (Rs.) per annum	Performance linked incentive (Rs.)	Monetary Value of perquisites (Rs.)	Sitting Fee	Total (Rs.)
Sameer Gehlaut	None	40,459,000	Nil	34,818,005	Nil	75,277,005
Rajiv Rattan*	None	14,625,500	Nil	22,465,693	Nil	37,091,193
Gagan Banga	None	14,973,580	Nil	55,272	Nil	15,028,852

* At present Mr. Rajiv Rattan is a non executive director on the board of the Company and does not receive any remuneration in any form what so ever, from the Company.

Notes:

1. Components of salary include the Basic salary and House rent Allowance. For Mr. Gagan Banga it also include Transport Allowance, Medical, LTA and Supplementary Allowance
2. Perquisite represents Gratuity, Superannuation and leave encashment, as applicable as per the terms of service, based on actuarial valuation.

3. The terms and conditions of service of Executive Directors are contractual in nature and are governed by applicable rules and policy of the Company.

(ii) Remuneration of Non Executive Directors

Non- Executive Directors have not been paid any remuneration/sitting fees during the financial year 2008-2009.

(C) Shareholders'/ Investors' Grievance Committee

Composition

The Share transfer cum Shareholders/investors grievance committee is at present constituted by the Board comprises of three directors namely, Mr. Aishwarya Katoch, Mr. Sameer Gehlaut and Mr. Karan Singh. Mr. Singh was appointed in place of Mr. Rajiv Rattan on January 23, 2009.

Mr. Aishwarya Katoch and Mr. Karan Singh are, Independent Non-Executive Directors. Mr. Katoch is the Chairman of the committee.

Terms of Reference

The scope, terms of reference and functioning of the Committee is as per areas prescribed by Clause 49 of the Listing Agreement. One of the primary functions carried out by the committee is to approve requests for share transfers and transmissions and to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. and for this purpose the required authority has been delegated to Mr.Karan Singh.

The Committee oversees all matters encompassing the shareholders' / investors' related issues.

Meetings and Attendance during the year

During the year ended March 31st, 2009, the committee met four times. The dates of the meetings being June 27, 2008, October 03, 2008, December 29, 2008 and March 16, 2009.

The attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	No. of meetings attended
Mr. Aishwarya Katoch	4
Mr. Sameer Gehlaut	2
Mr. Rajiv Rattan*	3
Mr. Karan Singh	1

* Mr. Rattan was member of the Committee upto January 23, 2009.

Name and designation of Compliance Officer

Mr. Amit Jain, Company Secretary is the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

Details of queries / complaints received and resolved during the year 2008-09

Sl. No.	Nature of Complaint	Received	Redressed	Pending
1.	Non receipt of Refund Order	4	4	Nil
2.	Non credit of shares in demat account	0	0	Nil
3.	Letters from SEBI/Stock Exchanges	0	0	Nil
4.	Legal cases / cases before consumer forum	0	0	Nil
5.	Non-receipt of dividend	247	247	Nil
6.	Change/correction of bank mandate on dividend warrants	64	64	Nil
7.	Complaints pertaining to allotment of shares in IPO/ESOP	2	2	Nil
	Total	317	317	Nil

4. General Body Meetings

(A) Location and time of last three Annual General Meetings (AGMs)

The location and time of the last three AGMs are as follows:

Year	Location	Date	Time
2005-2006	Centaur Hotel, IGI Airport, Delhi- Gurgaon Road, New Delhi - 110 037	July 17, 2006	10.00 A.M.
2006-2007	Centaur Hotel, IGI Airport, Delhi- Gurgaon Road, New Delhi - 110 037	September 17, 2007	2:00 P.M.
2007-2008	Centaur Hotel, IGI Airport, Delhi- Gurgaon Road, New Delhi - 110 037	September 05, 2008	10:45 A.M.

(B) Details of special resolutions passed in the previous three AGMs:

1. In the AGM of the Company for the year 2005-2006 and 2006-2007 held on July 17, 2006 and September 17, 2007 respectively, no special resolutions were passed.
2. In the AGM of the Company for the year 2007-2008 held on September 05, 2008, three special resolutions as briefly described below, were passed:
 - (i) Special resolution in terms of Section 372A of the Companies Act, 1956 pertaining to investment of the Company's funds in (1) Indiabulls Asset Management Company Limited, (2) Indiabulls Trustee Company Limited, (3) Indiabulls life Insurance Company Limited and (4) Indian Commodity Exchange Limited (formerly known as International Multi Commodity Exchange Limited), upto an aggregate sum of Rs. 1000 Crores in each of these Companies.
 - (ii) Special resolution in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to effect the amendments to the various Employees Stock Option Plans/ Schemes of the Company in respect of the schedules provided under such schemes, for vesting of options covered there under, granted by the Company to its employees.
 - (iii) Special resolution in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to effect the amendments to the various Employees Stock Option Plans/ Schemes of the Company in respect of the schedules provided under such schemes, for vesting of options covered there under, granted by the Company to the employees of the subsidiaries of the Company.

(C) Postal Ballot during the financial year 2008-2009

During the year 2008-2009, the Company in pursuance of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the Company conducted one postal ballot for seeking approval of the shareholders by way of special resolutions to the matters proposed in the relevant postal ballot notice. Mr. Sanjay Khandelwal, Practicing Company Secretary, New Delhi as Scrutinizer conducted the Postal Ballot exercise. The summary of the results is as follows:

Date of declaration of results: 8th December, 2008

Resolution No.	Description	Percentage of vote in favour of resolution	Percentage of vote against resolution
1	Special Resolution according approval to the cancellation and withdrawal of the following Employee Stock Option Schemes of the Company: (a) Employee Stock Option Plan-2005, covering 50,00,000 stock options and (b)IBFSL-ICSL Employees Stock Option Plan II M - 2006 , covering 14,40,000 stock options.	99.64	0.36
2	Special Resolution under Section 81(1A) and other applicable provisions if any, of the companies Act, 1956, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999("ESOS Guidelines"), including any statutory modification(s) or re-enactments (s) thereof, the Memorandum and Articles of Association of the Company and of other applicable statutes, if any to create, issue, offer	99.74	0.26

Resolution No.	Description	Percentage of vote in favour of resolution	Percentage of vote against resolution
	and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director, of the Company, whether whole time or otherwise (except the promoter directors and any director holding more than 10% of the outstanding Equity shares of the Company), under the scheme titled "Employees Stock Option Plan - 2008" (hereinafter referred to as the "ESOP-2008" or "Scheme") 75,00,000 (Seventy Five Lacs) equity options entitling the option holders to purchase an equivalent number of Equity shares of face value of Rs.2 (Two) each of the Company, at such price, in one or more tranches, and on such terms and conditions as given in the ESOP-2008.		
3	Special Resolution under Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOS Guidelines"), including any statutory modification(s) re-enactments(s) thereof, the Memorandum and Articles of Association of the Company and of other applicable statutes, if any for granting of Stock Options under the scheme titled "Employees Stock Option Scheme -2008" (hereinafter referred to as the "ESOP -2008" or "Scheme") to the employees of the subsidiaries of the Company.	99.74	0.26

D. Procedure for Postal Ballot.

For conducting a Postal Ballot notice specifying the resolutions proposed to be passed through Postal Ballot as also the relevant explanatory statement & the postal ballot forms are dispatched to all the shareholders alongwith self addressed postage prepaid envelope. The shareholders are requested to send back the postal ballot forms duly filled up & signed in the postage prepaid envelopes provided to them by the Company, so as to reach the scrutinizer (in whose name the envelopes are made) on or before the 30th day from the date of issue of notice by the Company.

The scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hands over the results to the Chairman. The Chairman there upon declares the results of the postal ballot and the same are also displayed on a notice at the registered office of the Company.

5. Disclosures

(i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the year 2008-2009, are contained in the notes to the annual accounts which form a part of the Annual Report.

(ii) Details of non-compliance, penalties etc imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years.

The Company is completing five years of existence as a listed entity and during this period there has been no instance of any non compliance by the Company on any matter related to capital markets and hence no penalties or strictures being imposed on the Company by SEBI or the Stock Exchanges or any other statutory authority.

(iii) Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has in place a highly effective Whistle blower policy which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management any violations of the applicable laws regulations as also any unethical or unprofessional conduct.

All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported so that adequate rectifying measures can be initiated in the right earnest, at the appropriate levels.

In order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees, identity of the employees is kept strictly confidential.

It would be important to mention here that the Audit committee set by the Board constitutes a vital component of the whistle blower mechanism and instances of financial misconduct if any, are reported to the Audit committee. No employee is denied access to the Audit Committee

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 49.

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the Non mandatory requirements are given at the end of the Report.

6. Means of Communication

- (i) **Publication of Results:** The quarterly / annual results of the Company are published in the leading newspapers viz The Economic Times / Financial Express / Business Standard (English) and Jansatta (Hindi).
- (ii) **News, Release, etc:** The Company has its own website www.indiabulls.com/financial and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. are regularly posted on the website
- (iii) The Company shall in the near future utilizing the common portal i.e. www.corpfilng.co.in set up by BSE and NSE in collaboration with each other, for updation of financial results and important information relating to the Company, required to be notified to the stock exchanges.
- (iv) **Investors' Relation:** The Company's website contains a separate dedicated section "Investor Relation" where Shareholders' information is available.
- (v) **Management's Discussion and Analysis Report** has been included in the Annual Report, which forms a part of the Annual Report.

7. General Shareholders' Information

(A) Date, Time and Venue of AGM

The date, time and venue of the ensuing AGM have been indicated in the Notice Convening the AGM, which forms a part of the Annual Report.

(B) (i) Profile of Directors seeking re-appointment

As per the Articles of Association of the Company, one-third of the Directors liable to retire by rotation every year shall so retire by rotation at the Annual General Meeting and are eligible to be reappointed. Consequently, at the ensuing AGM, Mr. Prem Prakash Mirdha and Mr. Aishwarya Katoch shall retire by rotation and being eligible offer themselves for reappointment, in accordance with the provisions of the Companies Act, 1956. A brief profile of the said directors is given below:

Mr. Prem Prakash Mirdha

Mr. Prem Prakash Mirdha, aged 53 years, is an independent Director on the Board of the Company. Mr. Prem Prakash Mirdha was a second mate foreign going in merchant navy. Mr. Prem Prakash Mirdha has had a long stint of 11 years with the merchant navy. He has set up his own cement plants and is currently running the same. Mr. Mirdha is at present Director in Indiabulls Real Estate Limited, Indiabulls Retail Services Limited, Indiabulls Securities Limited and Indiabulls Power Limited. He is a member of the Remuneration Committee of the Company, Indiabulls Real Estate Limited, Indiabulls Retail Services Limited, Indiabulls Securities Limited. He is also member of the Compensation Committee of the Indiabulls Power Limited. and member of Audit Committee and shareholders/investor Grievance Committee of Indiabulls Securities Limited. His working experience would benefit of Company's business in years to come, meriting his reappointment as director on the board of the Company.

He does not hold any shares in the Company.

Mr. Aishwarya Katoch

Mr. Aishwarya Katoch, aged 39 years, is a independent Director on the Board of the Company. Mr. Aishwarya Katoch runs a business engaged in leisure and heritage hotels. He holds a bachelor's degree in business administration and merchandising from American College of Applied Arts, London. Mr. Katoch is at present Director in Indiabulls Real Estate Limited, Indiabulls Retail Services Limited, Indiabulls Securities Limited, Indiabulls Housing Finance Limited, Kangra Hotels Private Limited, Royal Expeditions Private Limited and Indiabulls Power Limited. Mr. Katoch is a

member of the Audit Committee, Compensation Committee, Nomination Committee, Integrated Risk Management Committee and the chairman of Share Transfer Cum Shareholders / Investors grievance Committee and Remuneration Committee of the Company, constituted by the Board. He is the member of the Remuneration Committee, Compensation Committee and Chairman of Audit Committee of Indiabulls Power Limited; chairman of Remuneration Committee, Compensation Committee, Shareholders/Investors grievance committee and member of Audit Committee of Indiabulls Real Estate Limited and Indiabulls Retail Services Limited; member of Nomination Committee, Integrated Risk Management Committee of Indiabulls Finance Company Private Limited; chairman of Remuneration Committee, member of Compensation Committee and Audit Committee of Indiabulls Securities Limited. He is also chairman of Audit Committee of Indiabulls Housing Finance Limited. Mr. Katoch's working experience would benefit of Company's business in years to come, meriting his reappointment as director on the board of the Company.

He does not hold any shares in the Company.

(ii) Profile of Director seeking re-appointment as Whole Time Director

In the ensuing Annual General Meeting of the Company Mr. Gagan Banga is proposed to be re-appointed as Whole Time Director in the Company. A brief profile of the said director is given below:

Mr. Gagan Banga

Mr. Banga, has been a Director since March 30, 2005. He was appointed as our Chief Executive Officer on December 24, 2007. Mr. Banga holds a masters degree in Business Administration. He worked at NIIT as Regional Sales Head. Mr. Gagan Banga is at present Director in Indiabulls Insurance Agents Private Limited, Indiabulls Commodities Limited, Indiabulls Insurance Advisors Limited, Indiabulls Capital Services Limited, Indiabulls Housing Finance Limited, Indiabulls Life Insurance Company Limited and Nilgiri Financial Consultants Limited. He is the member of the Integrated Risk Management Committee and Asset Liability Management Committee of the Company and Indiabulls Finance Company Private Limited. He is the member of the Audit Committee of Indiabulls Capital Services Ltd. He is also the member of Asset Liability Management Committee of Indiabulls Housing Finance Limited.

(C) Financial Calendar 2009-2010 (tentative)

Tentative Schedule	Tentative Date
Financial reporting for the quarter ending 30th June 2009	End July 2009
Financial reporting for the quarter ending 30th September 2009	End October 2009
Financial reporting for the quarter ending 31st December 2009	End January 2010
Financial reporting for the quarter and year ending 31st March 2010	End April 2010 *
Annual General Meeting for the year ending 31st March 2010	End July 2010

*As provided under Clause 41 of the Listing Agreement, Board may also consider publication of Audited results for the financial year 2009-2010 by June 30, 2010 instead of publishing unaudited results for the fourth quarter.

(D) Date of Book Closure

Information about the Book Closure dates has been provided in the Notice convening the AGM, which forms a part of the Annual Report.

(E) Dividend Payment date

Information about the Dividend payout date has been provided in the Notice convening the AGM, which forms a part of the Annual Report.

(F) (i) Distribution of shareholding as on 31st March 2009

Sr.No.	Category of shares	No. of holders	% to total holders	Value in Rs.	% to nominal value
1	1 - 5000	121921	99.38	23377974.00	4.61
2	5001 - 10000	352	0.29	2554026.00	0.50
3	10001 - 20000	163	0.13	2426820.00	0.48
4	20001 - 30000	56	0.04	1382248.00	0.27
5	30001 - 40000	24	0.02	866174.00	0.17
6	40001 - 50000	22	0.02	985008.00	0.20
7	50001 - 100000	45	0.04	3109478.00	0.61
8	100001 & Above	99	0.08	472557810.00	93.16
	Total	122682	100.00	507259538.00	100.00

(ii) Shareholding pattern as on 31st March 2009

Sr. no.	Category	No. of Shares	% holding
1.	Promoters	7,53,68,614	29.72
2.	Mutual Funds	22,41,721	0.88
3.	Banks	41,400	0.02
4.	FIs	6,70,28,194	26.43
5.	Private Bodies Corporate	47,88,872	1.89
6.	Indian Public	1,77,15,385	6.98
7.	NRIs / OCBs	96,81,442	3.82
8.	GDRs (Shares underlying)	4,44,07,670	17.50
9.	Other foreign entities	313,75,000	12.37
10.	Others	9,81,471	0.39
	Total	25,36,29,769	100.00

(G) Dematerialization of shares and liquidity

Equity Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2009, 86.22 % Equity shares of the Company representing 21,86,94,523 out of a total of 25,36,29,769 Equity shares were held in dematerialized form and the balance 3,49,35,246 shares representing 13.78% of the total equity capital of the Company were held in physical form.

Subsequent to the FY 2008-09, and consequent upon issue of (i) 56,140,350 Equity Shares (face value of Rs. 2 each) in dematerialization form by way of Qualified Institutions Placement within the meaning of Chapter XIII-A of SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended, and (ii) 1,10,681 Equity shares (face value of Rs. 2 each) in dematerialization form upon exercise of stock options by certain eligible employees vested to them in terms of IBFSL-ICSL Employees Stock Option Plan -2006 and IBFSL-ICSL Employees Stock Option Plan II-2006 the outstanding equity shares stands increased to 30,98,80,800 Equity shares, out of which 27,49,45,554 representing 88.73% Equity Shares were held in dematerialized form and the balance 3,49,35,246 Equity shares representing 11.27% of the total equity capital of the Company were held in physical form

(H) Outstanding GDRs

The number of outstanding GDRs as on March 31, 2009 was 4,44,07,670. Each GDR represents one equity share of Rs. 2 each in the Company

(I) Listing on Stock Exchanges

The Company's securities are listed on the following stock exchanges as of March 31, 2009:

Equity Shares	Global Depository Receipts (GDRs)
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Luxembourg Stock Exchange Societe de la Bourse de Luxembourg, II av de la Porte - Neuve, L-2227, Luxembourg.
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	

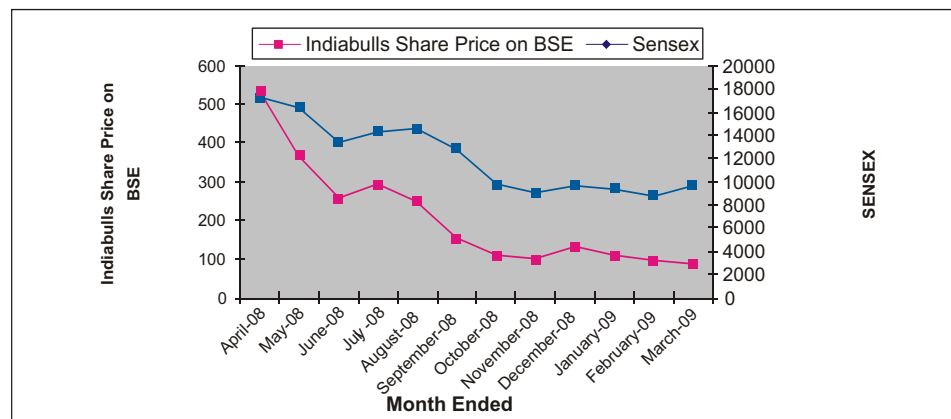
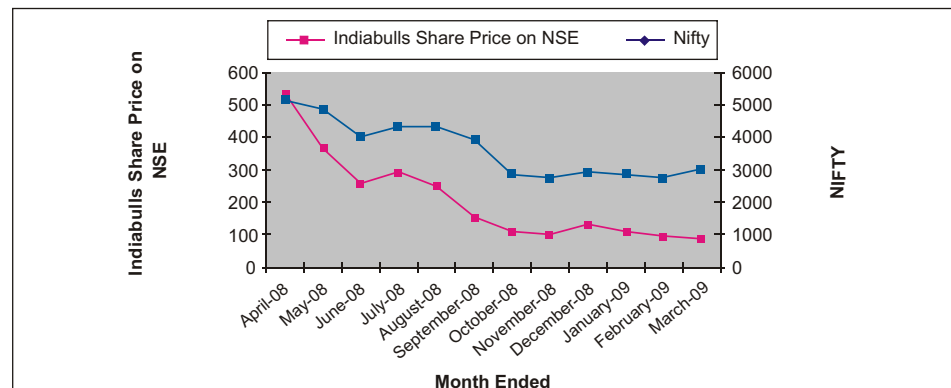
(J) Stock Code

Bombay Stock Exchange Ltd. - 532544
National Stock Exchange of India Ltd- INDIABULLS/EQ
ISIN for Dematerialization - INE894F01025

(K) Stock Market Price at National Stock Exchange and Bombay Stock Exchange (BSE)

Month	Share Prices at NSE		Share Prices at BSE	
	High	Low	High	Low
April 2008	562.40	394.00	563.00	392.40
May 2008	554.90	365.70	552.00	365.00
June 2008	398.00	237.25	377.00	237.55
July 2008	299.00	214.10	298.00	213.00
August 2008	351.05	230.35	349.90	230.50
September 2008	271.65	140.00	271.60	144.00
October 2008	162.50	77.40	162.00	77.75
November 2008	133.25	87.00	133.20	87.00
December 2008	151.00	89.60	150.95	90.00
January 2009	149.60	85.55	149.60	85.85
February 2009	138.80	91.50	138.75	91.50
March 2009	97.00	80.80	96.75	80.60

(L) Comparison of daily closing prices of the Company's share with the broad-based indices viz NSE Nifty & BSE Sensex.



(M) Registrar and Transfer Agents

M/s Karvy Computershare Private Limited are acting as the Registrar and Transfer Agents of the Company for handling the share related matters both in physical and dematerialised mode.

The contact details are as under:

Karvy Computershare Pvt Limited
Unit : Indiabulls Financial Services Limited,
Plot No.17-24 Vittal Rao Nagar Madhapur Hyderabad - 500081

Contact Person : Mr. K Sreedhara Murthy, Asst.Gen.Manager
Tel : 040-23420815-825, Fax: 040-23420814, E-mail: einward.ris@karvy.com

(N) Share Transfer System

For speedy processing of share transfers, the Board has delegated powers to approve share transfers to the Share transfer cum Shareholders/investors grievance committee. The share transfer requests, are processed on the first and third Monday of every month thereby ensuring that share transfers are processed and the transferred certificates sent to the concerned investors well within the stipulated time as prescribed under the Listing agreements.

(O) Address for Correspondence

(i) Registered Office:

Indiabulls Financial Services Limited
F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi- 110 001

(ii) Corporate Office:

"Indiabulls House"
448-451, Udyog Vihar, Phase V, Gurgaon - 122 001, Haryana
S.P. Center, C-Wing, 41/44, Minoo Desai Marg, Near Radio Club, Colaba, Mumbai- 400 005

8. Compliance Certificate from the Practicing Company Secretary

A certificate from Mr. Sanjay Khandelwal, Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to and forms a part of this Report.

The certificate is also being forwarded to the Stock Exchanges in India where the Securities of the Company are listed.

9. CEO & CFO Certification

The certificate required under Clause 49(V) of the listing agreement duly signed by the CEO and CFO has been submitted to the Board.

10. Non-Mandatory Requirements

(A) Non-Executive Chairman

The Company has an executive Chairman and hence the requirements recommended as to a non-executive chairman under the clause 49, are not required to be adopted by the Company.

(B) Remuneration Committee

The Company has a properly constituted Remuneration Committee in place. For details as to the constitution of the Remuneration Committee and the functional responsibility vested in it, please refer to point no. 3 in the earlier part of this report.

(C) Shareholders Rights

The Company is getting its quarterly / half yearly and Annual financial results published in leading newspapers with wide distribution across the country and regularly updates the same on its public domain website.

(D) Unqualified financial statements

The Auditors report on the audited annual accounts of the Company does not contain any qualification from the Statutory Auditors and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

(E) Whistle Blower Policy

The Company has a well established Whistle blower policy in place which lays down an effective mechanism for the employees to report violations of laws, rules and regulations as also unethical conduct, at the appropriate management levels for taking timely and appropriate actions in respect thereof, without loss of time. For a detailed description of the whistle blower policy please refer to point no.5 (iii) in the earlier part of this Report.

At present the Company has not adopted the non mandatory requirements as to any of the other matters recommended under Annexure 1D to the Clause 49 of the Listing Agreements with the Stock Exchanges.

Annual Declaration by CEO

Pursuant To Clause 49(1) (d) (ii) of the Listing Agreement



As the Chief Executive Officer of Indiabulls Financial Services Limited and as required by Clause 49(1)(D)(ii) of the Listing Agreement, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial year 2008-09.

Date: August 27, 2009
Place: New Delhi

Gagan Banga
Chief Executive Officer

Certificate

Regarding Compliance of Conditions of Corporate Governance

To the Members of Indiabulls Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Indiabulls Financial Services Limited ("the Company"), for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

We state that there is no outstanding investor grievances as on March 31, 2009 as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. Khandelwal & Co.
Company Secretaries

Date: August 27, 2009
Place: New Delhi

Sanjay Khandelwal
Proprietor
Membership No: FCS 5945
C.P. No: 6128

Dear Shareholders,

Your Directors have pleasure in presenting the 10th Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2009.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2009 .

Particulars	Amount (in Rs.)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Profit before Depreciation	2,537,049,076	5,729,139,462
Less: Depreciation / Amortisation	68,088,503	60,511,284
Profit before Tax	2,468,960,573	5,668,628,178
Less: Provision for Tax	536,725,443	1,848,450,731
Profit after Tax	1,932,235,130	3,820,177,447
Prior period adjustments	30,514,262	477,592
Add Balance of profit brought forward	812,187,831	302,958,501
Addition/Deduction pursuant to the Scheme of Arrangement		
Add: Transfer from ICSL under Amalgamation	-	870,900,645
Less: The difference between the face value of shares issued and the book value of net assets taken over from ICSL after accounting for the cancellation of investment in and after crediting the Reserve Fund, Securities Premium Account	-	(375,862,816)
Amount available for appropriation	2,713,908,699	4,617,696,185
Appropriation:		
Dividend paid on preference Shares	118,186,239	58,931,664
Proposed dividend on preference Shares	38,679,133	32,144,542
Proposed Final Dividend on Equity Shares	507,259,538	2,154,129,407
Dividend on Equity Shares issued after the year end on account of GDR/Warrants Conversion	-	27,970,903
Dividend on Equity shares issued after the year end under Qualified Institutional Placement	112,280,700	-
Dividend on Equity shares issued after the year end under ESOP allotment	221,362	-
Corporate Dividend Tax on:		
- Dividend paid on Preference Shares	20,085,752	10,015,436
- Proposed dividend on Preference Shares	6,573,519	5,462,965
- Proposed Final dividend on Equity Shares	86,208,758	366,094,293
- Dividend on Equity Shares issued after the year end on account of GDR/Warrants Conversion	-	4,753,655
- Dividend on Equity shares issued after the year end under Qualified Institutional Placement	19,082,105	-
- Dividend on Equity shares issued after the year end under ESOP allotment	37,621	-
Transfer to Reserve Fund (u/s 45IC of the R.B.I. Act, 1934)	380,344,174	764,035,489
Transfer to General Reserve	190,175,000	381,970,000
Balance carried to Balance Sheet	1,234,774,798	812,187,831

REVIEW OF OPERATIONS

Financial year 2008-2009 was characterized by unprecedented global financial crisis with a sudden and complete collapse of the global wholesale lending markets, distortion of long term highly correlated interest rates, service equity and credit market dislocations and severe financial stress in operating businesses in almost all sectors of the economy.

The severe financial crisis took its toll on many marquee financial service brands such as Lehman Brothers, Bear Stearns, Merrill Lynch and AIG etc. to name a few. In India many large NBFCs had to stop their lending operations or to restructure their businesses significantly.

Despite the global turmoil and severe stress in global financial institutions, Your Company maintained its high credit ratings and further enhanced its borrowing limits under PI+ Commercial paper programme rated by CRISIL to Rs. 5000 crores (from Rs. 2000 crores) during the financial year 2008-2009.

In spite of difficult times, the Company managed to close the year with a revenue of 1,783.5 crore, up 34.3% from Rs. 1,327.9 crore in the year 2007-2008.

The post tax profit however fell by 50.2 % from Rs. 382.0 crore in the financial year 2007-2008 to Rs. 190.2 crore in the financial year 2008-2009.

The factors significantly responsible for the decline in profits were (a) increase in the cost of borrowing and (b) liquidation in the treasury portfolio resulting in losses in the subsidiaries which were fully charged to the Profit & Loss Account.

However the factors that negatively impacted the financials for the financial year 2008-2009, have started to move in a favourable direction and will significantly expand the net interest margins and profits in the financial year 2009-2010.

Some of the positives for the year 2009-2010 are outlined as under:

1. Strong growth of more than 30% in the asset portfolio during the FY 2010 driven by new disbursements target over Rs. 6000 crores through the financial year.
2. Significantly reduced negative carry on excess cash as against the previous financial year when the Company carried a significant excess cash burden to ensure cash availability throughout the financial crisis to aid the transition of the balance sheet through short term liability to long term debts.
3. Decrease in borrowing costs as incremental cost is substantially lower for one year term as compared to average interest bearing liability cost of 12.5% as at the end of March 31, 2009. The Company believes that its liability portfolio would be rapidly priced down as the Company would use its strong capital position and increased market liquidity to aggressively manage its interest costs. In fact during the first quarter of the financial year 2009-2010 the Company was able to borrow at significantly reduced interest cost of 7%.

UPDATES ON NEW BUSINESS VENTURES AND OTHER SIGNIFICANT DEVELOPMENTS IN THE COMPANY

Life Insurance Business

The Company expects its life insurance business to be a key growth driver in the next few years and is looking at making substantial investments to scale up the business soon after completing the regulatory process.

The Appointment of Key Management Personnel and set up of Project Management Office, key vendors and technology providers has been completed. The licensing process is expected to be completed in the current year.

The Company will leverage on its strong capital base and large distribution strength to rapidly gain market shares.

Multi Commodity Exchange

Indian Commodity Exchange Limited, being set up as a joint venture between the Company and MMTC is expected to go live very soon.

The technology platform for the exchange including network infrastructure is at advanced stage of completion and the membership campaign is underway.

The recognition from Forward Markets Commission is expected shortly and the Exchange has identified about a dozen contracts in the first phase comprising bullion, agro and base metals and energy with strong delivery support.

Iniabulls Assets Management Company Limited

The Company has hired key personnel for launch of Debt Schemes and has also completed the process of appointment of Trustees.

Further, key vendors for fund accounting and for setting up the technology platform have been identified and have started work on their respective assignments

Qualified Institutional Placement

Pursuant to your approval as received in the Extraordinary General meeting of the Company held on the 18th of July 2009, the Company made a Qualified Institutional placement of 5,61,40,350 Equity shares of face value Rs. 2 each with the Qualified Institutional Buyers, at a price of Rs. 171 per share raising an amount of approximately Rs. 1000 crores from the process.

DIVIDEND

During the financial year 2008-2009 the Company has paid preference dividend @10% aggregating Rs. 156,865,372 to Oberon Limited, a foreign entity, as per the agreed terms.

In keeping with the Company's policy to reward its shareholders, the Board of Directors of the Company has recommended a 100% i.e. Rs 2 per share on the face value of Rs. 2 per share, as dividend for the financial year 2008-2009, which if approved at the ensuing Annual General Meeting, would be paid to those members whose names appear in the Company's Register of Members as on the book closure date appearing in the notice convening the Annual General Meeting which forms a part of the Annual Report and to all those members whose names appear as beneficial owners in the records of the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, as on the said date.

EMPLOYEES STOCK OPTIONS

During the Financial Year the following Employee Stock Option Schemes were cancelled and withdrawn:

- a. Employee Stock Option Plan -2005 covering 50,00,000 stock options and
- b. IBFSL-ICSL Employee Stock Option Plan II M -2006 covering 14,40,000 stock options.

However, with a view to reward performance and to retain talented employees of the Company and its subsidiaries, a new scheme titled 'Employees Stock Option Plan 2008' was launched. The Scheme covers 75 lacs stock options, convertible into equal number of Equity Shares of face value Rs. 2/- each. The Compensation Committee has granted the said 75 lacs options to the eligible employees, at an exercise price of Rs. 95.95 per option. The stock options so granted, shall vest in the eligible employees within 10 years with effect from December 9, 2009, the first vesting date.

Subsequent to year end, upon exercise of stock options vested in terms of IBFSL-ICSL Employees Stock Option Plan - 2006 and IBFSL-ICSL Employees Stock Option Plan II-2006 by certain eligible employees and receipt of full consideration therefor, the Board at its meeting held on August 27, 2009, has allotted an aggregate of 1,10,681 Equity shares of face value Rs. 2/- each to such employees. Consequent to this allotment, the paid-up Equity share capital of the Company stands increased from Rs. 61,95,40,238/- divided into 30,97,70,119 Equity shares of face value Rs. 2/- each to Rs. 61,97,61,600/- divided into 30,98,80,800 Equity shares of face value Rs. 2/- each

The disclosures required to be made in the Directors Report in respect of the stock options granted under various employee stock option schemes in force in the Company, in terms of the format prescribed under SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines 1999 are set out in the Annexures forming a part of this report.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

SUBSIDIARIES

The statement pursuant to Section 212(1) (e) of the Companies Act, 1956 relating to subsidiary companies forms a part of the financial statements.

In terms of approval granted by the Ministry of Company Affairs, Government of India vide letter No. 47/418/2009-CL-III dated 22.05.2009 under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries of the Company as of March 31, 2009 have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any Member of the Company interested in obtaining the same. However, as directed by the Ministry of Company Affairs, the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by The Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes financial information of its subsidiaries.

DIRECTORS

Pursuant to the shareholders authorization dated July 26, 2005, the term of appointment of Mr. Sameer Gehlaut as a Whole-time Director of the Company stands renewed for a further period of five years w.e.f. February 27, 2009 to enable the Company to avail the continued benefit of his acumen and experience.

Further, the term of office of Mr. Gagan Banga, who is also the Whole Time Director of the Company, shall come to an end on the 29th of March 2010. In order to have the continued benefit of their acumen and experience, the Board has proposed to reappoint him as Whole Time Director, for a further period of five years subsequent to the expiry of their initial term as aforesaid, i.e. w.e.f. March 30, 2010.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and the Article 129 of the Articles of Association of the Company Mr. Prem Praksah Mirdha and Mr. Aishwarya Katoch retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Brief resume of the Directors seeking reappointment, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

Directors' Report continued

LISTING WITH STOCK EXCHANGES

The equity shares of the Company continue to remain listed with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The listing fees payable to both the exchanges for the financial year 2009-2010 have been paid. The Global Depository Receipts issued by the Company continue to be listed on the Luxembourg Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. A Practicing Company Secretary's Certificate certifying the Company's compliance with the requirements of Corporate Governance stipulated under clause 49 of the Listing Agreement is attached with the Corporate Governance Report.

AUDITORS & AUDITORS' REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their reappointment, if made would be in accordance with Section 224(1B) of the Companies Act 1956. The Board recommends their re-appointment.

The Notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

The information required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, is given in the Annexure and forms a part of this Report.

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year. Your Directors also wish to place on record their deep sense of appreciation for the contributions made and committed services rendered by the employees of the Company at various levels, to the growth & success of the Company.

For and on behalf of the Board of Directors

Date: September 01, 2009
Place: New Delhi

Sameer Gehlaut
Chairman

ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

Information pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo.

A. CONSERVATION OF ENERGY

The Company uses energy for its equipment such as electric equipment, computers, lighting and utilities in the work premises. As an ongoing process the following measures are undertaken to conserve energy:

- a. Implementation of viable energy saving proposals.
- b. Installation of automatic power controllers to save maximum charges and energy.
- c. Training front end operational personnel on opportunities of energy conservation.
- d. Awareness and training sessions for maintenance personnel, conducted by experts.

B. TECHNOLOGY ABSORPTION

The Company believes that technological obsolescence is a practical reality and therefore Constantly endeavors to carry out continuous research and innovations with the basic objective of providing maximum benefits to the clients and other end users by working proactively.

The basic idea is to carry out applied research in the areas that are closely related to realization of the business objectives of the Company and seek to encash available business opportunities

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

While there were no earnings in foreign exchange during the year under review, the foreign exchange outgo on account of various heads is depicted below:

a. Expenditure in Foreign Currency

Amount (in Rs.)

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Professional Expenses	1,112,873	--
GDRs listing / Issue related expense	160,912	8,658,665
Traveling Expense	915,033	3,775,874
Others	228,221	310,500

b. Remittances during the year in foreign currency on account of dividends:

Final Dividend (Year End March 31, 2008)

Number of Shareholders: 5

Equity Shares held on which dividend is remitted: - 28,570,229 Equity Shares

Amount Remitted- Rs. 242,846,946.50

Preference Dividend (From April 1, 2008 to March 31, 2009)

Number of Shareholders: 1

Preference Shares held on which dividend is remitted: - 9,966,667 Preference Shares

Amount Remitted- Rs. 150,330,781

Annexure to the Directors' Report continued

IBFSL - ICSL Employees Stock Option Plan - 2006

Particulars	
a. Options Granted	1,440,000
b. Exercise price	41.67
c. Options vested	489,600
d. Options exercised	278,434
e. The total number of Shares arising as a result of exercise of option	278,434
f. Options lapsed	Nil
g. Variation in terms of options	Not Applicable
h. Money realized by exercise of options	Rs. 11,602,340
i. Total number of options in force	1,161,566
j. Employee wise details of options granted to;	
i. Senior Management personnel	Mr. Gagan Banga - 3,95,000
ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company.	NIL
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	Rs.6.72
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	The employee compensation cost using the intrinsic value of the stock options is nil. Had the Company followed the fair value method, the employee compensation cost would have also been nil. Hence there is no difference in employee compensation cost computed under intrinsic value and fair value method and hence no impact on profits and on EPS of the Company.
m. Weighted - average exercise prices and weighted - average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Rs.41.67
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted - average information:	Refer schedule 18 Part B - Notes to Accounts forming a part of the Annual Report.
i. risk free interest rate	
ii. expected life	
iii. Expected volatility	
iv. expected dividends, and	
v. the price of the underlying share in market at the time of option grant	

IBFSL - ICSL Employees Stock Option Plan II - 2006
Particulars

a. Options Granted	720,000
b. Exercise price	100
c. Options vested	79,200
d. Options exercised	35,027
e. The total number of Shares arising as a result of exercise of option	35,027
f. Options lapsed	Nil
g. Variation in terms of options	Not Applicable
h. Money realized by exercise of options	35,02,700
i. Total number of options in force	6,84,973
j. Employee wise details of options granted to;	
i. Senior Management personnel	Mr. Gagan Banga - 2,99,160
ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company.	Nil
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	Rs.6.72
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	The employee compensation cost using the intrinsic value of the stock options is nil. Had the Company followed the fair value method, the employee compensation cost would have also been nil. Hence there is no difference in employee compensation cost computed under intrinsic value and fair value method and hence no impact on profits and on EPS of the Company.
m. Weighted - average exercise prices and weighted - average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not applicable as the options have not yet been exercised.
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted - average information:	Refer schedule 18 Part B - Notes to Accounts forming a part of the Annual Report.
i. risk free interest rate	
ii. expected life	
iii. expected volatility	
iv. expected dividends, and	
v. the price of the underlying share in market at the time of option grant	

Annexure to the Directors' Report continued

Employees Stock Option - 2008

Particulars	
a. Options Granted	7,500,000
b. Exercise price	95.95
c. Options vested	Nil
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	Nil
g. Variation in terms of options	Not Applicable
h. Money realized by exercise of options	Nil
i. Total number of options in force	7,500,000
j. Employee wise details of options granted to;	
i. Senior Management personnel	Mr. Gagan Banga - 7,86,000
ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company.	Nil
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	Rs.6.72
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	The employee compensation cost using the intrinsic value of the stock options is nil. Had the Company followed the fair value method, the employee compensation cost would have been Rs. 114,266,108. Accordingly, the Company's net Profit would have been lower by Rs. 114,266,108 and the basic and diluted earning per share would have been Rs. 6.33 and Rs. 6.28 respectively
m. Weighted - average exercise prices and weighted - average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not applicable as the options have not yet been exercised.
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted - average information:	Refer schedule 18 Part B - Notes to Accounts forming part of the Annual Report.
i. risk free interest rate	
ii. expected life	
iii. expected volatility	
iv. expected dividends, and	
v. the price of the underlying share in market at the time of option grant	

To The Board of Directors of Indiabulls Financial Services Limited

1. We have audited the attached Consolidated Balance Sheet of Indiabulls Financial Services Limited Group as at March 31, 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Indiabulls Financial Services Limited's ("the Company") management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of twelve subsidiaries, whose financial statements reflect total assets of Rs. 3,102,566,939 as at March 31, 2009, total revenues of Rs. 226,637,351 and net cash outflows amounting to Rs. 48,492,875 for the year ended on that date as considered in the Consolidated Accounts; and of one associate which reflects the Group share of profits of Rs. 709,854 for the year then ended. These financial statements and other financial information has been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by Indiabulls Financial Services Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investment in Associates in Consolidated Financial Statements as notified by Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the consolidated balance sheet, of the state of affairs of Indiabulls Financial Services Limited Group as at March 31, 2009;
 - b. in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - c. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Membership No.: 038568

Mumbai: June 06, 2009

Consolidated Balance Sheet

of Indiabulls Financial Services Limited Group as at March 31, 2009

		Amount (in Rs.)	
	Schedule	As at March 31, 2009	As at March 31, 2008
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	2,075,913,257	2,075,507,697
Reserves and Surplus	B	32,191,437,562	31,982,203,089
		34,267,350,819	34,057,710,786
Minority Interest			
Share Application Money Pending Allotment (Refer Note B 28 of Schedule O)		1,031,501,828	950,096,610
		340,000,000	-
		35,638,852,647	35,007,807,396
Loan Funds			
Secured Loans	C	45,440,940,980	38,835,857,354
Unsecured Loans	D	22,850,000,000	73,380,000,000
		68,290,940,980	112,215,857,354
Deferred Tax Liability (Net)			
(Refer Note B 17 of Schedule O)		-	570,719,184
TOTAL		103,929,793,627	147,794,383,934
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	621,936,597	589,507,709
Less: Depreciation / Amortisation		183,908,295	110,176,441
Net Block		438,028,302	479,331,268
Capital work in progress / Capital Advances		11,689,994	18,436,975
		449,718,296	497,768,243
Investments			
	F	11,955,182,108	5,127,417,052
Deferred Tax Asset (Net)			
(Refer Note B 17 of Schedule O)		140,908,489	-
Current Assets, Loans and Advances			
Sundry Debtors	G	84,091,145	144,422,878
Cash and Bank Balances		24,339,749,610	72,094,680,421
Other Current Assets		1,180,428,309	867,167,826
Loans and Advances		70,499,198,061	83,039,442,691
		96,103,467,125	156,145,713,816
Less : Current Liabilities and Provisions			
Current Liabilities	H	2,318,594,820	9,310,022,018
Provisions		2,400,887,571	4,666,493,159
		4,719,482,391	13,976,515,177
Net Current Assets		91,383,984,734	142,169,198,639
TOTAL		103,929,793,627	147,794,383,934
Significant Accounting Policies and Notes to Accounts	O		

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

K. A. Katki
Partner

Sameer Gehlaut
Whole time Director

Gagan Banga
Whole time Director

Amit Jain
Company Secretary

Mumbai: June 06, 2009

Mumbai: June 06, 2009

Consolidated Profit and Loss Account

of Indiabulls Financial Services Limited Group for the Year ended March 31, 2009

	Schedule	Year ended March 31, 2009	Year ended March 31, 2008
Amount (in Rs.)			
INCOME			
Revenue from operations	I	20,030,877,611	16,862,495,881
Other Income	J	26,986,043	25,150,714
		20,057,863,654	16,887,646,595
EXPENDITURE			
Operating Expenses	K	227,055,159	426,291,776
Personnel Costs	L	1,668,922,598	2,389,173,598
Administrative and Other Expenses	M	6,022,649,000	1,767,661,076
Interest and Finance Charges	N	10,286,572,880	3,922,559,454
Depreciation / Amortisation		78,095,945	71,567,490
		18,283,295,582	8,577,253,394
Profit before tax		1,774,568,072	8,310,393,201
Provision for Taxation			
- Current Tax		1,414,341,643	2,423,743,272
- Deferred Tax Credit / Expenses (Net)		(711,627,672)	45,664,076
- Fringe Benefits Tax		8,466,733	13,001,995
Profit After Tax		1,063,387,368	5,827,983,858
Prior Period Adjustments			
- Taxation		3,799,016	21,586,851
Profit after tax and prior period adjustment		1,059,588,352	5,806,397,007
Minority Interest		65,124,176	62,472,889
Profit After Minority Interest		994,464,176	5,743,924,118
Balance of Profit Brought Forward		3,204,907,545	4,031,645,940
Adjustments pursuant to the scheme of arrangement			
Impact of Merger		-	34,354,033
Impact of Demerger		-	(2,647,075,368)
Amount Available for appropriation		4,199,371,721	7,162,848,723
Appropriations			
Dividend paid on Preference Shares		118,186,239	58,931,664
Proposed Dividend on Preference Shares		38,679,133	32,144,542
Proposed Final Dividend on Equity Shares		507,259,538	2,154,129,407
Dividend on Equity Shares issued after the year end on account of GDR/Warrant conversion		-	27,970,903
Corporate Dividend Tax on Dividend paid on Preference Shares		20,085,752	10,015,436
Corporate Dividend Tax on Proposed Dividend on Preference Shares		6,573,519	5,462,965
Corporate Dividend Tax on Proposed Final Dividend on Equity shares		86,208,758	366,094,293
Corporate Dividend Tax on Dividend on Equity Shares issued after the year end on account of GDR/Warrant conversion		-	4,753,655
Transfer to General Reserve		190,175,000	381,970,000
Transfer To Reserve Fund (U/s 29C of the N.H.B. Act, 1987)		44,717,212	111,976,157
Transfer To Reserve Fund (U/s 45IC of the R.B.I. Act, 1934)		422,910,091	804,492,156
		1,434,795,242	3,957,941,178
Balance of Profit Carried forward		2,764,576,479	3,204,907,545
Earnings Per Share - Basic and Diluted			
(Refer Note B 18 of Schedule O)			
- Basic (Rs.)		3.13	22.84
- Diluted (Rs.)		3.11	22.09
- Face value per Equity Share (Rs.)		2.00	2.00
Significant Accounting Policies and Notes to Accounts	O		

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

K. A. Katki
Partner

Sameer Gehlaut
Whole time Director

Gagan Banga
Whole time Director

Amit Jain
Company Secretary

Mumbai: June 06, 2009

Mumbai: June 06, 2009

Consolidated Cash Flow Statement

of Indiabulls Financial Services Limited Group for the year ended March 31, 2009

	Amount (in Rs.)	
	For the Year ended March 31, 2009	For the Year ended March 31, 2008
A Cash flow from operating activities :		
Net Profit before tax	1,774,568,072	8,310,393,201
Adjustments for :		
Share of Reserves and Surplus of Associate	(709,854)	(708,738)
Depreciation / Amortisation	78,095,945	71,567,490
Provision for Doubtful Loans	210,622,859	592,027,160
Bad Debts written off	1,743,260,387	446,734,885
Provision for Share Warrants	66,500,000	-
Provision for Gratuity / Compensated Absences and Superannuation Expenses	14,920,530	33,332,737
Interest on Vehicle Loans	1,263,889	1,726,965
Loss / (Profit) on sale of Investment / Dealing in Securities (Net)	2,231,376,073	(1,587,604,787)
Loss on sale on fixed assets	14,042,758	163,729
Liabilities / Provisions written back	(18,495,628)	(444,936)
	4,340,876,959	(443,205,495)
Operating Profit before working capital changes	6,115,445,031	7,867,187,706
Adjustments for:		
Trade and other receivables	10,544,055,493	(61,079,121,698)
Trade Payables and other liabilities	(6,972,931,570)	6,933,108,900
	3,571,123,923	(54,146,012,798)
Cash generated from / (used in) operations	9,686,568,954	(46,278,825,092)
Direct taxes paid	(1,998,646,111)	(2,689,027,904)
	(1,998,646,111)	(2,689,027,904)
Net cash generated from / (used in) operating activities	7,687,922,843	(48,967,852,996)
B Cash flow from investing activities :		
Purchase of fixed assets (net)	(44,088,756)	(127,959,196)
Net Cash transferred under Scheme of Arrangement	-	(25,000,000)
Share Application Money Pending Allotment	340,000,000	-
Net proceeds from dealing in Securities	119,839,454	1,704,993,069
Proceeds from sale of Long term Investments	2,621,774,345	2,414,068,707
Purchase of Long term Investments	(3,359,535,287)	(5,039,489,872)
Net cash used in investing activities	(322,010,244)	(1,073,387,292)
C Cash flow from financing activities		
Net proceeds from Issue of Equity Shares (including Securities Premium)	8,449,840	13,111,602,140
Net Proceeds from Borrowings	(42,394,916,374)	101,114,553,696
Net Proceeds from issue of Non Convertible Debentures	(1,530,000,000)	1,130,000,000
Interest on Vehicle Loans	(1,263,889)	(1,726,965)
Distribution of Preference Dividends (including Corporate Dividend Tax thereon)	(175,879,498)	(119,108,145)
Distribution of Equity Dividends (including Corporate Dividend Tax thereon)	(2,520,223,700)	(261,016,957)

Consolidated Cash Flow Statement continued

of Indiabulls Financial Services Limited Group for the year ended March 31, 2009

	Amount (in Rs.)	
	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Net cash (used in) / generated from financing activities	(46,613,833,621)	114,974,303,769
D Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(39,247,921,022)	64,933,063,481
E Cash and cash equivalents at the beginning of the year	72,169,695,612	11,356,561,990
F Opening Cash and Cash equivalents of Indiabulls Securities Limited Demerged	-	(4,119,929,859)
G Cash and cash equivalents at the close of the year (D + E) (Refer Note No. 2 below)	32,921,774,590	72,169,695,612

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statements' as notified by the Companies (Accounting Standards) Rules, 2006.
- The cash and cash equivalents as at the end of the year includes an amount of Rs. 297,147,283 (Previous Year Rs. 439,207,907) payable on assignment of Loans.
- The above cash flow statement excludes assets/liabilities (other than Cash balance) transferred on demerger of Securities Broking and Advisory business to Indiabulls Securities Limited (the erstwhile subsidiary company), as it is a Non-Cash Transaction (Refer Note B 5 of Schedule O).
- Cash and cash equivalents as at the close of the Year include:

Cash In Hand	107,136,889	9,285,863
Balances with Schedule Banks:		
- in current accounts	1,171,348,581	36,533,176,660
- In Fixed Deposit Accounts		
Having maturity less than 3 months	6,010,000,000	20,070,000,000
Having maturity more than 3 months	17,047,012,373	15,480,928,773
- In Unclaimed Dividend (Designated Bank Accounts)	4,251,767	1,289,125
	24,339,749,610	72,094,680,421
Current Investments in Units of Mutual Funds	8,582,024,980	75,015,191
Cash and Cash Equivalents at the end of the year	32,921,774,590	72,169,695,612

- (a) Fixed Deposit as on March 31, 2009 amounting Rs. 8,001,592,376 (Previous Year Rs. 5,367,728,772), are placed as collateral with bank for assignment / securitization deals on which assignees have a lien.
- (b) Current Investments in Units of Mutual Funds as on March 31, 2009 amounting Rs. 80,456,512 (Previous Year Rs. 75,015,191), are placed as collateral with bank for assignment / securitization deals on which assignees have a lien.
- Previous year's figures are regrouped wherever considered necessary

As per our report of even date attached

**For Deloitte Haskins & Sells
Chartered Accountants**

K. A. Katki
Partner

Mumbai: June 06, 2009

For and on behalf of the Board

Sameer Gehlaut
Whole time Director

Mumbai: June 06, 2009

Gagan Banga
Whole time Director

Amit Jain
Company Secretary

Schedules forming part of

the Consolidated Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
Schedule A		
SHARE CAPITAL		
Authorised		
2,000,000,000 (Previous Year 2,000,000,000) Equity Shares of Rs. 2 each	4,000,000,000	4,000,000,000
25,000,000 (Previous Year 25,000,000) Preference Shares of Rs 300 each	7,500,000,000	7,500,000,000
25,000,000 (Previous Year 25,000,000) Preference Shares of Rs 157.39 each	3,934,750,000	3,934,750,000
Issued, Subscribed and Paid up		
253,629,769 (Previous Year 253,426,989) Equity Shares of Rs. 2 each fully paid up	507,259,538	506,853,978
9,966,667 (Previous Year 9,966,667) Non Convertible Preference Shares of Rs.157.39 each fully paid up (Refer Note B 4 of Schedule O)	1,568,653,719	1,568,653,719
Of the above:		
(a) 76,935,375 (Previous Year 76,935,375) Equity Shares of Face Value of Rs. 2 each are allotted as fully paid up Bonus Shares by capitalisation of Securities Premium Account		
(b) 500,000 (Previous Year 500,000) Equity Shares of Face Value Rs 2 each are issued for consideration other than cash		
Per Balance Sheet	2,075,913,257	2,075,507,697
Schedule B		
RESERVE AND SURPLUS		
1. Capital Reserve on Consolidation (Refer Note B 11 of Schedule O)	443,603,438	443,603,438
2. Capital Redemption Reserve Balance as per last Balance Sheet Less: Reduction pursuant to Scheme of Arrangement	3,627,392 - 3,627,392	456,327,392 452,700,000 3,627,392
3. Securities Premium Account: (Refer Note B 4 and B 5 of Schedule O) Balance as per last Balance Sheet Add: Additions during the year Add: Transfer from Indiabulls Credit Services Limited pursuant to Scheme of Arrangement	25,954,999,712 8,044,280 - 25,963,043,992	8,993,284,169 15,357,820,688 2,717,569,549 27,068,674,406
Less: Share issue expenses written off	-	337,260,354
Less: Reduction on account of transfer of Net Assets of Security broking and advisory business (Demerged undertaking) pursuant to Scheme of Arrangement to Indiabulls Securities Limited	-	340,099,912
Less: Amalgamation adjustments transferred to Capital Reserve on Consolidation	-	436,314,428

Schedules forming part of continued the Consolidated Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
	25,963,043,992	25,954,999,712
4. Reserve Fund (u/s 45 IC of the R.B.I. Act, 1934)		
Balance as per last Balance Sheet	1,541,057,869	651,563,808
Add: Transferred from Profit and Loss account during the year	422,910,091	804,492,156
Add: Transferred from Minority Interest pursuant to the Scheme of Arrangement	-	100,620,128
Less: Transferred to Minority Interest	16,281,044	15,618,223
	1,947,686,916	1,541,057,869
5. Reserve Fund (U/s 29C of N.H.B. Act, 1987)		
Balance as per last Balance Sheet	224,649,364	111,087,797
Add: Transferred from Profit and Loss account during the year	44,717,212	111,976,157
Add: Transferred from Minority Interest	-	1,585,410
	269,366,576	224,649,364
6. General Reserve		
Balance as per last Balance Sheet	609,357,769	234,738,125
Add: Transferred from Profit and Loss account during the year	190,175,000	381,970,000
Less: Reduction pursuant to Scheme of Arrangement	-	7,350,356
	799,532,769	609,357,769
7. Surplus as per Profit and Loss account	2,764,576,479	3,204,907,545
Per Balance Sheet	32,191,437,562	31,982,203,089
Schedule C		
SECURED LOANS		
(Refer Note B 12 of Schedule O)		
From Banks		
Term Loans	33,692,779,385	25,273,809,524
Working Capital Loans	8,204,962,060	7,496,172,349
Interest Accrued and Due on above	-	-
Vehicle Loans	7,699,535	15,875,480
From Others		
Term Loans	3,535,500,000	6,050,000,001
	45,440,940,980	38,835,857,354

Schedules forming part of continued the Consolidated Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
Schedule D		
UNSECURED LOANS		
Short Term Loans and advances		
- From Banks	-	15,500,000,000
- From Others	-	750,000,000
- Intercompany Deposits	-	30,000,000,000
Other Loans and advances		
- From Banks	-	1,000,000,000
- From Others	-	8,150,000,000
Redeemable, Non Convertible Debentures (Refer Note B 13 of Schedule O)		
12.50% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	50,000,000
10.25% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	380,000,000
9.80% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	750,000,000
10.10% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	600,000,000
10.75% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	300,000,000
11.50% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	430,000,000
11.35% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	120,000,000
11.75% Non Convertible Debentures of Face value Rs. 10,000,000 each	1,100,000,000	-
Commercial Papers	21,750,000,000	15,350,000,000
(Maximum balance outstanding during the year Rs 30,200,000,000 (Previous Year Rs. 15,550,000,000))		
Interest Accrued & due on above	-	-
	22,850,000,000	73,380,000,000
Per Balance Sheet	68,290,940,980	112,215,857,354

Schedules forming part of continued the Consolidated Balance Sheet as at March 31, 2009

Schedule E FIXED ASSETS		Amount (in Rs.)												
		GROSS BLOCK AT COST						DEPRECIATION / AMORTISATION						NET BLOCK
Particulars	As at April 01, 2008	Additions during the year	Adjustments/Sales during the year	Asset going out of Consolidation due to Scheme of Arrangement on April 1, 2007	Asset transferred under scheme of Arrangement on April 1, 2007	As at March 31, 2009	As at April 01, 2008	Provided during the year	Adjustments during the year	Opening depreciation on Asset going out of Consolidation due to Scheme of Arrangement on April 1, 2007	Depreciation on Asset transferred under scheme of Arrangement on April 1, 2007	As at March 31, 2009	As at March 31, 2008	
A. Tangible Assets														
Computers	139,621,797	8,112,612	1,556,264	-	-	146,178,145	35,205,996	23,461,364	865,887	-	-	57,801,473	104,415,801	
Office Equipment	63,306,303	4,217,521	1,492,943	-	-	66,031,481	7,481,984	3,314,693	201,184	-	-	10,595,493	55,824,919	
Furniture & Fixtures	243,755,194	7,580,706	12,928,129	-	-	238,407,771	30,958,641	16,064,058	2,433,113	-	-	44,589,586	212,796,553	
Vehicles*	37,807,420	1,808,190	4,397,565	-	-	35,218,045	6,334,935	3,621,773	863,907	-	-	9,092,801	31,472,485	
TOTAL (A)	484,491,314	21,719,029	20,374,901	-	-	485,835,442	79,981,556	46,461,888	4,364,091	-	-	122,079,353	404,509,758	
B. Intangible Assets														
Software	105,016,395	31,084,760	-	-	-	136,101,155	30,194,885	31,634,057	-	-	-	61,828,942	74,821,510	
TOTAL (B)	105,016,395	31,084,760	-	-	-	136,101,155	30,194,885	31,634,057	-	-	-	61,828,942	74,821,510	
TOTAL (A+B)	589,507,709	52,803,789	20,374,901	-	-	621,936,597	110,176,441	78,095,945	4,364,091	-	-	183,908,295	479,331,268	
PREVIOUS YEAR	1,758,142,653	168,945,327	922,193	1,335,656,078	1,000,000	589,507,709	309,685,341	71,567,490	73,658	270,852,623	150,109	110,176,441		
Add: Capital Work in progress / Capital Advances												11,689,994	18,436,975	
												449,718,236	497,768,243	

*Includes vehicles having original cost of Rs. 23,388,962(Previous Year Rs. 28,055,661) which are hypothecated to banks.

Schedules forming part of continued the Consolidated Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
Schedule F Investments		
(A) Long Term Investments, Non - Trade, Quoted (At Cost)		
- In Equity Shares	-	4,972,989,873
(B) Long Term Investments, Non Trade, Unquoted (At Cost)		
- In Optionally Convertible Equity Warrants	-	66,500,000
- In Equity Shares of Associate Company	13,621,841	12,911,988
- In Preference Shares		
Invested during the year	2,500,000,000	
Less: Redemption during the year	500,000,000	
	2,000,000,000	-
(C) Current Investments, Non Trade, Unquoted		
- In Units of Mutual Fund- Non Trade	8,582,024,980	75,015,191
- In Pass Through Certificates- Non Trade	1,309,535,287	-
- In Bonds- Non Trade	50,000,000	-
Per Balance Sheet (A+B+C)	11,955,182,108	5,127,417,052
Aggregate book value of Unquoted Investments	11,955,182,108	154,427,179
Aggregate book value of Quoted Investments	-	4,972,989,873
Aggregate market value of Quoted Investments	-	3,599,056,636

Schedules forming part of continued the Consolidated Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
Schedule G		
A. CURRENT ASSETS, LOANS & ADVANCES		
1. Sundry Debtors (Unsecured considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered Good	53,965,112	19,301,512
Considered Doubtful	-	17,000
	53,965,112	19,318,512
Other Debts		
Considered Good	30,126,033	125,121,366
Considered Doubtful	-	-
	30,126,033	125,121,366
Less: Provision for Doubtful Debts	-	17,000
	84,091,145	144,422,878
2. Cash and Bank Balances		
Cash on hand	107,136,889	9,285,863
Balances with Scheduled Banks		
In Current Accounts	1,175,600,348	36,534,465,785
In Fixed Deposit Accounts (Refer Note B 8 & B 15 of Schedule O)	23,057,012,373	35,550,928,773
	24,339,749,610	72,094,680,421
3. Other Current Assets		
Interest Accrued		
- On Fixed Deposits, Pass Through Certificates & Bonds	542,000,842	751,046,965
- On Loans	638,427,467	116,120,861
	1,180,428,309	867,167,826
Total (A)	25,604,269,064	73,106,271,125
B. LOANS & ADVANCES		
(Unsecured considered good, unless otherwise stated)		
1. Loans and Other Credit facilities		
(a) Standard Assets - Secured (Refer Note B 14 of Schedule O)	48,557,861,582	71,083,146,749
Less : Loans Securitised / Assigned	8,394,960,257	10,461,548,910
	40,162,901,325	60,621,597,839
- Sub Standard Assets	376,768,521	147,095,209
	40,539,669,846	60,768,693,048

Schedules forming part of continued

the Consolidated Balance Sheet as at March 31, 2009

		Amount (in Rs.)	
		As at March 31, 2009	As at March 31, 2008
(b)	Standard Assets - Unsecured		
	(Refer Note B 14 of Schedule O)	39,336,008,314	33,155,978,768
	Less : Loans Securitised / Assigned	14,757,157,583	16,882,950,456
		24,578,850,731	16,273,028,312
	- Sub Standard Assets	1,048,413,978	573,765,632
		25,627,264,709	16,846,793,944
2.	Retained Interest on Securitisation of Loans	19,906,727	76,732,282
3.	Deferred Purchase Consideration on Assignment of loans	1,358,860,581	3,142,712,477
4.	Advances recoverable in cash or in kind or for value to be received:-		
	Considered Good	1,918,027,915	1,414,335,068
	Considered Doubtful	-	-
		1,918,027,915	1,414,335,068
5.	Amount receivable on assigned loans	-	-
6.	Security Deposits	287,234,216	209,179,720
7.	Margin Money Placed with Assignees	325,678,424	378,886,172
8.	Deposits (including margin money) with Stock Exchanges	-	5,229,346
9.	Advance Income Tax / Tax Deducted At Source (Net of Provision for Tax Rs.3,815,260,990 (Previous Year Rs. 602,279,813))	422,488,030	196,879,952
10.	Advance Fringe Benefits Tax (Net of Provision for Tax Rs.31,73,126 (Previous Year Rs. 419,518))	67,613	682
	Total (B)	70,499,198,061	83,039,442,691
	Per Balance Sheet (A+B)	96,103,467,125	156,145,713,816

Schedules forming part of continued the Consolidated Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
Schedule H		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
1. Sundry Creditors (Refer Note B 24 of Schedule O)		
a. Dues to Micro and Small Enterprises	-	-
b. Dues to Others	18,347,765	76,714,757
2. Temporary Overdrawn Bank Balances as per books	1,500,837,889	7,455,661,946
3. Unclaimed Dividends	4,251,767	1,289,125
4. Mark-To-Market Equity Index Futures	-	11,866,628
5. Amount payable on assigned loans	297,147,283	439,207,907
6. Other Current Liabilities	498,010,116	1,325,281,655
Total	2,318,594,820	9,310,022,018
B. PROVISIONS		
1. Provision for Doubtful Loans	1,604,980,785	1,394,357,926
2. Provision for Superannuation	63,049,049	57,400,000
3. Provision for Gratuity	31,279,469	23,965,216
4. Provision for Compensated Absences	16,033,402	14,076,174
5. Provision for Taxation (Net of Advance Income Tax / Self Assessment Tax Paid / Tax Deducted At Source Rs.1,213,878,359 (Previous Year Rs. 3,095,699,007))	46,281,260	618,637,853
6. Provision for Fringe Benefits Tax (Net of Advances Rs.78,666,504(Previous Year Rs. 13,665,296))	542,658	224,783
7. Proposed Dividend on Preference Shares	38,679,133	32,144,542
8. Corporate Dividend Tax on Proposed Dividend on Preference Shares	6,573,519	5,462,965
9. Proposed Final Dividend on Equity Shares	507,259,538	2,154,129,407
10. Corporate Dividend Tax on Proposed Final Dividend on Equity Shares	86,208,758	366,094,293
Total	2,400,887,571	4,666,493,159
Per Balance Sheet	4,719,482,391	13,976,515,177

Schedules forming part of

the Consolidated Profit and Loss Account for the year ended March 31, 2009

	Amount (in Rs.)	
	Year ended March 31, 2009	Year ended March 31, 2008
Schedule I		
REVENUE FROM OPERATIONS		
Interest on Financing activities (Refer Note B 23(b) of Schedule O)	17,440,670,845	10,524,519,237
Income on Assignment of Loans	-	1,764,119,538
Profit on Non Trade Investment / Dealing in Securities (Net)	-	1,588,021,654
Dividend Income on units of Mutual Funds and on Equity Shares	1,191,636,077	456,766,951
Income From Services Fee	307,618,032	777,006,759
Other Operating Charges (Refer Note B 23(a) of Schedule O)	1,032,459,683	1,546,369,657
Commission on Insurance and Mutual Fund	58,492,974	205,692,085
Per Profit and Loss Account	20,030,877,611	16,862,495,881
Schedule J		
OTHER INCOME		
Sundry Credit balances written back	18,495,628	444,936
Miscellaneous Income	7,780,561	23,997,040
Share of Reserves and Surplus in Associate	709,854	708,738
Per Profit and Loss Account	26,986,043	25,150,714
Schedule K		
OPERATING EXPENSES		
Stamp Duty	22,737,364	29,915,767
Demat Charges	404,042	82,551
Commission	158,659,757	294,209,884
Client Verification and Collection Charges	45,253,996	102,083,574
Per Profit and Loss Account	227,055,159	426,291,776
Schedule L		
PERSONNEL COSTS		
Salaries	1,579,889,704	2,282,669,066
Contribution to Statutory Funds and Other Funds	6,972,742	52,681,768
Staff Welfare Expenses	16,556,686	20,341,523
Provision for Gratuity, Compensated Absences and Superannuation Expenses	65,503,466	33,481,241
Per Profit and Loss Account	1,668,922,598	2,389,173,598
Schedule M		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement	76,112,030	54,946,601
Recruitment Expenses	82,975	1,649,677
Repairs & Maintenance - Others	73,100,563	66,047,130
Electricity Expenses	39,158,228	42,667,831
Printing & Stationery	13,242,690	31,247,924
Lease Rent	176,543,711	214,811,565
Rates and Taxes	33,486,673	4,357,219
Communication Expenses	78,621,410	119,361,494
Traveling & Conveyance	59,546,387	72,865,674
Professional Charges	71,999,259	90,163,374

Schedules forming part of continued

the Consolidated Profit and Loss Account for the year ended March 31, 2009

	Amount (in Rs.)	
	Year ended March 31, 2009	Year ended March 31, 2008
Auditors Remuneration (Excluding Service Tax of Rs. 1,794,775 (Previous Year Rs. 1,273,080)		
Audit Fees	9,825,000	9,807,178
Other Services - Certification	500,000	500,000
Other Attest Services	6,500,000	-
Out of Pocket Expenses	600,000	600,000
Provision for Doubtful Loans (Refer Note B 14 of Schedule O)	210,622,859	592,044,160
Bad Loans written off	1,743,260,387	446,734,885
Assignment Expenses	977,215,777	-
Donation Expenses	100,000,000	-
Miscellaneous Expenses	10,513,666	12,609,361
Insurance	29,739	39,974
Provision for Share Warrants	66,500,000	-
Loss on Non Trade Investment / Dealing in Securities (Net)	2,253,328,743	-
Loss on sale of fixed assets	14,042,758	163,729
Preliminary Expenses	7,816,145	7,043,300
Per Profit and Loss Account	6,022,649,000	1,767,661,076
Schedule N		
INTEREST & FINANCE CHARGES		
Bank Charges	9,036,582	11,048,036
Interest on Commercial Papers	2,113,107,876	1,220,996,540
Interest on Vehicles Loans	1,263,889	1,726,965
Interest on Redeemable Non Convertible Debentures	163,849,084	320,063,932
Processing and other Fee	96,928,154	58,118,285
Interest on Taxes	43,703,748	77,641,076
Interest on other loans	7,720,349,122	2,091,939,763
Interest on Overdraft Facility	138,007,458	139,176,774
Interest on Securitised Loans	326,967	1,848,083
Per Profit and Loss Account	10,286,572,880	3,922,559,454

Significant Accounting Policies and Notes to Accounts

Schedule 'O'

Significant Accounting Policies and Notes forming part of the Audited Consolidated Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009.

A. Significant Accounting Policies:

i. Basis of Consolidation:

The consolidated financial statements are prepared in accordance with Accounting Standard (AS) - 21 on 'Consolidated Financial Statements' and Accounting Standard (AS) - 23 on 'Accounting for Investment in Associates in Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include Indiabulls Financial Services Limited ("IBFSL") or any of its subsidiaries, unless otherwise stated.

ii. Principles of consolidation:

The consolidated financial statements comprise of the Financial Statements of Indiabulls Financial Services Limited, its subsidiaries and associate. The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter-company transactions are eliminated on consolidation.

iii. Goodwill / Capital Reserve:

Goodwill represents the difference between the Company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill. The Goodwill recorded in these consolidated financial statements has not been amortised, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.

iv. Investment in Associates

Investment in entities in which the holding company has significant influence but not a controlling interest are reported according to the equity method i.e. the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The consolidated Profit and Loss Account includes the investor's share of the results of the operations of the investee.

The particulars of investment in associate company as at March 31, 2009 are as under:

Name of Associate	Country of Incorporation	Year / Period	Ownership interest %	Original cost of investment (Rs.)	Share of post acquisition Reserves and Surplus (Rs.)	Carrying cost of Investment (Rs.)	Auditor
Indiabulls Asset Reconstruction Company Limited	India	01-April-08 to 31-March-09	24.02%	12,250,000	1,371,841	13,621,841	A Sardana & Co.
		01-April-07 to 31-March-08	24.02%	12,250,000	661,988	12,911,988	

Significant Accounting Policies and Notes to Accounts continued

v. Companies included in consolidation:

Name of Subsidiaries	Country of Incorporation	Year / Period ended included in Consolidation	Proportion of Ownership Intrest	Auditor
Indiabulls Collection Agency Limited	India	01-April-2008 to 31-March-2009	100%	A Sardana & Co.
		01-April-2007 to 31-March-2008		
Fast Loan Services Limited	India	01-April-2008 to 31-March-2009	100%	A Sardana & Co.
		01-April-2007 to 31-March-2008		
Indiabulls Insurance Advisors Limited (Formerly known as Indiabulls Insurance Advisors Private Limited)	India	01-April-2008 to 31-March-2009	100%	Sumit Mohit & Company
		01-April-2007 to 31-March-2008		A Sardana & Co.
Indiabulls Finance Company Private Limited	India	01-April-2008 to 31-March-2009	57.50%	Deloitte Haskins & Sells
		01-April-2007 to 31-March-2008		
Indiabulls Capital Services Limited	India	01-April-2008 to 31-March-2009	100%	Sumit Mohit & Company
		01-April-2007 to 31-March-2008		A Sardana & Co.
Indiabulls Housing Finance Limited	India	01-April-2008 to 31-March-2009	100%	Deloitte Haskins & Sells
		01-April-2007 to 31-March-2008		
Nilgiri Financial Consultants Limited (Formerly known as Nilgiri Financial Consultants Private Limited)	India	01-April-2008 to 31-March-2009	100%	A Sardana & Co.
		01-April-2007 to 31-March-2008		
Indiabulls Infrastructure Credit Limited (Formerly known as Indiabulls Commercial Credit Limited)	India	01-April-2008 to 31-March-2009	100%	A Sardana & Co.
		01-April-2007 to 31-March-2008		
Divya Shakti Trading Services Limited	India	01-April-2008 to 31-March-2009	100%	Sumit Mohit & Company
		01-April-2007 to 31-March-2008		A Sardana & Co.
Indiabulls Asset Holding Company Limited	India	01-April-2008 to 31-March-2009	100%	A Sardana & Co.
		14-June-2007 to 31-March-2008		
Indiabulls Life Insurance Company Limited	India	01-April-2008 to 31-March-2009	100%	A Sardana & Co.
		03-December-2007 to 31-March-2008		
Indiabulls Asset Management Company Limited	India	10-April-2008 to 31-March-2009	100%	A Sardana & Co.
Indiabulls Trustee Company Limited	India	10-April-2008 to 31-March-2009	100%	Sapra Associates
International Multi Commodity Exchange Limited	India	18-August-2008 to 31-March-2009	100%	A Sardana & Co.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the holding company for its independent financial statements.

Significant Accounting Policies and Notes to Accounts *continued*

- vi. **Basis of Accounting:**
These financial statements are prepared under historical cost convention on an accrual basis.
- vii. **Prudential Norms:**
The Non Banking Financial Companies in the Group hitherto followed the Reserve Bank of India ("RBI") directions in respect of "Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions, 2007"), dated February 22, 2007 in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the balance sheet and provisioning are followed by the respective NBFC Companies of the group. The housing finance company in the group complies with the provisions of the Housing Finance Companies (NHB) Directions, 2001 ("NHB Directions, 2001"). Accounting Standards (AS) as notified by the Companies (Accounting Standards) Rules, 2006 and Guidance Notes issued by the Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the RBI Directions, 2007.
- viii. **Use of Estimates:**
The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the year in which the results are known / materialised.
- ix. **Revenue Recognition:**
Interest Income from financing activities and others is recognised on an accrual basis. In terms of the RBI Directions, 2007 / NHB Directions, 2001 interest income on Non-performing assets ('NPAs') is recognised only when it is actually realised.
Income from Fee based Advisory Services is recognised on an accrual basis.
Interest Income is recognised on accrual basis.
Commission on insurance policies sold is recognised when the Company under its agency code sells the insurance policies and when the same is accepted by the principal insurance company.
Commission on Mutual Funds is recognised on accrual basis.
Transactions in respect of Investment / dealing in securities are recognised on trade dates.
Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Installments (EMI's) comprising principal and interest. EMI's commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.
Processing Fee received in respect of loans is accounted for in the year in which the loan is disbursed.
Revenue from interest charged to customers on delayed payments is recognised on a daily / weekly basis up to the last day of accounting year.
Dividend income on equity shares is recognised when the right to receive the dividend is unconditional as at the balance sheet date. In terms of the RBI Directions, 2007 / NHB Directions, 2001 wherever applicable, Dividend Income on units of Mutual Fund held by NBFC / Housing companies is recognised on cash basis.
- x. **Securitisation / Assignment of Loan portfolio:**
Derecognition of loans securitised in the books of the Company, recognition of gain / loss arising on securitisation and accounting for credit enhancements provided by the Company is based on the Guidelines issued by the Reserve Bank of India.
Derecognition of loans assigned in the books of the Company is based on the concept of surrender of control over the loans resulting in a "true sale" of loans.
Income on Assignment of Loans is recognised on entering into deal with the assignee, wherever applicable, and is the difference between the Net Present Value of future assigned loan receivables discounted at the assignee's rate as agreed upon and the principal outstanding at the inception of deal.
Credit enhancement in the form of cash collateral, if provided by the Company, by way of deposits / mutual fund is included under Cash and bank balances / Loans and Advances/ Investments, as applicable.
- xi. **Fixed Assets:**
(i) **Tangible Assets:**
Fixed assets are stated at cost, net of tax / duty credits availed, if any, wherever applicable, less

accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

(ii) Intangible Assets:

Intangible assets are stated at cost, net of tax / duty credits availed, if any, wherever applicable, less any accumulated amortisation / impairment losses. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

xii. Depreciation / Amortisation:

(i) Depreciation on tangible fixed assets is provided on the straight line method at rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deductions from fixed asset is provided for up to the date of sale/deduction, as the case may be. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

(ii) Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

xiii. Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

xiv. Investments:

Investments are classified as long term and current investments. Long term investments are carried at cost less provision, if any, for any diminution other than temporary in their value. In terms of the RBI Directions, 2007 (for NBFCs), unquoted current investments in equity shares are valued at cost or break-up value, whichever is lower. Unquoted current investments in units of mutual funds are valued at the net asset value declared by the mutual fund in respect of each particular scheme. Other Current investments are valued at lower of cost and fair value.

xv. Employee benefits:

Company's contribution to Provident Fund is charged to Profit and Loss Account. The Company has unfunded defined benefit plans namely leave encashment (compensated absences) and gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Superannuation (Pension & Medical coverage) payable to certain Directors on retirement is actuarially valued at the end of the year using the Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in Profit and Loss Account as income or expenses.

xvi. Deferred Employee Stock Compensation Cost:

Deferred employee stock compensation cost for stock options are recognised on the basis of generally accepted accounting principles and are measured by the difference between the estimated value of the Company's shares on stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purpose is measured on the basis of a valuation performed in respect of stock options granted.

xvii. Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates by the Balance Sheet date, to the extent that the timing differences are expected to crystallise.

Significant Accounting Policies and Notes to Accounts *continued*

Deferred Tax Assets are recognised where realisation is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty of realisation backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

xviii. Fringe Benefit Tax:

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income tax Act, 1961.

xix. Leases:

In case of assets taken on operating lease, the lease rentals are charged to the Profit and Loss Account in accordance with Accounting Standard (AS) 19 - 'Leases' as notified by the Companies (Accounting Standards) Rules, 2006.

xx. Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. All other borrowing costs are charged to revenue.

xxi. Share Issue Expenses:

Share issue expenses are adjusted against securities premium account to the extent of balance available and thereafter the balance portion is charged off to the Profit and Loss Account, as incurred.

xxii. Equity Index / Stock Futures:

- a) Initial Margin - Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement/squaring-up of the underlying contract, are disclosed under Loans and Advances.
- b) Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin - Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.
- c) As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:
 - Credit balance in the Mark-to-Market Margin - Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the Profit and Loss Account.
 - Debit balance in the Mark-to-Market Margin - Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the Profit and Loss Account.
- d) On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in Mark-to-Market Margin - Equity Index/Stock Futures Account after adjustment of the provision for anticipated losses is recognised in the Profit and Loss Account. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

xxiii. Stock of Securities:

Stock of securities is valued at lower of cost and net realisable value. Cost is determined on weighted average basis.

xxiv. Provisions Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising

from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

B. Notes to accounts:

1. Overview:

Indiabulls Financial Services Limited ("the Company", "IBFSL") was incorporated on January 10, 2000 as a Private Limited Company to invest in various subsidiaries and also to invest, acquire, hold, purchase or procure equity shares, debentures, bonds, mortgages, obligations, securities of any kind issued or guaranteed by any company and provide loans and other credit facilities.

On March 30, 2001, the Company was registered under Section 45-IA of the Reserve Bank of India (R.B.I.) Act, 1934 to carry on the business of a Non Banking Financial Company but does not have permission from the R.B.I. to accept public deposits. The Company was converted into a public limited company pursuant to Section 44 of the Companies Act, 1956 on February 03, 2004.

2. Contingent liability not provided for in respect of:

Indiabulls Financial Services Limited:

- a) Corporate counter guarantees outstanding in respect of credit facilities availed by subsidiaries for the year ended March 31, 2009 amounting to Rs. 5,000,000,000 (Previous Year Rs. 2,000,000,000).
- b) Corporate counter guarantees outstanding in respect of assignment / securitisation agreements entered by Company's subsidiary with different assignees as at March 31, 2009 is Rs. 524,509,017 (Previous Year Rs. 776,420,547) against which collateral deposit of Rs. 325,678,424 for year ended March 31, 2009 (Previous Year Rs. 378,886,172) is being provided to the assignees by the Company's subsidiary in the form of Fixed Deposit Receipts.
- c) Corporate counter guarantee outstanding in respect of credit facilities availed by erstwhile subsidiary companies Rs. 1,280,000,000 (Previous Year Rs. 6,050,000,000) against which collateral fixed deposits of Rs. 640,000,000 (Previous Year Rs. 3,025,000,000) has been provided by those erstwhile subsidiaries for whom the counter guarantee was given.
- d) Capital commitments as at March 31, 2009 (net of advances) Rs. 7,164,232 (Previous Year Rs. 11,856,408). Of the above, an amount of Rs. NIL (Previous Year Rs. 971,726) is payable in US\$.

Indiabulls Housing Finance Limited:

- a) Capital commitments in respect of acquisition of fixed assets at various branches as at the year end (net of advances paid) Rs. 1,062,005 (Previous Year Rs. 63,307).
- b) Corporate counter guarantees outstanding in respect of assignment agreements entered by Company's holding company with different assignees is Rs. 10,431,795 (Previous Year Rs. 26,448,954) against which collateral deposit of Rs. 102,468,800 (Previous Year Rs. 102,468,800) is being provided to the assignees by holding company in form of fixed deposit receipts.

Indiabulls Infrastructure Credit Limited:

- a) Corporate counter guarantee outstanding in respect of assignment / securitisation agreements entered by the holding company with different assignees as at March 31, 2009 is Rs. 32,840,667 (Previous Year Rs. 73,008,195) against which collateral deposit of Rs. 127,102,648 for year ended March 31, 2009 (Previous Year Rs. 127,102,648) is being provided to the assignees by the holding company in the form of Fixed Deposit Receipts.

3. The Company has complied with all the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as issued by the Reserve Bank of India vide notification dated February 22, 2007. The housing finance company in the group has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2001 ("NHB Directions, 2001").

4. Changes in capital structure during the period from April 01, 2008 to March 31, 2009:

On September 17, 2008, the Company has issued 202,780 Equity Shares of Rs. 2 each, at a premium of Rs. 39.67 per share as per terms of the IBFSL - ICSL Employees Stock Option Plan 2006.

As a consequence of the above, as at March 31, 2009, the Issued, Subscribed and Paid-up Equity Share Capital of Face Value Rs. 2 and Preference Share Capital of Face Value Rs. 157.39 of the Company stands at Rs. 507,259,538 and Rs. 1,568,653,719 respectively.

Significant Accounting Policies and Notes to Accounts *continued*

5. During financial year 2007-08 the Company restructured its business operations through a scheme of arrangement Under Sections 391 - 394 of the Companies Act, 1956 (duly sanctioned by the Hon'ble High Court of Judicature at Delhi on November 23, 2007). The Scheme of Arrangement provided for the amalgamation of Indiabulls Credit Services Limited ("ICSL") with the Company and the demerger of the securities broking and advisory business (a part of fee income) of the Company as a going concern, to Indiabulls Securities Limited ("IBSL"). Upon coming into effect of the Scheme on December 24, 2007 and with effect from the Appointed Date on April 01, 2007, ICSL stands amalgamated with the Company and the securities broking and advisory business (a part of Fee Income) of the Company stands demerged from the Company and transferred to and vested in IBSL on a going concern basis.
6. Minority Interest includes:
 - 1) As at March 31, 2009 3,233,696 (Previous Year 3,233,696) Equity Shares of Rs. 10 each fully paid up issued by subsidiary company Indiabulls Finance Company Private Limited.
 - 2) Proportionate share in the movements in Reserves & Surplus of the subsidiaries.
7. Employees Stock Options Schemes:

Indiabulls Employees Stock Option Scheme - 2005:

On July 26, 2005, the Company established the Indiabulls Employees Stock Option Plan -2005 ("Indiabulls ESOS II" or "Plan II") as per the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. Under the plan the Company is authorized to issue up to 5,000,000 stock options of Rs. 2 each to eligible employees including employees of its subsidiary companies. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the Company administers the plan.

On January 09, 2007, the Company granted 2,500,000 options at an exercise price of Rs. 272.60* per share, the then market price of the shares on the date of the grant. These options vest uniformly over a period of 5 years, with effect from January 15, 2008, whereby 20% of the options vest on each vesting date as per the vesting schedule. As the above ESOS-II options have been granted at intrinsic value, there is no Employee stock compensation expense on account of the same.

The salient features of the ESOS scheme of IBFSL are as under:

	IBFSL SCHEME
	INDIABULLS ESOS II
Total Options under the Scheme	5,000,000
Outstanding at the beginning of the year	2,500,000
Exercisable at the beginning of the year	500,000
Options Granted during the year	-
Exercise Price (Rs.)	272.60*
Transferred during the year	-
Options vested during the year.	500,000
Exercised during the year	-
Expired during the year	-
Cancelled during the year**	2,000,000
Options Outstanding at the end of the year	-
Exercisable at the end of the year	--
Remaining contractual Life (Months)	--

*As a consequence of the Scheme of Demerger of the Securities Broking and Advisory Business, the exercise price of options granted, under and pursuant to the Indiabulls Employee Stock Option Scheme - 2005 to the employees has been suitably re-priced at Rs 227.83 in order to compensate the employees for reduction in the intrinsic value of the Company. An independent valuers certificate has been obtained for the same.

** During the current financial year all the unvested options were surrendered by the respective option holders and Compensation Committee decided not to regrant the same and decided to cancel unvested options including ungranted 2,500,000 options and withdraw the scheme. On December 08, 2008, pursuant to the shareholder approval Company cancelled and withdrew the Indiabulls Employees Stock Option Scheme - 2005 and cancelled the 2,000,000 unvested stock options granted including ungranted options.

Stock option schemes in lieu of stock options schemes of erstwhile subsidiary Indiabulls Credit Services Limited of the Company:

On January 02, 2006, the erstwhile Indiabulls Credit Services Limited ("ICSL" or "the erstwhile Company") established the Indiabulls Credit Services Limited Employees Stock Options Scheme ("ICSL ESOS" or "Plan"). Under the plan, the erstwhile Company was authorised to issue up to 6,000,000 equity settled options of Rs. 10 each to eligible employees including employees of other Indiabulls Group Companies. Employees covered by the plan were granted an option to purchase shares of the erstwhile Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the erstwhile Company administered the plan.

On January 02, 2006, the erstwhile Company granted 6,000,000 equity settled options at an exercise price of Rs. 12.50 per share. These options were to vest uniformly over a period of 5 years, with effect from April 01, 2007, whereby 20% of the options were to vest on each vesting date as per the vesting schedule.

On July 28, 2006, the erstwhile Company established the Indiabulls Credit Services Limited Employees Stock Option Plan II ("ICSL ESOP II" or "Plan II"). Under the plan, the erstwhile Company was authorized to issue up to 9,000,000 equity settled options of Rs. 10 each to eligible employees including employees of other Indiabulls Group Companies. Employees covered by the plan were granted an option to purchase shares of the erstwhile Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the erstwhile Company administered the plan.

On July 28, 2006, the erstwhile Company granted 3,000,000 equity settled options at an exercise price of Rs. 30 per share and on October 25, 2006, granted further 6,000,000 options under the 'ICSL ESOP (M) II' as described below. The 3,000,000 options were to vest uniformly over a period of 5 years, with effect from November 01, 2007, whereby 20% of the options were to vest on each vesting date as per the vesting schedule.

On October 25, 2006, the erstwhile Company modified the Indiabulls Credit Services Limited Employees Stock Option (Modified) Plan II ("ICSL ESOP (M) II" or "Plan (M) II"). Under the plan, the erstwhile Company was authorised to issue up to 6,000,000 equity settled options of Rs. 10 each to eligible employees including employees of other Indiabulls Group Companies. Employees covered by the plan were granted an option to purchase shares of the erstwhile Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the erstwhile Company administered the plan.

On October 25, 2006, the erstwhile Company granted 6,000,000 equity settled options at an exercise price of Rs. 45 per share. These options were to vest uniformly over a period of 5 years, with effect from November 01, 2007, whereby 20% of the options were to vest on each vesting date as per the vesting schedule.

Pursuant to the Scheme of Arrangement (the "Scheme") under Sections 391 to 394 of the Companies Act, 1956, duly approved by the Hon'ble High Court of Delhi vide order dated November 23, 2007. Indiabulls Credit Services Limited stands amalgamated with Indiabulls Financial Services Limited ("IBFSL, the Company") with effect from the Appointed Date i.e. April 01, 2007 and effective from December 24, 2007 (the "Effective Date") the ICSL PLANS stand terminated and in lieu, in terms of Clause 15 (c) (i) of the Scheme, NEW PLANS have been created in IBFSL for the outstanding, unvested options, for the benefit of the erstwhile Indiabulls Credit Services Limited option holders, on terms and conditions not less favourable than those provided in the erstwhile ICSL PLANS and taking into account the share exchange ratio i.e. 3 (three) equity shares of face value Rs. 2 each of IBFSL for every 10 (ten) equity shares of face value Rs. 10 each of ICSL.

Accordingly, pursuant to Shareholders approval, in lieu of ICSL PLANS, IBFSL had created the following Employees Stock Option Plans which are collectively referred to as NEW PLANS.

S. No.	ERSTWHILE ICSL PLANS	NEW PLANS
1	Indiabulls Credit Services Limited Employees Stock Option Plan 2006 dated January 2, 2006	IBFSL - ICSL Employees Stock Option Plan 2006
2	Indiabulls Credit Services Limited Employees Stock Option Plan II - 2006 dated July 28, 2006	IBFSL - ICSL Employees Stock Option Plan II - 2006
3	Indiabulls Credit Services Limited 2006 Employees Stock Option Plan II (M) - 2006, dated October 25, 2006	IBFSL-ICSL Employees Stock Option Plan II M - 2006

Significant Accounting Policies and Notes to Accounts *continued*

Accordingly, the other disclosures in respect of the NEW PLANS are as under:-

	IBFSL ICSL Employees Stock Option Plan 2006	IBFSL ICSL Employees Stock Option Plan II 2006	IBFSL ICSL Employees Stock Option Plan II M - 2006
Total Options under the Scheme*	1,440,000	720,000	1,440,000
Options which were issued in lieu of ICSL PLANS (Nos.)	1,440,000	720,000	1,440,000
Vesting Period and Percentage	Four years, 25% each year	Four years, 25% each year	Four years, 25% each year
Vesting Date	April 01	November 01	November 01
Revised Vesting Period & Percentage***	Eight years, 12% each year for 7 years and 16% during the 8th year	Nine years, 11% each year for 8 years and 12% during the 9th year	Not Applicable
Exercise Price* (Rs.)	41.67	100	150
Options vested during the year (Nos.)	360,000	79,200	--
Exercised during the year (Nos.)	202,780	--	--
Expired during the year (Nos.)	--	--	--
Cancelled during the year**	--	--	1,440,000
Outstanding at the end of the year (Nos.)	1,237,220	720,000	--
Remaining contractual Life (Weighted Months)	85	103	--

*The number and exercise price of options have been adjusted taking into account the share exchange ratio i.e. 3 (three) equity shares of face value Rs. 2 each of the Company for every 10 (ten) equity shares of face value Rs. 10 each of ICSL

**During the current financial year all the unvested options were surrendered by the respective option holders and Compensation Committee decided not to regrant the same and decided to cancel unvested options and withdraw the scheme. On December 08, 2008, in pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended, the Shareholders of the Company have passed the resolutions with requisite majority, by means of Postal Ballot to cancel and withdraw the IBFSL-ICSL Employees Stock Option Plan II M 2006.

*** The Vesting Period has been revised by the approval of the Shareholders of the Holding Company in the 9th Annual General Meeting held on 5th September, 2008.

The NEW PLANS have been treated as continuation of respective ICSL PLANS except the number and exercise price of options which have been adjusted taking into account the share exchange ratio i.e. 3 (three) equity shares of face value Rs. 2 each of the Company for every 10 (ten) equity shares of face value Rs. 10 each of ICSL.

Employees Stock Option Plan - 2008

Pursuant to a resolution passed by the shareholders on December 8, 2008, the Company had established Employees Stock Option Plan - 2008 ("ESOP - 2008" or "Scheme") in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"). Under the Scheme, the company was authorised to grant 7,500,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for equity shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the Company administered the plan. In terms of Scheme, on December 8, 2008, the Company had granted 7,500,000 options at an exercise price of Rs. 95.95, being the then latest available closing market price on the National Stock Exchange of India Ltd. as on December 7, 2008 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidelines). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. These options will

vest with effect from first vesting date i.e. December 8, 2009, whereby 10% of the options vest on each vesting date as per the vesting schedule provided in the Scheme.

The Fair values of the options under the plans using the Black-Scholes model based on the following parameters are Rs. 52.02 per option.

S. No.	Particulars	ESOP - 2008
1	Fair value of option at grant date	Rs. 52.02
2	Exercise price	Rs. 95.95
3	Expected volatility	97%
4	Expected forfeiture percentage on each vesting date	Nil
5	Option Life (Weighted Average)	11 Years
6	Expected Dividends yield	4.62%
7	Risk Free Interest rate	6.50%

The expected volatility was determined based on historical volatility data.

Had the compensation cost for the stock options granted under ESOS 2008 been determined based on the fair value approach, the Company's net profit and earnings and earnings per share would have been as per the pro forma amounts indicated below:-

	Amount Rs.
Net Profit (as reported)	794,658,489
Less: Stock-based compensation expense determined under fair value based method: [Gross Rs. 390,124,091 (Previous Year Rs. Nil)] (pro forma)	114,266,108
Net Profit considered for computing EPS (pro forma)	680,392,381
Basic earnings per share (as reported)	3.13
Basic earnings per share (pro forma)	2.68
Diluted earnings per share (as reported)	3.11
Diluted earnings per share (pro forma)	2.66

The other disclosures in respect of the Scheme are as under:-

	Employees Stock Option Plan - 2008
Total Options under the Scheme	7,500,000
Options issued (Nos.)	7,500,000
Vesting Period and Percentage	Ten years, 10% each year
Vesting Date	December 08 each year, commencing December 08, 2009
Exercise Price (Rs.)	95.95
Options vested during the year (Nos.)	--
Exercised during the year (Nos.)	--
Expired during the year (Nos.)	--
Cancelled during the year	--
Outstanding at the end of the year (Nos.)	7,500,000
Remaining contractual Life (Weighted Months)	134

Significant Accounting Policies and Notes to Accounts *continued*

8. Details of Assignment/Securitisation of loans undertaken by the Group:

Indiabulls Financial Services Limited

The Company (including erstwhile Indiabulls Credit Services Limited) has entered into various agreements for the assignment/securitisation of loans with assignees, wherein it has assigned/securitised a part of its secured and unsecured loan portfolio amounting to Rs. 36,668,236,257 upto March 31, 2009, being the principal value outstanding. The Company's subsidiaries Indiabulls Infrastructure Limited (formerly Indiabulls Commercial Credit Limited) and Indiabulls Housing Finance Limited have issued corporate guarantees aggregating to Rs. 43,272,462 in favour of the assignees. The Company does not anticipate any losses on account of the said corporate guarantees, in the event of the rights under guarantee being exercised by the assignees

The Company (including erstwhile Indiabulls Credit Services Limited) assigned/securitised various loan portfolios to banks and/or other institutions which are derecognised in the books of accounts of the Company in terms of accounting policy mentioned at Schedule O 'A (x)' above and the purchase consideration not received upfront is recognised as deferred purchase consideration under loans and advances. Due to foreclosures and repurchase transactions with different assignees during the year, the company has reinstated the repurchased loan balances in the books of account aggregating to Rs. 1,409,145,384. The Company has also reversed the proportionate upfront income so accounted on assignment/securitisation. The Company has recognised income on assignment of Rs. NIL which is net of income reversal on account of foreclosure and repurchase of assigned loans during the year amounting to Rs. 557,960,054 in the Profit & Loss Account.

Indiabulls Housing Finance Limited

The Company has entered into various agreements for the assignment/securitisation of loans with assignees, wherein it has assigned/securitised a part of its secured loan portfolio amounting to Rs. 11,794,479,961 (Previous Year Rs. 10,169,720,277) upto March 31, 2009, being the principal value outstanding. The Company's holding company, Indiabulls Financial Services Limited ("IBFSL") and its subsidiary have issued various corporate guarantees aggregating to Rs. 618,886,264 (Previous Year Rs. 901,827,085) in favour of the assignees. The Company does not anticipate any losses on account of the said corporate guarantees, in the event of the rights under guarantee being exercised by the assignees. Cash Collateral in form of fixed deposits amounting to Rs. 126,147,935 (Previous Year Rs. 177,657,173) is provided by Indiabulls Financial Services Limited and investments in mutual funds amounting to Rs. 56,626,349 (Previous Year Rs. 75,015,191) is provided by Indiabulls Capital Services Limited to some assignees against principal value of Rs. 3,688,007,190 (Previous Year Rs. 3,688,007,190).

The Company assigned/securitised various loan portfolios to banks and/or other institutions which are derecognised in the books of accounts of the Company in terms of accounting policy mentioned at Schedule O 'A (x)' above and the purchase consideration not received upfront is recognised as deferred purchase consideration under Loans and Advances. The Company, due to foreclosures and repurchase transactions with different assignees during the year, has reinstated the repurchased loan balances in the books of account aggregating to Rs. 297,322,456 (Previous Year Rs. 47,089,093). The Company has also reversed the proportionate upfront income so accounted on assignment/securitisation. The Company has recognised income from assignment of Rs. NIL (Previous Year Rs. 461,901,036) net of income reversal on account of foreclosure and repurchase of assigned loans during the year amounting to Rs. 419,255,723 (Previous Year Rs. 324,991,714) in the Profit & Loss Account.

9. During the current financial year, there was variation in the terms of Appointment of Mr. Rajiv Rattan pursuant to Section 302 of the Companies Act, 1956. Mr. Rajiv Rattan who was appointed as a Whole-time Director of the Company on February 27, 2004 (effective from February 28, 2004) and has been drawing remuneration from the Company with effect from August 1, 2005, pursuant to the shareholders approval, accorded in the Annual General Meeting of the Company dated July 26, 2005. Subsequently effective from March 6, 2008, he was designated as Vice Chairman of the Company. While the terms of his remuneration as approved by the Shareholders authorise him to receive remuneration from the Company uptill February 27, 2009, in the Board meeting dated July 25th 2008 Mr. Rajiv Rattan expressed his desire to continue as the Vice Chairman of the Company, without any remuneration, effective September 1, 2008. The last drawn remuneration by Mr. Rajiv Rattan was Rs. 3,690,500/- per month. Accordingly, in deference of his desire the Board has decided that with effect from September 1, 2008 Mr. Rajiv Rattan would be Vice Chairman of the Company without any remuneration.
10. During the year the holding Company had advanced a sum of Rs. 1,455,673,000 by way of loans to three of its wholly owned subsidiaries viz. Indiabulls Insurance Advisors Limited, Indiabulls Capital Services Limited and Divya Shakti Trading Services Limited. Those subsidiaries have incurred / provided for losses aggregating to Rs.

Significant Accounting Policies and Notes to Accounts *continued*

2,275,330,373 in respect of dealing in securities. Based upon the availability of resources with those subsidiaries as at the year end to repay those loans, the holding Company has written off loans given to two of those subsidiaries - viz. Indiabulls Insurance Advisors Limited and Indiabulls Capital Services Limited aggregating to Rs. 1,136,173,000 as bad loans / advances written off.

11. Goodwill / Capital Reserve:

As at the beginning of the previous year, the Company had recorded Capital Reserve on consolidation of Rs. 151,244,306. Consequent to the Scheme of arrangement becoming effective on December 24, 2007 and with effect from the Appointed Date on April 01, 2007, the securities, broking and advisory business of the company stood demerged from IBFSL and got transferred to and vested in Indiabulls Securities Limited on a going concern basis and ICSL stands merged with the Company. Capital Reserve was adjusted to the extent of Rs. 292,359,132 on account of the same. After the above adjustment, the net capital reserve on consolidation had increased to Rs. 443,603,438.

12. Secured loans from banks and others include:

Vehicle Loans amounting to Rs. 7,699,535 (Previous Year Rs. 15,875,480) from Banks which are secured against hypothecation of vehicle, Secured loans from banks / others amounting to Rs. 45,433,241,445 (Previous Year Rs. 38,569,981,873) which are secured against book debts and balances of receivables included in loans and other credit facilities and Secured loans from others amounting to Rs. Nil (Previous Year Rs. 250,000,001) which are secured by personal guarantee of Directors of the Company.

13. During the year, the Company has issued Fixed Rate, Unsecured Redeemable Non-Convertible Debentures, the salient features of the same are given below:

Party	Date of Issue	Date of Maturity	Rate of Interest p.a	Face Value (Rs.)	Amount (Rs.)
Reliance Mutual Fund(1)	15-May-08	14-May-09	10.80%	10,000,000	500,000,000
Reliance Mutual Fund(2)	27-Jun-08	29-Sep-08	11.50%	10,000,000	900,000,000
Birla Sun Life Mutual Fund*	30-Jun-08	30-Jul-08	11.75%	10,000,000	500,000,000
JM Financial Mutual Fund*	30-Jun-08	30-Jul-08	11.75%	10,000,000	500,000,000
JM Financial Mutual Fund*	30-Jul-08	29-Aug-08	11.75%	10,000,000	500,000,000
Birla Sun Life Mutual Fund(3)	31-Jul-08	30-Sep-08	11.25%	10,000,000	500,000,000
Reliance Mutual Fund(4)	06-Aug-08	03-Nov-08	11.75%	10,000,000	500,000,000
JM Financial Mutual Fund(5)	13-Aug-08	29-Aug-08	11.00%	10,000,000	500,000,000
Reliance Mutual Fund(6)	25-Aug-08	21-Nov-08	11.90%	10,000,000	550,000,000
Reliance Mutual Fund(7)	02-Sep-08	02-Dec-08	12.25%	10,000,000	1,000,000,000
Reliance Mutual Fund(8)	04-Sep-08	04-Dec-08	12.25%	10,000,000	700,000,000
JM Financial Mutual Fund(9)	05-Sep-08	20-Oct-08	12.60%	10,000,000	1,000,000,000
Reliance Mutual Fund(10)	29-Sep-08	26-Dec-08	14.50%	10,000,000	1,000,000,000
Birla Sun Life Mutual Fund*	29-Sep-08	29-Oct-08	13.75%	10,000,000	500,000,000
Reliance Mutual Fund*	20-Oct-08	20-Nov-08	16.50%	10,000,000	250,000,000
Birla Sun Life Mutual Fund*	31-Oct-08	28-Nov-08	15.00%	10,000,000	500,000,000
Reliance Mutual Fund(11)	03-Nov-08	02-Feb-09	14.50%	10,000,000	500,000,000
Canara Robeco Mutual Fund*	06-Nov-08	22-Dec-08	12.25%	10,000,000	250,000,000
Reliance Mutual Fund(12)	28-Nov-08	27-Feb-09	14.00%	10,000,000	2,550,000,000
Birla Sun Life Mutual Fund*	28-Nov-08	31-Dec-08	15.00%	10,000,000	500,000,000
Reliance Mutual Fund(13)	02-Dec-08	02-Mar-09	14.00%	10,000,000	1,000,000,000
Reliance Mutual Fund(14)	26-Dec-08	20-Mar-09	13.00%	10,000,000	950,000,000
Birla Sun life Mutual Fund(15)	09-Jan-09	20-Mar-09	14.00%	10,000,000	500,000,000
Reliance Mutual Fund(16)	21-Jan-09	20-Apr-09	11.25%	10,000,000	200,000,000
Reliance Mutual Fund(17)	21-Jan-09	20-Jan-10	12.50%	10,000,000	250,000,000
Reliance Mutual Fund(18)	02-Feb-09	04-May-09	11.25%	10,000,000	500,000,000
Reliance Mutual Fund(19)	19-Feb-09	19-May-09	11.75%	10,000,000	250,000,000
Reliance Mutual Fund(20)	02-Mar-09	30-May-09	11.75%	10,000,000	500,000,000
Reliance Mutual Fund	26-Mar-09	25-Sep-09	11.75%	11,000,000	1,100,000,000

Significant Accounting Policies and Notes to Accounts *continued*

* Redeemed on respective maturity dates given above.

- (1) Call option exercised and redeemed before the due date on June 26, 2008.
- (2) Call option exercised and redeemed before the due date on July 02, 2008.
- (3) Call option exercised and redeemed before the due date on September 29, 2008.
- (4) Call option exercised and redeemed before the due date on August 12, 2008.
- (5) Call option exercised and redeemed before the due date on August 21, 2008.
- (6) Call option exercised and redeemed before the due date on August 29, 2008.
- (7) Call option exercised and redeemed before the due date on September 08, 2008.
- (8) Call option exercised and redeemed before the due date on September 09, 2008.
- (9) Call option exercised and redeemed before the due date on September 19, 2008.
- (10) Call option exercised and redeemed before the due date on October 06, 2008.
- (11) Call option exercised and redeemed before the due date on November 06, 2008.
- (12) Call option exercised and redeemed before the due date on December 04, 2008.
- (13) Call option exercised and redeemed before the due date on December 19, 2008.
- (14) Call option exercised and redeemed before the due date on December 30, 2008.
- (15) Call option exercised and redeemed before the due date on January 13, 2008.
- (16) Call option exercised and redeemed before the due date on January 27, 2009.
- (17) Call option exercised and redeemed before the due date on January 27, 2009.
- (18) Call option exercised and redeemed before the due date on February 05, 2009.
- (19) Call option exercised and redeemed before the due date on February 26, 2009.
- (20) Call option exercised and redeemed before the due date on March 06, 2009.

14. Secured Loans and Other Credit Facilities given to customers amounting to Rs. 40,539,669,846 are secured against securities both tradable and listed, Commercial Vehicles, Tractors, Two Wheelers, Gold and Mortgage of Properties and personal guarantees accepted as collateral security.

Secured Loans comprising loan against shares given to customers are secured against - securities both tradable and listed and;

- equitable mortgage of property / properties or registered mortgage of property / properties, securities.

Secured loans in the nature of Commercial Vehicle, Tractor finance, Two Wheeler are secured against hypothecation of the respective vehicle. Other secured loans are secured by equitable mortgage of property or registered mortgage of property / properties, securities and personal guarantees accepted as collateral security.

Unsecured Loans comprise of Business Loans, Personal Loans, Personal Loans Plus, Small Business Loans, Big Ticket Unsecured Loans given to customers aggregating to Rs. 23,436,127,572 and Inter corporate Deposits (ICDs) aggregating to Rs. 2,191,137,137 given to companies.

Provision for Loans and Other Credit Facilities in respect of Unsecured and Secured Loans granted is made as per the Prudential Norms applicable to Non-Banking Finance Companies / Housing Finance Companies. The Company has made additional provision based on the underlying risk factors and on the best estimates of the management taking into consideration the outstanding balances / ageing of the loans.

15. Fixed deposits include:

- (a) Fixed Deposits as on March 31, 2009 amounting to Rs. 7,684,136,180 (Previous Year Rs. 5,442,972,830) are placed as collateral with banks / others for assignment / securitisation deals on which assignees have a lien.
- (b) Fixed Deposits as on March 31, 2009 amounting to Rs. 2,000,000,000 (Previous Year Rs. 9,000,000,000) are placed as collateral with bank for cash credit facility.

16. Loans and Advances include loans amounting to Rs. 190,160 (Previous Year Rs 3,735,757), being loans given by its subsidiary Company to its employee under normal terms and conditions as applicable to employees, prior to his being appointed as director of subsidiary Company w.e.f. January 15, 2008. The recovery of principal and interest thereon is as per stipulations.

Significant Accounting Policies and Notes to Accounts continued

17. The breakup of deferred tax into major components as at March 31, 2009 is as under:

	As at March 31, 2009 (Amt. in Rs.)	As at March 31, 2008 (Amt. in Rs.)
Deferred Tax Assets		
Provision for Bad & Doubtful Debts	545,532,970	473,942,260
Disallowance u/s 43B of the Income Tax Act, 1961	37,498,907	32,416,845
Preliminary expenses	40,776	95,633
Others	-	-
	583,072,653	506,454,738
Deferred Tax Liabilities		
Depreciation	(38,642,272)	(46,020,369)
Retained Interest on Securitisation / Assignment / Deferred Purchase Consideration	(403,521,892)	(1,031,153,553)
	(442,164,164)	(1,077,173,922)
Net Deferred Tax Assets / (Liabilities)	140,908,489	(570,719,184)

18. Earnings Per Share (EPS):

The basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares, Convertible Preference Shares, Share Warrants and the potential dilutive effect of Employee Stock Option Plan as appropriate.

	For the Year ended March 31, 2009	For the Year ended March 31, 2008
		Amount (in Rs.)
Profit After Tax and prior period adjustments	1,059,588,352	5,806,397,007
Less: Adjustment for preference dividend and tax there on	183,524,643	106,554,607
Less: Adjustment for preference dividend and tax there on of subsidiary	-	-
Less: Share of Minority	81,405,220	78,091,112
Profit available for Equity Shareholders (For Basic / Dilutive EPS)	794,658,489	5,621,751,288
Weighted average number of Shares used in computing Basic earnings per share	253,535,879	246,184,479
Add: Potential number of Equity shares that could arise on exercise of Employee Stock Options / Share Warrants / Convertible Preference Shares	2,001,935	8,331,728
Weighted average number of Shares used in computing Diluted earnings per share	255,537,814	254,516,207
Nominal Value of Equity Shares	2.00	2.00
Basic Earnings Per Share	3.13	22.84
Diluted earnings Per Share	3.11	22.09

19. The Company has taken office premises on operating lease at various locations and lease rent in respect of the same amounting to Rs. 156,177,755 (Previous Year Rs. 184,870,611) have been charged to Profit and Loss Account. The minimum lease rental outstanding as at March 31, 2009 are as under:

Significant Accounting Policies and Notes to Accounts *continued*

Amount (in Rs.)

Minimum lease rentals	As at March 31, 2009	As at March 31, 2008
Within one Year	59,774,535	139,930,873
One to Five Years	156,064,321	140,907,147
Above Five Years	5,796,797	25,090,631

20. Segment Reporting:

Segment information for the Year ended March 31, 2009:

(a) Primary segment information (by business segments)

Amount (in Rs.)

	Investing and financing activities	Fee Income	Others	Total
(i) Segment Revenue	19,719,854,749 <i>14,447,359,599</i>	307,618,032 <i>807,007,431</i>	29,643,255 <i>1,632,258,859</i>	20,057,116,036 <i>16,886,625,889</i>
(ii) Segment Results	4,177,379,643 <i>6,048,397,681</i>	302,483,115 <i>802,172,935</i>	(2,464,633,292) <i>1,584,068,390</i>	2,015,229,466 <i>8,434,639,006</i>
Less: Interest Expenses				-
Add: Interest Income				-
Less: Unallocated Expenditure net of other unallocated Income				240,661,394 <i>124,245,805</i>
Less: Income taxes				714,979,720 <i>2,503,996,194</i>
Total Profit after tax				1,059,588,352 <i>5,806,397,007</i>
(iii) Segment Assets	106,735,890,113 <i>119,417,826,172</i>	89,781,503 <i>198,761,521</i>	- <i>5,286,389,167</i>	106,825,671,616 <i>124,902,976,860</i>
Unallocated Corporate Assets				1,823,604,402 <i>36,991,786,476</i>
Total Assets				108,649,276,018 <i>161,894,763,336</i>
(iv) Segment Liabilities	72,103,691,085 <i>122,208,558,001</i>	16,244,063 <i>2,838,467</i>	- <i>533,034,422</i>	72,119,935,148 <i>122,744,430,890</i>
Unallocated Corporate Liabilities				1,230,488,223 <i>4,142,525,050</i>
Total Liabilities				73,350,423,371 <i>126,886,955,940</i>
(v) Capital Expenditure including capital work in progress/capital advances	28,171,002 <i>187,025,501</i>	- <i>-</i>	(2,489,095) <i>51,800</i>	25,681,907 <i>187,077,301</i>
(vi) Depreciation/Amortisation	74,358,071 <i>68,098,181</i>	81,559 <i>81,558</i>	3,656,315 <i>3,387,751</i>	78,095,945 <i>71,567,490</i>
(vii) Non cash expenditure other than depreciation	306,109,213 <i>625,523,626</i>	- <i>-</i>	- <i>-</i>	306,109,213 <i>625,523,626</i>

Figures for Previous Year are stated in italics

(b) The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

(c) The group's primary business segments are reflected based on principal business activities carried on by the group. The group's primary business activities are to carry on business of investing and finance related activities (investing in various subsidiaries, financing of loans and credit activities) and Fee Income which

Significant Accounting Policies and Notes to Accounts continued

mainly comprises of Financial Service related fee based advisory services income, selling of Insurance products as a Licensed Corporate Agent; and other related ancillary services.

"Others" business segment constitutes profit on investment / dealing in securities. This not being the normal business activity of the company the same is shown as "Others".

- (d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (e) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Significant Accounting Policies (A) above.
21. Disclosures in respect of Accounting Standard (AS) - 18 'Related Party Disclosures' as notified by the Companies (Accounting Standards) Rules, 2006:

Nature of relationship	Related party
------------------------	---------------

- | | |
|---|---|
| (a) Related parties where significant influence exists: | Indiabulls Asset Reconstruction Company Limited |
| (b) Other related parties | |
| Key Management Personnel | Mr. Rajiv Rattan, Director
Mr. Sameer Gehlaut, Director
Mr. Saurabh Mittal, Director
Mr. Gagan Banga, Director
Mr. Tejinderpal Singh Miglani,
Whole Time Director of Subsidiary
Mr. Sachin Chaudhary,
Whole Time Director of Subsidiary
(w.e.f. January 15, 2008)
Mr. Kamal Batra, Additional Director of
Subsidiary (w.e.f. January 15, 2008 upto
January 06, 2009) |

- (c) The following transactions were carried out during the year with related parties in the ordinary course of business:

Nature of Transaction	Shareholder	Associate	Others	Key Management Personnel	Total
Finance					
Loans and Advances (Maximum Balance outstanding during the year)	-	-	-	3,808,121 6,121,485	3,808,121 6,121,485
Expenses reimbursement received by Holding Company	-	21,283	-	-	21,283
Investments					
Money Received on Conversion of Share Warrant II	-	-	-	1,213,800,000	1,213,800,000
Other receipts and payments					
Remuneration (including perquisite and retirement benefits) by Holding & Subsidiary Company	-	-	-	133,827,902 99,567,230	133,827,902 99,567,230
Issue of Equity Shares of Indiabulls Credit Services Limited under ESOS scheme	-	-	-	-	-
	-	-	-	2,004,000	2,004,000

Significant Accounting Policies and Notes to Accounts *continued*

(d) Statement of Material Transactions:-

Particulars	Amount (in Rs.)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Loans and Advances (Maximum Balance outstanding during the year) (Refer note B.16 of Schedule O)		
Sachin Chaudhary	1,392,889	1,427,685
Kamal Batra	2,415,232	4,695,800
Remuneration		
Rajiv Rattan	37,091,193	41,765,960
Sameer Gehlaut	75,277,005	41,782,923
Gagan Banga	15,028,852	14,446,325
Sachin Chaudhary	6,430,852	1,572,022
Reimbursement of Expenses		
Indiabulls Asset Reconstruction Company Limited	-	21,283
Money received on conversion of Warrants II		
Sameer Gehlaut	-	606,900,000
Rajiv Rattan	-	303,450,000
Saurabh Mittal	-	303,450,000

(e) Outstanding balances as on March 31, 2009:

Nature of Transaction	Shareholder	Associate	Others	Key Management Personnel	Total
Loans and Advances (Refer note B.16 of Schedule O)	-	-	-	190,160	190,160
	-	-	-	(3,735,757)	(3,735,757)

Related Party relationships as given above are as identified by the Company and relied upon by the Auditors.

22. No borrowing cost has been capitalised during the year.
23. (a) Other Operating Charges includes

Particulars	Amount (in Rs.)	
	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Fees / Charges recovered	195,234,658	100,914,089
Loan Processing Fees	837,225,025	1,445,455,568
Total	1,032,459,683	1,546,369,657

23. (b) Interest on Financing Activities Includes:

Particulars	Amount (in Rs.)	
	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Interest on Financing Activities	15,815,723,974	9,323,228,635
Interest on Fixed Deposits	1,595,465,184	1,201,290,602
Interest on Pass through certificates	29,481,687	-
Total	17,440,670,845	10,524,519,237

24. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:
- (a) An amount of Rs. Nil and Rs. Nil was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
 - (b) No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
 - (c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
 - (d) No amount of interest was accrued and unpaid at the end of the accounting year.
- The above information and that given in Schedule H - "Current Liabilities and Provisions" regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
25. The Company does not have any derivative instruments that are outstanding as at March 31, 2009. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
26. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 - 'Provisions, Contingent Liabilities and Contingent Assets' as notified by Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.
27. Employee Benefits - Provident Fund, ESIC, Gratuity, Leave (Compensated Absences) and Superannuation (Pension & Medical coverage) benefit plans disclosures as per Accounting Standard (AS) 15 (Revised) - 'Employee Benefits' as notified by the Companies (Accounting Standards) Rules, 2006:

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all regular employees eligible under applicable Acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs. 6,143,014 (Previous year Rs. 51,343,990) towards employer contribution for the above mentioned funds.

Provision for unfunded Gratuity, Leave encashment (compensated absences) for all employees and unfunded Superannuation (Pension & Medical coverage) payable to certain Promoter Directors on retirement is based upon actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard (AS) 15 (Revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit Method'. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss Account.

Disclosures in respect of Gratuity, Compensated Absences and Superannuation are given below:

Significant Accounting Policies and Notes to Accounts *continued*

Amount (in Rs.)

	Gratuity (Unfunded) 2008 - 09	Gratuity (Unfunded) 2007-2008	Compensated Absences (Unfunded) 2008 - 09	Compensated Absences (Unfunded) 2007-2008	Superan- nuation (Unfunded) 2008 - 09	Superan- nuation (Unfunded) 2007-2008
Reconciliation of liability recognized in the Balance sheet:						
Present Value of commitments (as per Actuarial valuation)	31,279,469	23,965,216	16,033,402	14,076,174	63,049,049	57,400,000
Fair value of plans	-	-	-	-	-	-
Net liability in the Balance sheet (as per Actuarial valuation)	31,279,469	23,965,216	16,033,402	14,076,174	63,049,049	57,400,000
Movement in net liability recognized in the Balance sheet:						
Net liability as at April 01, 2008	23,965,216	15,224,012	14,076,174	15,169,121	57,400,000	31,700,000
Net expenses recognized / (reversed) in the Profit and Loss Account	7,765,111	8,741,204	1,974,388	(1,092, 947)	55,729,352	25,700,000
Contribution during the year	(450,858)	-	(17,160)	-	(50,080,303)	-
Net liability as at March 31, 2009	31,279,469	23,965,216	16,033,402	14,076,174	63,049,049	57,400,000
Expenses recognized in the Profit and Loss account:						
Current service cost	14,735,958	14,870,828	7,690,209	13,889,367	10,490,918	23,300,000
Interest Cost	1,657,597	1,050,829	883,798	1,124,378	3,815,060	2,400,000
Expected return on plan assets	-	-	-	-	-	-
Actuarial (gains) / losses	(8,628,444)	(7,180,453)	(6,599,619)	(16,106,692)	41,423,374	-
Expenses charged / (reversal) to the Profit and Loss Account*	7,765,111	8,741,204	1,974,388	(1,092,947)	55,729,352	25,700,000
Return on Plan assets:						
Expected return on Plan assets	-	-	-	-	-	-
Actuarial (gains) / losses	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-
Reconciliation of defined-benefit commitments:						
Commitments as at April 01, 2008	23,965,216	15,224,012	14,076,174	15,169,121	57,400,000	31,700,000
Current service cost	14,735,958	14,870,828	7,690,209	13,889,367	10,490,918	23,300,000
Interest cost	1,657,597	1,050,829	883,798	1,124,378	3,815,060	2,400,000
Paid benefits	(450,858)	-	(17,160)	-	(50,080,303)	-
Actuarial (gains) / losses	(8,628,444)	(7,180,453)	(6,599,619)	(16,106,692)	41,423,374	-
Commitments as at March 31, 2009	31,279,469	23,965,216	16,033,402	14,076,174	63,049,049	57,400,000

Significant Accounting Policies and Notes to Accounts *continued*

Amount (in Rs.)

	Gratuity (Unfunded) 2008 - 09	Gratuity (Unfunded) 2007-2008	Compensated Absences (Unfunded) 2008 - 09	Compensated Absences (Unfunded) 2007-2008	Superan- nuation (Unfunded) 2008 - 09	Superan- nuation (Unfunded) 2007-2008
Reconciliation of Plan assets:						
Plan assets as at April 01, 2008	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Contributions during the year	-	-	-	-	-	-
Paid benefits	-	-	-	-	-	-
Actuarial (gains) / losses	-	-	-	-	-	-
Plan assets as at March 31, 2009	-	-	-	-	-	-

*Excludes write back of provision for Gratuity Rs. 34,615 (Previous Year Rs. 93,180) and Compensated Absences Rs. Nil (Previous Year Rs. 39,804) included under Miscellaneous Income.

The actuarial calculations used to estimate commitments and expenses in respect of unfunded Gratuity, Compensated absences and Superannuation (Pension & Medical coverage) are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Discount rate -	
Gratuity and Compensated Absences	7.00% - 7.50%
Superannuation	7.50%
Expected return on plan assets	--
Expected rate of salary increase	5.00%
Mortality	LIC (1994-96) Duly Modified

As, this is the second year in which the AS 15 (Revised) has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous four years have not been furnished.

28. During the previous year, the Company has entered into a Memorandum of Understanding ("MOU") with MMTC Limited, the largest commodity trading business in India to establish a Commodities Exchange with 26% ownership with MMTC Ltd. Subsequent to March 31, 2009, in line with the Government of India ownership guidelines, International Multi Commodity Exchange Limited (wholly owned subsidiary as at the year end) has received its entire capital contribution of Rs. 1,000,000,000 from Indiabulls Financial Services Ltd. (40%), MMTC Ltd. (26%), Indian Potash Ltd. (10%), United Stock Exchange of India Ltd. (10%) and Abhinay Trading Private Ltd. (14%), of which Rs. 999,500,000 is pending allotment (includes Rs. 340,000,000 pending allotment as at the year end, received from MMTC Ltd. Rs. 100,000,000; Abhinay Trading Private Ltd. Rs. 140,000,000 and Indian Potash Ltd. Rs. 100,000,000). Recognition of the exchange from Forward Markets Commission is expected shortly. The technology platform for the exchange including network and infrastructure is at an advanced stage of completion and membership campaign is underway.
29. The Company had, during 2007-08 entered into a MOU with Sogecap, the life insurance arm of Societe Generale of France, for its upcoming life insurance Joint Venture. Sogecap will subscribe to 26% of the paid up capital in the Joint Venture. The Company has already obtained approval from the Reserve Bank of India vide its letter no. DNBS.ND.No.2751/05.09.055./2007-08 dated November 20, 2007 for holding 49.50% equity stake in the life insurance venture, and has also been issued R1 by the Insurance Regulatory and Development Authority (IRDA), the insurance regulator, for initiating necessary regulatory approvals. Indiabulls Securities Limited ("IBSL") agreed to subscribe to balance 24.5% of the paid up share capital of Indiabulls Life Insurance Company

Significant Accounting Policies and Notes to Accounts *continued*

Limited (ILICL). With this, the share capital structure of ILICL would be Indiabulls Financial Services Limited - 49.5%, IBSL - 24.5% and Sogecap, France - 26%. ILICL will commence its life insurance business on receipt of all applicable statutory and regulatory approvals.

30. During the previous year, the Securities and Exchange Board of India (SEBI) has approved setting up of an Asset Management Company and a Trustee Company for the setting up of a Mutual Fund. As a result thereof, during the current financial year Indiabulls Asset Management Company Limited and Indiabulls Trustee Company Limited have been formed as 100% subsidiaries of the Company. The regulatory approvals for commencing operations of Indiabulls Trustee Company Limited and Indiabulls Asset Management Company Limited (wholly owned subsidiaries of the Company) are under process.
31. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2009.
32. Previous year's figures have been regrouped and / or re-arranged wherever necessary to conform to current year's groupings and classifications.

As per our report of even date attached

For Deloitte Haskins & Sells For and on behalf of the Board
Chartered Accountants

K. A. Katki
Partner

Sameer Gehlaut
Whole time Director

Gagan Banga
Whole time Director

Amit Jain
Company Secretary

Mumbai: June 06, 2009

Mumbai: June 06, 2009

Auditors' Report to the Members

of Indiabulls Financial Services Limited

1. We have audited the attached balance sheet of Indiabulls Financial Services Limited ("the Company") as at March 31, 2009, the profit and loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Mumbai, June 06, 2009

Membership No. 038568

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year is such that clauses ii, viii, xiii, xiv of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
2. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The company has not disposed off a substantial part of its fixed assets during the year. In our opinion and according to the information and explanations given to us, the ability of the company to continue as a going concern is not affected on account of such disposal of fixed assets.
3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans to Nine Companies. At the year-end, the outstanding balances of such loans granted aggregated to Rs. 685,048,000 from three Companies and the maximum amount involved during the year was Rs. 8,207,500,000 from nine companies.
 - (b) The rate of interest and other terms and conditions of such loans, wherever stipulated, are, in our opinion, prima facie not prejudicial to the interest of the Company.
 - (c) The receipt of principal amounts and interest on loans classified as non-performing asset / doubtful / bad loans are as stipulated under the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. In respect of other loans, the receipts of principal amounts and interest have during the year been regular / as per stipulations.
 - (d) There are no overdue amounts in excess of Rs. 1 lakh in respect of loans granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - (e) The Company has taken loans from five Companies. At the year-end, the outstanding balance of such loan taken aggregated to Rs. 230,000,000 from one Company and the maximum amount involved during the year was Rs. 13,442,000,000 from five companies
 - (f) The rate of interest and other terms and conditions of such loans, wherever stipulated, are, in our opinion, prima facie not prejudicial to the interest of the Company.
 - (g) The payment of principal amount and interest in respect of such loans are regular / as per stipulations.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and we have not observed any continuing failure to correct major weaknesses in such internal controls. There were no transactions in respect of purchase of inventory and sale of goods during the year.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
 - (b) According to the information and explanations given to us, where each of such transactions, (excluding loans reported in Paragraph 3 above), is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time, except that in respect of sale of services, no comparison of prices could be made as the Company informed us that there are no prevailing market prices / alternate sources of supply.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, in respect of Statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Service Tax and any other material statutory dues with the appropriate authorities during the year. The company has been generally regular in depositing undisputed income-tax dues. During the year there were no dues payable in respect of Investor Education and Protection Fund, Sales-tax, Wealth Tax, Custom Duty, Excise Duty and Cess. Further, since the Central Government has till date not prescribed the amount of Cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
 - (b) During the year there were no disputed dues payable in respect of Sales tax, Income-tax, Customs Duty, Wealth-tax, Service Tax, Excise Duty and Cess.
9. In our opinion and according to the information and explanations given to us, the company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
10. In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions, banks and unsecured debenture holders.
11. In our opinion the Company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares. The Company has not granted loans and advances on the basis of security by way of debentures and other securities.
12. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
13. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions, are not prima facie prejudicial to the interests of the Company.
14. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
15. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
16. According to the information and explanations given to us, the price at which the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 is not prima facie prejudicial to the interests of the Company.
17. We have verified the end use of money raised by public issues as disclosed in the notes to the financial statements.
18. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Membership No. 038568

Mumbai, June 06, 2009

Balance Sheet

as at March 31, 2009

		Amount (in Rs.)	
	Schedule No	As at March 31, 2009	As at March 31, 2008
Sources of Funds			
Shareholders' Funds			
Share Capital	1	2,075,913,257	2,075,507,697
Reserves and Surplus	2	29,994,125,603	28,861,353,394
		32,070,038,860	30,936,861,091
Loan Funds			
Secured Loans	3	40,625,639,575	35,595,696,918
Unsecured Loans	4	23,080,000,000	73,380,000,000
		63,705,639,575	108,975,696,918
Deferred Tax Liability (net) (Refer Note B 22 of Schedule 18)		-	252,109,983
Total		95,775,678,435	140,164,667,992
Application of Funds			
Fixed Assets			
Gross Block	5	555,547,478	524,091,257
Less: Depreciation / Amortisation		156,958,918	93,080,044
Net Block		398,588,560	431,011,213
Capital Work in Progress / Capital Advances		10,445,558	18,104,045
		409,034,118	449,115,258
Investments	6	13,737,468,574	3,106,125,000
Deferred Tax Assets (net) (Refer Note B 22 of Schedule 18)		283,000,060	-
Current Assets, Loans and Advances			
Sundry Debtors	7	6,529,832	73,189,303
Cash and Bank Balances	8	22,514,645,112	69,400,911,152
Other Current Assets	9	1,010,018,207	743,713,859
Loans and Advances	10	61,812,938,342	77,909,044,740
		85,344,131,493	148,126,859,054
Less: Current Liabilities and Provisions	11		
Current Liabilities		1,854,512,213	7,138,992,343
Provisions		2,143,443,597	4,378,438,977
		3,997,955,810	11,517,431,320
Net Current Assets		81,346,175,683	136,609,427,734
Total		95,775,678,435	140,164,667,992
Significant Accounting Policies and Notes to Accounts	18		

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

K. A. Katki
Partner

Sameer Gehlaut
Whole Time Director

Gagan Banga
Whole Time Director

Amit Jain
Company Secretary

Mumbai, June 6, 2009

Mumbai, June 6, 2009

Profit and Loss Account

for the Year ended March 31, 2009

		Amount (in Rs.)	
	Schedule No.	Year ended March 31, 2009	Year ended March 31, 2008
INCOME			
Revenue from operations	12	17,808,952,691	13,256,576,474
Other Income	13	26,131,789	21,879,617
Total		17,835,084,480	13,278,456,091
EXPENDITURE			
Operating Expenses	14	191,937,844	295,773,780
Personnel Costs	15	1,383,630,104	2,080,230,179
Administrative and Other Expenses	16	4,341,304,657	1,525,429,867
Interest and Finance Charges	17	9,381,162,799	3,647,882,803
Depreciation / Amortisation	5	68,088,503	60,511,284
Total		15,366,123,907	7,609,827,913
Profit before tax		2,468,960,573	5,668,628,178
Provision for taxation			
- Current Tax		1,064,300,000	1,875,900,000
- Deferred Tax Credit (net)		(535,110,043)	(39,108,040)
- Fringe Benefits Tax		7,535,486	11,658,771
Profit After Tax		1,932,235,130	3,820,177,447
Prior period adjustments			
- Taxation		30,514,262	477,592
Profit After Tax and Prior Period Adjustments		1,901,720,868	3,819,699,855
Balance of Profit brought forward		812,187,831	302,958,501
Addition / Deduction pursuant to the Scheme of Arrangement:			
Add: Transfer from ICSL under Amalgamation		-	870,900,645
Less : The difference between the face value of shares issued and the book value of net assets taken over from ICSL, after accounting for the cancellation of investment in and after crediting the Reserve Fund, Securities Premium Account		-	(375,862,816)
Amount available for appropriation		2,713,908,699	4,617,696,185
Appropriation:			
Dividend paid on Preference Shares		118,186,239	58,931,664
Proposed Dividend on Preference Shares		38,679,133	32,144,542
Proposed Final Dividend on Equity Shares		507,259,538	2,154,129,407
Dividend on Equity Shares issued after the year end on account of GDR/Warrant conversion		-	27,970,903
Corporate Dividend Tax on Dividend paid on Preference Shares		20,085,752	10,015,436
Corporate Dividend Tax on Proposed Dividend on Preference Shares		6,573,519	5,462,965
Corporate Dividend Tax on Proposed Final Dividend on Equity shares		86,208,758	366,094,293
Corporate Dividend Tax on Dividend on Equity Shares issued after the year end on account of GDR/Warrant conversion		-	4,753,655
Transfer to General Reserve		190,175,000	381,970,000
Transfer to Reserve Fund (U/s 45IC of R.B.I.Act, 1934)		380,344,174	764,035,489
Balance of Profit carried forward		1,366,396,586	812,187,831
Earnings per Share - Basic and Diluted (Refer Note B 21 of Schedule 18)			
- Basic (Rs.)		6.78	15.08
- Diluted (Rs.)		6.72	14.59
Face Value per equity share (Rs.)		2.00	2.00
Significant Accounting Policies and Notes to Accounts	18		

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

K. A. Katki
Partner

Sameer Gehlaut
Whole Time Director

Gagan Banga
Whole Time Director

Amit Jain
Company Secretary

Mumbai, June 6, 2009

Mumbai, June 6, 2009

Cash Flow Statement

for the Year ended March 31, 2009

	Amount (in Rs.)	
	Year ended March 31, 2009	Year ended March 31, 2008
A. Cash flow from operating activities :		
Net Profit before tax	2,468,960,573	5,668,628,178
Less: (Loss) / Profit on Investment / Dealing in securities	(22,545,699)	-
	2,491,506,272	5,668,628,178
Adjustments for :		
Provision for Doubtful Assets	189,844,050	455,120,499
Provision for Gratuity, Compensated Absences and Superannuation Expense	10,224,369	30,918,399
Loss on Sale of Fixed Assets	13,801,596	-
Interest on Vehicle Loans	1,263,889	1,726,965
Depreciation / Amortisation	68,088,503	60,511,284
	283,222,407	6,216,905,325
Operating Profit before working capital changes	2,774,728,679	
Adjustments for:		
Trade and other receivables	12,571,083,597	(54,482,404,827)
Trade Payables and other liabilities	(5,287,442,772)	5,538,821,812
	7,283,640,825	(48,943,583,015)
Cash generated from / (used in) operations	10,058,369,504	(42,726,677,690)
Direct taxes (paid) / refund received	(1,755,677,364)	(1,987,018,664)
	(1,755,677,364)	(1,987,018,664)
Net cash generated from / (used in) operating activities	8,302,692,140	(44,713,696,354)
B. Cash flow from investing activities :		
Purchase of Fixed Assets	(49,467,446)	(162,282,548)
Net cash transferred under Scheme of Arrangement	-	(25,000,000)
Purchase of Securities & Pass Through Certificates	(4,382,539,264)	-
Sale of Securities	3,000,458,278	-
Capital Work in Progress	7,658,487	38,767,961
Purchase of Investments in subsidiaries/associates	(2,180,500,000)	(1,000,000)
Net cash used in investing activities	(3,604,389,945)	(149,514,587)
C. Cash flow from financing activities		
Loans to subsidiary Companies	3,462,752,000	(3,120,644,683)
Net proceeds from issue of equity shares (including Securities Premium)	8,449,840	13,246,502,139
Application of subscription money on Conversion of Shares Warrants in to Equity Shares	-	(134,900,000)
Distribution of Equity Dividends (including Corporate Dividend Tax)	(2,517,261,058)	(261,016,957)
Distribution of Preference Dividends (including Corporate Dividend Tax)	(175,879,498)	(119,108,146)
Interest on Vehicle Loans	(1,263,889)	(1,726,965)
Net Proceeds from Borrowings	(43,740,057,343)	97,232,236,859

Cash Flow Statement continued

for the Year ended March 31, 2009

	Year ended March 31, 2009	Amount (in Rs.) Year ended March 31, 2008
Net Proceeds from issue of Non Convertible Debentures	(1,530,000,000)	1,130,000,000
Net cash (used in) / generated from financing activities	(44,493,259,948)	107,971,342,247
D. Net (decrease) / Increase in cash and cash equivalents (A+B+C)	(39,794,957,753)	63,108,131,306
E. Cash and cash equivalents at the beginning of the year	69,400,911,152	3,647,319,267
Cash and cash equivalents received in merger of ICSL	-	2,645,460,579
F. Cash and cash equivalents at the close of the year (D + E)(Refer Note No. 2 below)	29,605,953,399	69,400,911,152

Note :

- The above cash flow statement excludes assets/liabilities (other than cash) transferred on demerger of Securities Broking and Advisory business to Indiabulls Securities Limited (the erstwhile subsidiary company), as it is a Non-Cash Transaction (Refer Note B.5 of Schedule 18).
- Includes an amount of Rs 175,811,261 (Previous Year Rs. 198,005,921) as amount payable on assigned loans.
- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS) - 3 on Cash Flow Statements as notified by the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents as at the close of the Year include:

Cash on Hand	96,992,566	7,381,370
Balances with scheduled banks		
In CurrentAccounts	604,120,309	34,074,443,787
In Fixed DepositAccounts*		
Having maturity less than 3 months	5,800,000,000	20,070,000,000
Having maturity more than 3 months	16,009,280,470	15,247,796,870
In Unclaimed DividendAccounts	4,251,767	1,289,125
	22,514,645,112	69,400,911,152
Current investment in Units of Mutual Fund	7,091,308,287	-
	29,605,953,399	69,400,911,152

*Fixed Deposits of Rs.7,811,460,473 (Previous year Rs. 5,177,596,868) have been placed as collateral for Assignment/Securitisation deals on which assignees have a paramount lien.

- Previous year's figures are regrouped wherever considered necessary

As per our report of even date attached

**For Deloitte Haskins & Sells
Chartered Accountants**

K. A. Katki
Partner

Mumbai, June 6, 2009

For and on behalf of the Board

Sameer Gehlaut
Whole Time Director

Mumbai, June 6, 2009

Gagan Banga
Whole Time Director

Amit Jain
Company Secretary

Schedules forming part of

Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
1. Share Capital		
Authorised		
2,000,000,000 (Previous Year 2,000,000,000) Equity Shares of Rs 2 each	4,000,000,000	4,000,000,000
25,000,000 (Previous Year 25,000,000) Preference Shares of Rs 300 each	7,500,000,000	7,500,000,000
25,000,000 (Previous Year 25,000,000) Preference Shares of Rs 157.39 each	3,934,750,000	3,934,750,000
Issued, subscribed and paid up		
253,629,769 (Previous Year 253,426,989) Equity Shares of Rs. 2 each fully paid up	507,259,538	506,853,978
9,966,667 (Previous Year 9,966,667) Non-Convertible Preference Shares of Rs. 157.39 each fully paid up	1,568,653,719	1,568,653,719
Of the above:		
(a) 76,935,375 (Previous Year 76,935,375) Equity Shares of Face Value of Rs. 2 each are allotted as fully paid up Bonus Shares by capitalisation of Securities Premium Account		
(b) 500,000 (Previous Year 500,000) Equity Shares of Face Value of Rs 2 each are issued for consideration other than cash		
	2,075,913,257	2,075,507,697
2. Reserves and Surplus		
Capital Redemption Reserve	3,627,392	3,627,392
Securities Premium Account		
Balance as per last Balance Sheet	25,954,999,711	8,556,969,741
Add: Additions during the year on account of Preference share conversion, Share Warrants II issued, GDR issue and Esop Issue	8,044,280	15,357,820,688
Add: Transfer from Indiabulls Credit Services Limited pursuant to Scheme of arrangement (Refer Note B 5 of Schedule 18)	-	2,717,569,548
	25,963,043,991	26,632,359,977
Less: Share issue expenses written off	-	337,260,354
Less: Reduction on account of transfer of Net Assets of Security broking and advisory business (Demerged undertaking) pursuant to scheme of arrangement to Indiabulls Securities Limited	-	340,099,912
	25,963,043,991	25,954,999,711
Reserve Fund (U/s 45IC of R.B.I. Act, 1934)		
Balance as per last Balance Sheet	1,481,165,260	502,949,480
Add: Amount Transferred during the year	380,344,174	764,035,489
Add: Transfer from Indiabulls Credit Services Limited pursuant to Scheme of arrangement	-	214,180,291
	1,861,509,434	1,481,165,260
General Reserve		
Balance as per last Balance Sheet	609,373,200	227,403,200
Add: Amount Transferred during the year	190,175,000	381,970,000
	799,548,200	609,373,200
Surplus as per Profit & Loss Account	1,366,396,586	812,187,831
	29,994,125,603	28,861,353,394

Schedules forming part of continued

Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2008	As at March 31, 2007
3. Secured Loans		
(Refer Note B 13 of Schedule 18)		
Term Loan		
Vehicle Loans	7,699,535	15,875,480
From Banks	29,460,714,286	23,773,809,524
From Others	3,535,500,000	5,800,000,000
Working Capital Loans:		
From Banks	7,621,725,754	6,006,011,914
From Others	-	-
	40,625,639,575	35,595,696,918
4. Unsecured Loans		
Short Term Loans and advances		
From Banks	-	15,500,000,000
From Others	-	750,000,000
Intercorporate Deposits	230,000,000	30,000,000,000
Other Loans and advances		
From Banks	-	1,000,000,000
From Others	-	8,150,000,000
Redeemable, Non Convertible Debentures (Refer Note B 14 of Schedule 18)		
12.50% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	50,000,000
10.25% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	380,000,000
9.80% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	750,000,000
10.10% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	600,000,000
10.75% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	300,000,000
11.50% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	430,000,000
11.35% Non Convertible Debentures of Face value Rs. 10,000,000 each	-	120,000,000
11.75% Non Convertible Debentures of Face value Rs. 10,000,000 each	1,100,000,000	-
Commercial Papers (maximum balance outstanding during the year Rs 30,200,000,000, Previous Year Rs. 15,550,000,000)	21,750,000,000	15,350,000,000
	23,080,000,000	73,380,000,000

Schedules forming part of continued

Balance Sheet as at March 31, 2009

Particulars	GROSS BLOCK AT COST						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at April 01, 2008	Assets transferred from ICSL under scheme of Arrangement on April 1, 2007	Additions during the year	Adjustments/Sales during the year	Demerger	As at March 31, 2009	As at April 01, 2008	Opening depreciation transferred from ICSL under scheme of Arrangement on April 1, 2007	Provided during the year	Adjustments during the year	Demerger	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
	A	B	C	D	E	F=A+B+C-D-E	G	H	I	J	K	L=G+H+J-K	F-L	A-G
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Tangible Assets														
Computers	122,386,374	-	7,885,508	1,500,184	-	128,771,698	30,724,963	-	20,694,039	809,807	-	50,609,195	78,162,503	91,661,411
Furniture & Fixtures	223,316,530	-	7,234,423	12,928,129	-	217,622,824	27,738,441	-	14,867,503	2,433,113	-	40,172,831	177,449,993	195,578,089
Office Equipment	59,557,157	-	4,050,954	1,492,943	-	62,115,168	6,815,529	-	3,126,328	201,184	-	9,740,673	52,374,495	52,741,628
Vehicles*	37,023,200	-	735,177	3,613,345	-	34,145,032	6,253,904	-	3,588,676	765,525	-	9,057,055	25,087,977	30,769,296
TOTAL (A)	442,283,261	-	19,906,062	19,534,601	-	442,654,722	71,532,837	-	42,256,546	4,209,629	-	109,579,754	333,074,968	370,750,424
B. Intangible Assets														
Software	81,807,996	-	31,084,760	-	-	112,892,756	21,547,207	-	25,831,957	-	-	47,379,164	65,513,592	60,260,789
TOTAL (B)	81,807,996	-	31,084,760	-	-	112,892,756	21,547,207	-	25,831,957	-	-	47,379,164	65,513,592	60,260,789
TOTAL (A+B)	524,091,257	-	50,990,822	19,534,601	-	555,547,478	93,080,044	-	68,088,503	4,209,629	-	156,958,918	398,588,560	431,011,213
PREVIOUS YEAR	183,005,033	179,860,064	162,843,352	617,192	1,000,000	524,091,257	15,630,308	17,144,949	60,511,284	56,388	150,109	93,080,044	431,011,213	167,374,725
Capital Work in Progress / Capital Advances													10,445,558	18,104,045
													409,034,118	449,115,258

*Includes vehicles having original cost of Rs. 23,388,962 (Previous Year Rs. 28,055,581) which are hypothecated to Banks.

Schedules forming part of continued

Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
6. Investments		
(A) - Long Term - Non Trade - Unquoted		
(Refer Note B 25 of Schedule 18)		
(i) In Subsidiary Companies:		
- 50,000 (Previous Year 50,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Insurance Advisors Ltd. (formerly Indiabulls Insurance Advisors Pvt. Ltd.)	500,000	500,000
- 43,75,000 (Previous Year 4,375,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Finance Company Private Ltd. (formerly Indiabulls Investment Private Ltd)	437,500,000	437,500,000
- 5,000,000 (Previous Year 5,000,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Capital Services Ltd.	50,000,000	50,000,000
- 135,000,000 (Previous Year 135,000,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Housing Finance Ltd.	2,253,375,000	2,253,375,000
- 10,000,000 (Previous Year 10,000,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Infrastructure Credit Limited (Formerly Indiabulls Commercial Credit Limited)	250,000,000	250,000,000
- 2,550,000 (Previous Year 50,000) Fully paid up Equity shares of face value Rs 10 each in Divya Shakti Trading Services Limited	25,500,000	500,000
- 20,00,000 (Previous Year Nil) Fully paid up Preference shares of face value Rs 10 each in Divya Shakti Trading Services Limited	2,000,000,000	-
- 50,000 (Previous Year 50,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Asset Holding Company Limited	500,000	500,000
- 50,000 (Previous Year 50,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Life Insurance Company Limited	500,000	500,000
- 150,000 (Previous Year 150,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Collection Agency limited	100,500,000	100,500,000
- 50,000 (Previous Year 50,000) Fully paid up Equity shares of face value Rs 10 each in Fast Loan Services Limited	500,000	500,000
- 15,000,000 (Previous Year Nil) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Asset Management Company Limited	150,000,000	-

Schedules forming part of continued

Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
- 500,000 (Previous Year Nil) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Trustee Company Limited	5,000,000	-
- 50,000 (Previous Year Nil) Fully paid up Equity shares of face value Rs 10 each in International Multi Commodity Exchange Limited	500,000	-
	5,274,375,000	3,093,875,000
(ii) <u>In Associate Company:</u>		
- 1,225,000 (Previous Year 1,225,000) Fully paid up Equity shares of face value Rs 10 each in Indiabulls Asset Reconstruction Company Ltd.	12,250,000	12,250,000
Sub total (A)	5,286,625,000	3,106,125,000
(B) - Current Investments - Non Trade - Unquoted (Refer Note B 26 of Schedule 18) Investment in Mutual Funds:		
- LIC Mutual Fund (Liquid Fund- Daily Dividend Reinvestment Option) No. of Units: 387,183,020.811(Previous Year : Nil) NAV: Rs.10.9801	4,251,308,287	-
(Savings Plus Fund- Daily Dividend Reinvestment Option) No. of Units: 284,000,000.000 (Previous Year : Nil) NAV: Rs.10.0000	2,840,000,000	-
Investment in Pass Through Certificates:		
- Reliance Mutual Fund	309,535,287	-
- RB Loan Trust Series 20 of Face Value of Rs. 10,000,000 each	1,000,000,000	-
Investment in Bonds:		
- 9.25% Unsecured Redeemable Non-Convertible Subordinated Bonds of Dena Bank of Face Value of Rs. 1,000,000 each	50,000,000	-
Sub total (B)	8,450,843,574	-
Aggregate book value of unquoted Investment (A+B)	13,737,468,574	3,106,125,000
7. Sundry Debtors		
Debts Outstanding for a period exceeding six months		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	-	19,227,043
- Considered doubtful	-	-
Other Debts		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	6,529,832	53,962,260
	6,529,832	73,189,303
8. Cash and Bank Balances		
Cash on hand	96,992,566	7,381,370
Balances with scheduled banks		
- in current accounts	608,372,076	34,075,732,912
- in deposit accounts	21,809,280,470	35,317,796,870
	22,514,645,112	69,400,911,152

Schedules forming part of continued

Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
9. Other current Assets		
Interest Accrued on Fixed Deposits, Pass Through Certificates & Bonds	499,316,461	743,713,859
Interest Accrued on Loans	510,701,746	-
	1,010,018,207	743,713,859
10. Loans and Advances (Unsecured, considered good, unless otherwise stated)		
(i) Loans and Other Credit Facilities		
(a) Standard Assets - Secured (Refer Note B 15 (a) of Schedule 18)	36,934,821,675	55,440,522,072
Less: Securitised / Assigned	4,220,687,419	2,463,154,564
	32,714,134,256	52,977,367,508
- Sub Standard Assets	103,769,735	76,553,901
	32,817,903,991	53,053,921,409
(b) Standard Assets - Unsecured (Refer Note B 15 (d) of Schedule 18)	38,641,574,210	33,411,665,550
Less: Securitised / Assigned	14,757,157,583	16,888,754,567
	23,884,416,627	16,522,910,983
- Sub Standard Assets	1,048,413,978	572,638,831
	24,932,830,605	17,095,549,814
	57,750,734,596	70,149,471,223
(ii) Retained interest on Securitisation of loans	19,906,727	76,732,282
Deferred Purchase Consideration on assignment of Loans	733,217,477	2,037,119,538
(iii) Loans to Subsidiary Companies-		
(a) Indiabulls Insurance Advisors Private Limited (Loans-Maximum balance outstanding at any time during the year Rs. 4,355,000,000, Previous Year Rs. 4,530,000,000)	-	3,225,000,000
(b) Indiabulls Capital Services Limited (Loans-Maximum balance outstanding at any time during the year Rs. 3,510,000,000, Previous Year Rs. 8,504,300,000)	180,000,000	240,000,000
(c) Divya Shakti Trading Services Limited (Maximum balance outstanding at any time during the year Rs. 663,500,000, Previous Year Rs. 2,613,600,000)	139,500,000	179,300,000
(d) Indiabulls Housing finance Limited (Maximum balance outstanding at any time during the year Rs.1,309,500,000, Previous Year Rs. 4,101,000,000)	405,048,000	650,000,000
(e) Indiabulls Life Insurance Company Limited (Loans-Maximum balance outstanding at any time during the year Rs. 108,900,000, Previous Year Rs. Nil)	100,000,000	-
(f) Nilgiri Financial Consultants Limited (Maximum balance outstanding at any time during the year Rs. 10,000,000, Previous Year Rs. Nil)	7,000,000	-
(iv) Advances recoverable in cash or kind or for value to be received	1,894,206,536	1,135,522,046
(v) Security Deposit with others	77,498	5,229,346

Schedules forming part of continued

Balance Sheet as at March 31, 2009

	Amount (in Rs.)	
	As at March 31, 2009	As at March 31, 2008
(vi) Security Deposit for Rent	279,833,232	198,470,104
(vii) Advance Tax / Tax Deducted at Source (Net of provision for Tax Rs. 3,006,801,727, Previous Year Rs 243,445,356)	149,574,276	12,200,201
(viii) Advance Share Application money pending allotment	153,840,000	-
	61,812,938,342	77,909,044,740
11. Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors (refer note B 29 of Schedule 18)		
(a) Dues to Micro and Small Enterprises	-	-
(b) Dues to others	17,285,415	75,738,607
Temporary overdrawn bank balance as per books	1,261,571,038	5,791,016,102
Unclaimed Dividends	4,251,767	1,289,125
Other Current Liabilities	395,592,732	1,072,942,588
Amount payable on assigned loans	175,811,261	198,005,921
	1,854,512,213	7,138,992,343
Provisions		
Provision for Doubtful Assets	1,403,343,636	1,213,499,586
Provision for Superannuation	63,049,049	57,400,000
Provision for Gratuity	23,736,716	19,512,932
Provision for Compensated Absences	12,824,850	12,473,314
Provision for Taxation (net of Advance Tax Rs 970,314,274, Previous Year Rs 2,383,435,428)	1,238,374	517,502,219
Provision for Fringe Benefits Tax (net of Advance Tax Rs.78,652,304, Previous Year Rs 11,631,931)	530,024	219,719
Provision for Dividend on Preference Shares	38,679,133	32,144,542
Corporate Dividend Tax on Dividend on Preference Shares	6,573,519	5,462,965
Proposed Final Dividend on Equity Shares	507,259,538	2,154,129,407
Corporate Dividend Tax on Proposed Final Dividend	86,208,758	366,094,293
	2,143,443,597	4,378,438,977

Schedules forming part of continued Profit and Loss Account for the year ended March 31, 2009

	Amount (in Rs.)	
	Year ended March 31, 2009	Year ended March 31, 2008
12. Revenue from Operations		
Interest from Financing Activities (Tax Deducted at Source Rs 612,356,642, Previous year Rs 329,343,400)	14,037,857,930	7,746,372,934
Interest on IPO financing	-	406,777,689
Interest on Pass Through Certificates / Bonds	29,481,687	
Income on Assignment of Loans	-	1,302,218,502
Interest from Loans / Intercompany Deposits (Tax Deducted at Source Rs 6,195,795, Previous Year Rs 52,007,999)	28,363,254	156,489,534
Dividend on Units of Mutual Funds/Equity	1,052,494,609	334,087,092
Interest on deposits (Tax deducted at Source Rs. 337,774,354, Previous Year Rs.196,069,201)	1,499,422,753	1,149,538,984
Income from Advisory Services (Tax deducted at Source Rs.10,184,310, Previous Year Rs.94,357,633)	223,547,863	693,689,296
Commission on Insurance & Mutual Fund	58,492,974	175,771,012
Other Operating Charges	871,799,547	1,261,710,358
Income from Service Fee	7,492,074	29,921,073
	17,808,952,691	13,256,576,474
13. Other Income		
Profit on non Trade Investment / Dealing in Securities (Refer Note B 26 of Schedule 18)	-	376,146
Miscellaneous Income	7,673,926	603,965
Sundry Credit balances written back/ Bad debt recovered	18,457,863	20,899,506
	26,131,789	21,879,617
14. Operating Expenses		
Commission	137,765,484	197,445,761
Client Verification Charges	30,593,790	48,562,676
Demat Charges	404,042	82,551
Stamp Duty	15,176,188	25,786,690
Collection Charges	7,998,340	23,896,102
	191,937,844	295,773,780
15. Personnel Costs		
Salaries (Refer Note B 18 (a) & 23 of Schedule 18)	1,301,747,360	1,981,781,217
Contribution to Provident Fund and Other Funds	6,143,014	51,343,990
Staff Welfare Expenses	14,967,040	16,186,573
Provision for Gratuity, Compensated Absences and Superannuation Expense	60,772,690	30,918,399
	1,383,630,104	2,080,230,179

Schedules forming part of continued

Profit and Loss Account for the year ended March 31, 2009

	Amount (in Rs.)	
	Year ended March 31, 2009	Year ended March 31, 2008
16. Administrative and Other Expenses		
Advertisement	74,565,597	54,946,601
Recruitment Expenses	82,975	1,649,677
Repairs & Maintenance others	60,305,578	53,483,122
Electricity Expenses	36,008,337	38,264,101
Printing & Stationery	12,925,935	28,055,195
Rent	154,767,865	191,348,436
Statutory Fees	32,404,608	1,873,753
Communication Expenses	68,144,412	106,826,247
Traveling & Conveyance	48,922,244	58,621,540
Professional Charges	58,998,120	72,998,225
Auditors' remuneration (Excluding Service Tax Rs 1,653,150; Previous Year Rs.1,019,700)		
As Auditors	7,500,000	7,500,000
Certification	350,000	350,000
Other attest services	6,500,000	-
Out of Pocket Expenses	400,000	400,000
Provision for Doubtful Loans	189,844,050	455,120,499
Bad Loans / Advances written off	2,863,182,238	444,455,245
Assignment expenses	557,960,054	-
Loss on non Trade Investment / Dealing in Securities (Refer Note B 26 of Schedule 18)	44,498,369	-
Loss on Sale of Fixed Assets	13,801,596	-
Donation Expenses	100,000,000	-
Miscellaneous Expenses	10,142,679	9,537,226
	4,341,304,657	1,525,429,867
17. Interest and finance charges		
Interest on Loans	6,919,448,938	1,931,638,413
Interest on Non-Convertible Debentures	163,849,084	247,711,192
Interest on Commercial Papers	2,113,107,876	1,220,996,540
Interest on Vehicle Loans	1,263,889	1,726,965
Processing and other Fee	86,428,154	53,868,285
Interest on Intercompany Deposit	48,716,339	15,090,974
Interest on Taxes	27,012,356	68,687,699
Interest on Overdraft facility	13,323,583	95,885,868
Interest on Securitised Loan	326,967	1,848,083
Bank Charges	7,685,613	10,428,784
	9,381,162,799	3,647,882,803

SCHEDULE: 18

Significant Accounting Policies and Notes forming part of Balance Sheet as at March 31, 2009 and Profit and Loss Account for the Year ended March 31, 2009.

A Significant Accounting Policies

- i) Basis of Accounting:
These financial statements are prepared under the historical cost convention on an accrual basis.
- ii) Prudential Norms:
The Company hitherto followed the Prudential Norms prescribed by the Reserve Bank of India Non Banking Finance Companies Prudential Norms, 1998 for revenue recognition, Asset classification and provisioning. The Reserve Bank of India ("RBI") directions in respect of "Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions, 2007"), dated February 22, 2007 in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the balance sheet and provisioning are followed by the company. Accounting Standards (AS) as notified by the Companies (Accounting Standards) Rules, 2006 and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the RBI Directions, 2007.
- iii) Use of Estimates:
The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the year in which the results are known / materialised.
- iv) Revenue Recognition:
Interest Income from financing activities and others is recognised on an accrual basis. In terms of the RBI Directions, interest income on Non-performing assets ('NPAs') is recognized only when it is actually realised.
Income from Fee based Advisory Services is recognised on an accrual basis.
Commission on insurance policies sold is recognised when the company under its agency code sells the insurance policies and when the same is accepted by the principal insurance company.
Transactions in respect of Investment / Dealing in Securities are recognised on trade dates.
Commission on Mutual Funds is recognised on accrual basis.
Processing Fee received in respect of loans is accounted for in the year in which the loan is disbursed.
Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.
Dividend income on equity shares is recognised when the right to receive the dividend is unconditional as at the balance sheet date. In terms of the RBI Directions, wherever applicable, Dividend Income on units of Mutual Fund held by NBFC companies is recognized on cash basis.
- v) Securitisation / Assignment of Loan portfolio:
Derecognition of loans securitised in the books of the company, recognition of gain / loss arising on securitization and accounting for credit enhancements provided by the company is based on the Guidelines issued by the Reserve Bank of India.
Derecognition of loans assigned in the books of the company is based on the concept of surrender of control over the loans resulting in a "true sale" of loans.
Income on Assignment of Loans is recognised on entering into deal with the assignee, wherever applicable, and is the difference between the Net present value of future assigned loan receivables discounted at the assignee's rate as agreed upon and the principal outstanding at the inception of Deal.
Credit enhancement in the form of cash collateral, if provided by the company, by way of deposits is included under Cash and bank balances / Loans and Advances, as applicable.

Significant Accounting Policies and Notes to Accounts *continued*

- vi) Fixed Assets:
- (i) Tangible Assets:
Tangible fixed assets are stated at cost, net of tax / duty credits availed, less accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.
- (ii) Intangible Assets:
Intangible assets are stated at cost, net of tax / duty credits availed, less accumulated amortization / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.
- vii) Depreciation / Amortisation:
Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for up to the date of sale / deduction, as the case may be. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.
Intangible assets consisting of Software are amortized on a straight line basis over a period of four years from the date when the assets are available for use.
- viii) Impairment of Assets:
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
- ix) Investments:
Investments are classified as long term and current investments. Long term investments are carried at cost less provision, if any, for any diminution other than temporary in their value. In terms of the RBI Directions, 2007, unquoted current investments in equity shares are valued at cost or break-up value, whichever is lower. Unquoted current investments in units of mutual funds are valued at the net asset value declared by the mutual fund in respect of each particular scheme. Other Current investments are valued at lower of cost and fair value.
- x) Stock of Securities:
Stock of securities is valued at lower of cost and net realisable value. Cost is determined on weighted average basis.
- xi) Borrowing Cost:
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of the asset. All other borrowing costs are charged to revenue.
- xii) Employee benefits:
Company's contribution to Provident Fund is charged to profit and loss account. The company has unfunded defined benefit plans namely leave encashment (compensated absences) and gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Superannuation (Pension & Medical coverage) payable to certain Directors on retirement is actuarially valued at the end of the year using the Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in Profit and Loss account as income or expenses.
- xiii) Deferred Employee Stock Compensation Cost:
Deferred employee stock compensation cost for stock options are recognised on the basis of generally accepted accounting principles and are measured by the difference between the estimated value of the company's shares on stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purpose is measured on the basis of a valuation performed in respect of stock options granted.

xiv) Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates as on the Balance Sheet date, to the extent that the timing differences are expected to crystallise.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

xv) Fringe Benefits Tax:

Fringe Benefits Tax has been calculated in accordance with the provisions of the Income-Tax Act, 1961.

xvi) Share Issue Expenses:

Share issue expenses are adjusted against securities premium account to the extent of balance available and thereafter, the balance portion is charged off to the Profit and Loss Account, as incurred.

xvii) Equity Index / Stock Futures:

a. Initial Margin Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement/squaring-up of the underlying contract, are disclosed under Loans and Advances.

b. Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.

c. As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:

□ Credit balance in the Mark-to-Market Margin Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.

□ Debit balance in the Mark-to-Market Margin Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the profit and loss account.

d. On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in Mark-to-Market Margin Equity Index/Stock Futures Account after adjustment of the provision for anticipated losses is recognised in the profit and loss account. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

xviii) Leases:

In case of assets taken on operating lease, the lease rentals are charged to the profit and loss account in accordance with Accounting Standard (AS) 19 Leases as notified by the Companies (Accounting Standards) Rules, 2006

xix) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

Significant Accounting Policies and Notes to Accounts *continued*

B Notes to Accounts:

1. Overview:

Indiabulls Financial Services Limited ("the Company", "IBFSL") was incorporated on January 10, 2000 as a Private Limited Company to invest in various subsidiaries and also to invest, acquire, hold, purchase or procure equity shares, debentures, bonds, mortgages, obligations, securities of any kind issued or guaranteed by any company and provides loans and other credit facilities.

On March 30, 2001, the Company was registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934 to carry on the business of a Non Banking Financial Company but does not have permission from the RBI to accept public deposits. The Company was converted into a public limited company pursuant to Section 44 of the Companies Act, 1956 on February 03, 2004.

2. Contingent liability not provided for in respect of:

- (a) Corporate counter guarantees outstanding in respect of credit facilities availed by subsidiaries for the year ended March 31, 2009 amounting to Rs. 5,000,000,000 (Previous Year Rs. 2,000,000,000).
- (b) Corporate counter guarantees outstanding in respect of assignment /Securitisation agreements entered by company's subsidiary with different assignees as at March 31, 2009 is Rs. 524,509,017 (Previous Year Rs. 776,420,547) against which collateral deposit of Rs. 325,678,424 for year ended March 31, 2009 (Previous Year Rs. 378,886,172) is being provided to the assignees by the company's subsidiary in the form of Fixed Deposit Receipts.
- (c) Corporate counter guarantee outstanding in respect of credit facilities availed by erstwhile subsidiary companies Rs. 1,280,000,000 (Previous Year Rs. 6,050,000,000) against which collateral fixed deposits of Rs. 640,000,000 (Previous Year Rs. 3,025,000,000) has been provided by those erstwhile subsidiaries for whom the counter guarantee was given.
- (d) Capital commitments as at March 31, 2009 (net of advances) Rs. 7,164,232 (Previous Year Rs. 11,856,408). Of the above, an amount of Rs. NIL (Previous Year Rs. 971,726) is payable in US\$.

3. The Company has complied with all the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as issued by the Reserve Bank of India vide notification dated February 22, 2007.

4. Changes in capital structure during the period from April 01, 2008 to March 31, 2009:

On September 17, 2008, the Company has issued 202,780 Equity Shares of Rs. 2 each, at a premium of Rs.39.67 per share as per terms of the IBFSL ICSL Employees Stock Option Plan 2006.

As a consequence of the above, as at March 31, 2009, the Issued, Subscribed and Paid-up Equity Share Capital of Face Value Rs. 2 and Preference Share Capital of Face Value Rs. 157.39 of the Company stands at Rs. 507,259,538 and Rs. 1,568,653,719 respectively.

5. During 2007-08 the Company restructured its business operations through a scheme of arrangement Under Sections 391-394 of the Companies Act, 1956 (duly sanctioned by the Hon'ble High Court of Judicature at Delhi on November 23, 2007). The Scheme of Arrangement provided for the amalgamation of Indiabulls Credit Services Limited ("ICSL") with the Company and the demerger of the securities broking and advisory business (a part of fee income) of the Company as a going concern, to Indiabulls Securities Limited ("ISL"). Upon coming into effect of the Scheme on December 24, 2007 and with effect from the Appointed Date on April 01, 2007, ICSL stands amalgamated with the Company and the securities broking and advisory business (a part of Fee Income) of the Company stands demerged from the Company and transferred to and vested in ISL on a going concern basis.

6. During the financial year 2004-2005, the Company completed listing of its equity shares on the Stock Exchange, Mumbai and the National Stock Exchange by way of an Initial Public Offering consisting of 27,187,519 Equity Shares of Rs. 2 each at a premium of Rs. 17 per share.

During the financial year 2004-05, the Company issued 24,489,000 Global Depository Receipts (GDRs) which were listed at the Luxembourg Stock Exchange, at an offer price of US\$ 2.45 per GDR. Each GDR represents 1 Equity Share of Rs. 2 each of the Company.

During the financial year 2005-06, the Company issued 27,600,000 Global Depository Receipts (GDRs) which were listed at the Luxembourg Stock Exchange, at an offer price of US\$ 5.42 per GDR. Each GDR represents 1 Equity Share of Rs. 2 each of the Company.

Significant Accounting Policies and Notes to Accounts *continued*

During the financial year 2006-07, the Company allotted 11,000,000 Equity shares of Rs. 2 each at a price of Rs. 82 per share to its promoters on conversion of Share Warrants I which was allotted to them on August 9, 2005.

During the financial year 2007-08, the Company has issued 22,970,903 Global Depository Receipts (GDRs) which were listed at the Luxembourg Stock Exchange, at an offer price of US\$ 13.06 per GDR. Each GDR represents 1 Equity Share of Rs. 2 each of the Company.

The Company during the financial year 2007-08 also allotted 10,000,000 Equity Shares to its Promoters of Rs. 2 each at a price of Rs. 134.87 per share to its Promoters on conversion of the Share Warrants II which was allotted to them on June 8, 2006.

As at the year end, 44,407,670 (Previous Year: 30,071,852) GDR's were outstanding and were eligible for conversion into equity shares.

The utilization of proceeds of issue of shares by way of IPO, GDR, ESOS, Preference Shares, Preferential allotment and Share Warrants as referred to above, is as under:

Particulars	Amount (in Rs.)	
	Year ended March 31, 2009	Year ended March 31, 2008
Balance amount to be utilised in the beginning of the year	19,226,037,825	6,411,799,743
Gross Proceeds of Issue raised through GDR	-	12,235,062,493
Gross Proceeds of Issue raised through conversion of Share Warrants II	-	1,213,800,000
Total Proceeds raised (A)	19,226,037,825	19,860,662,236
Less: Utilisation of Issue Proceeds		
Share issue expenses - GDR	-	(337,260,354)
Investment in Subsidiary - Indiabulls Asset Management Company Limited	(150,000,000)	-
Investment in Subsidiary - Indiabulls Trustee Company Limited	(5,000,000)	-
Investment in Subsidiary - International Multi Commodity Exchange Limited	(500,000)	-
Investment in Subsidiary - Indiabulls Asset Holding Company Limited	-	(500,000)
Investment in Subsidiary - Indiabulls Life Insurance Company Limited	-	(500,000)
Investment in Equity shares of Subsidiary - Divya Shakti Trading Services Limited	(25,000,000)	-
Investment in Preference shares of Subsidiary - Divya Shakti Trading Services Limited (Net)	(2,000,000,000)	-
Amount transferred to ISL under Demerger	-	(25,000,000)
Security deposit for expansion of offices	-	(108,520,705)
Purchase of fixed assets	(50,990,822)	(162,843,352)
Utilisation of amount for General Corporate Purpose / Repayment of Borrowings	(16,994,547,003)	-
Total Utilisation of Proceeds (B)	(19,226,037,825)	(634,624,411)
Balance amount being temporary utilization of Proceeds	Nil	19,226,037,825

The balance amount as on March 31, 2009 Rs. Nil (Previous Year Rs. 19,226,037,825) has been deployed on a temporary basis towards working capital to reduce short term bank borrowing requirements.

7. Employees Stock Options Schemes:

Indiabulls Employees Stock Option Scheme - 2005:

On July 26, 2005, the Company established the Indiabulls Employees Stock Option Plan -2005 ("Indiabulls ESOS II" or "Plan II") as per the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. Under the plan the Company is authorized to issue up to 5,000,000 stock options of Rs. 2 each

Significant Accounting Policies and Notes to Accounts *continued*

to eligible employees including employees of its subsidiary companies. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the Company administers the plan.

On January 09, 2007, the Company granted 2,500,000 options at an exercise price of Rs. 272.60* per share, the then market price of the shares on the date of the grant. These options vest uniformly over a period of 5 years, with effect from January 15, 2008, whereby 20% of the options vest on each vesting date as per the vesting schedule. As the above ESOS-II options have been granted at intrinsic value, there is no Employee stock compensation expense on account of the same.

The salient features of the ESOS scheme of IBFSL are as under:

	IBFSL SCHEME
	INDIABULLS ESOS II
Total Options under the Scheme	5,000,000
Outstanding at the beginning of the year	2,500,000
Exercisable at the beginning of the year	500,000
Options Granted during the year	-
Exercise Price (Rs.)	272.60*
Transferred during the year	-
Options vested during the year.	500,000
Exercised during the year	-
Expired during the year	-
Cancelled during the year**	2,000,000
Options Outstanding at the end of the year	--
Exercisable at the end of the year	--
Remaining contractual Life (Months)	--

* As a consequence of the Scheme of Demerger of the Securities Broking and Advisory Business, the exercise price of options granted, under and pursuant to the Indiabulls Employee Stock Option Scheme - 2005 to the employees has been suitably re-priced at Rs 227.83 in order to compensate the employees for reduction in the intrinsic value of the Company. An independent valuers certificate has been obtained for the same.

** During the current financial year all the unvested options were surrendered by the respective option holders and Compensation Committee decided not to regrant the same and decided to cancel unvested options including ungranted 2,500,000 options and withdraw the scheme. On December 08, 2008, pursuant to the shareholder approval Company cancelled and withdrew the Indiabulls Employees Stock Option Scheme 2005 and cancelled the 2,000,000 unvested stock options granted including ungranted options.

Stock option schemes in lieu of stock options schemes of erstwhile subsidiary Indiabulls Credit Services Limited of the Company:

On January 02, 2006, the erstwhile Indiabulls Credit Services Limited ("ICSL" or "the erstwhile Company") established the Indiabulls Credit Services Limited Employees Stock Options Scheme ("ICSL ESOS" or "Plan"). Under the plan, the erstwhile Company was authorised to issue up to 6,000,000 equity settled options of Rs. 10 each to eligible employees including employees of other Indiabulls Group Companies. Employees covered by the plan were granted an option to purchase shares of the erstwhile Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the erstwhile Company administered the plan.

On January 02, 2006, the erstwhile Company granted 6,000,000 equity settled options at an exercise price of Rs. 12.50 per share. These options were to vest uniformly over a period of 5 years, with effect from April 01, 2007, whereby 20% of the options were to vest on each vesting date as per the vesting schedule.

On July 28, 2006, the erstwhile Company established the Indiabulls Credit Services Limited Employees Stock Option Plan II ("ICSL ESOP II" or "Plan II"). Under the plan, the erstwhile Company was authorized to issue up to 9,000,000 equity settled options of Rs. 10 each to eligible employees including employees of other Indiabulls Group Companies. Employees covered by the plan were granted an option to purchase shares of the erstwhile Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the erstwhile Company administered the plan.

On July 28, 2006, the erstwhile Company granted 3,000,000 equity settled options at an exercise price of Rs. 30 per share and on October 25, 2006, granted further 6,000,000 options under the 'ICSL ESOP (M) II' as described

below. The 3,000,000 options were to vest uniformly over a period of 5 years, with effect from November 01, 2007, whereby 20% of the options were to vest on each vesting date as per the vesting schedule.

On October 25, 2006, the erstwhile Company modified the Indiabulls Credit Services Limited Employees Stock Option (Modified) Plan II ("ICSL ESOP (M) II" or "Plan (M) II"). Under the plan, the erstwhile Company was authorised to issue up to 6,000,000 equity settled options of Rs. 10 each to eligible employees including employees of other Indiabulls Group Companies. Employees covered by the plan were granted an option to purchase shares of the erstwhile Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the erstwhile Company administered the plan.

On October 25, 2006, the erstwhile Company granted 6,000,000 equity settled options at an exercise price of Rs. 45 per share. These options were to vest uniformly over a period of 5 years, with effect from November 01, 2007, whereby 20% of the options were to vest on each vesting date as per the vesting schedule.

Pursuant to the Scheme of Arrangement (the "Scheme") under Sections 391 to 394 of the Companies Act, 1956, duly approved by the Hon'ble High Court of Delhi vide order dated November 23, 2007. Indiabulls Credit Services Limited stands amalgamated with Indiabulls Financial Services Limited ("IBFSL, the Company") with effect from the Appointed Date i.e. April 01, 2007 and effective from December 24, 2007 (the "Effective Date") the ICSL PLANS stand terminated and in lieu, in terms of Clause 15 (c) (i) of the Scheme, NEW PLANS have been created in IBFSL for the outstanding, unvested options, for the benefit of the erstwhile Indiabulls Credit Services Limited option holders, on terms and conditions not less favourable than those provided in the erstwhile ICSL PLANS and taking into account the share exchange ratio i.e. 3 (three) equity shares of face value Rs. 2 each of IBFSL for every 10 (ten) equity shares of face value Rs. 10 each of ICSL.

Accordingly, pursuant to Shareholders approval, in lieu of ICSL PLANS, IBFSL had created the following Employees Stock Option Plans which are collectively referred to as NEW PLANS.

S. No.	ERSTWHILE ICSL PLANS	NEW PLANS
1	Indiabulls Credit Services Limited Employees Stock Option Plan 2006 dated January 2, 2006	IBFSL - ICSL Employees Stock Option Plan 2006
2	Indiabulls Credit Services Limited Employees Stock Option Plan II - 2006 dated July 28, 2006	IBFSL - ICSL Employees Stock Option Plan II - 2006
3	Indiabulls Credit Services Limited 2006 Employees Stock Option Plan II (M) - 2006, dated October 25, 2006	IBFSL-ICSL Employees Stock Option Plan II M - 2006

Accordingly, the other disclosures in respect of the NEW PLANS are as under :-

	IBFSL - ICSL Employees Stock Option Plan 2006	IBFSL - ICSL Employees Stock Option Plan II 2006	IBFSL - ICSL Employees Stock Option Plan II M - 2006
Total Options under the Scheme *	1,440,000	720,000	1,440,000
Options which were issued in lieu of ICSL PLANS (Nos.)	1,440,000	720,000	1,440,000
Vesting Period and Percentage	Four years, 25% each year	Four years, 25% each year	Four years, 25% each year
Vesting Date	April 01	November 01	November 01
Revised Vesting Period & Percentage***	Eight years, 12% each year for 7 years and 16% during the 8th year	Nine years, 11% each year for 8 years and 12% during the 9th year	Not Applicable
Exercise Price* (Rs.)	41.67	100	150
Options vested during the year (Nos.)	360,000	79,200	--
Exercised during the year (Nos.)	202,780	--	--
Expired during the year (Nos.)	--	--	--
Cancelled during the year**	--	--	1,440,000
Outstanding at the end of the year (Nos.)	1,237,220	720,000	--
Remaining contractual Life (Weighted Months)	85	103	--

*The number and exercise price of options have been adjusted taking into account the share exchange ratio i.e. 3 (three) equity shares of face value Rs. 2 each of the Company for every 10 (ten) equity shares of face value Rs. 10 each of ICSL.

Significant Accounting Policies and Notes to Accounts *continued*

***During the current financial year all the unvested options were surrendered by the respective option holders and Compensation Committee decided not to regrant the same and decided to cancel unvested options and withdraw the scheme. On December 08, 2008, in pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended, the Shareholders of the Company have passed the resolutions with requisite majority, by means of Postal Ballot to cancel and withdraw the IBFSL-ICSL Employees Stock Option Plan II M 2006.*

**** The Vesting Period has been revised by the approval of the Shareholders of the Holding Company in the 9th Annual General Meeting held on 5th September, 2008.*

The NEW PLANS have been treated as continuation of respective ICSL PLANS except the number and exercise price of options which have been adjusted taking into account the share exchange ratio i.e. 3 (three) equity shares of face value Rs. 2 each of the Company for every 10 (ten) equity shares of face value Rs. 10 each of ICSL.

Employees Stock Option Plan - 2008

Pursuant to a resolution passed by the shareholders on December 8, 2008, the Company had established Employees Stock Option Plan - 2008 (ESOP - 2008 or Scheme) in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**SEBI Guidelines**"). Under the Scheme, the company was authorised to grant 7,500,000 equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for equity shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting. A Compensation Committee constituted by the Board of Directors of the Company administered the plan. In terms of Scheme, on December 8, 2008, the Company had granted 7,500,000 options at an exercise price of Rs. 95.95, being the then latest available closing market price on the National Stock Exchange of India Ltd. as on December 7, 2008 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. These options will vest with effect from first vesting date i.e. December 8th, 2009, whereby 10% of the options vest on each vesting date as per the vesting schedule provided in the Scheme.

The Fair values of the options under the plans using the Black-Scholes model based on the following parameters are Rs.52.02 per option

S. No.	Particulars	ESOP - 2008
1	Fair value of option at grant date	Rs. 52.02
2	Exercise price	Rs. 95.95
3	Expected volatility	97%
4	Expected forfeiture percentage on each vesting date	Nil
5	Option Life (Weighted Average)	11 Years
6	Expected Dividends yield	4.62%
7	Risk Free Interest rate	6.50%

The expected volatility was determined based on historical volatility data.

Had the compensation cost for the stock options granted under ESOS 2008 been determined based on the fair value approach, the Company's net profit and earnings and earning per share would have been as per the pro forma amounts indicated below:-

Significant Accounting Policies and Notes to Accounts continued

	Amount Rs.
Net Profit (as reported)	1,718,196,225
Less : Stock-based compensation expense determined under fair value based method: [Gross Rs.3,901.24 lacs (Previous Year Rs. Nil lacs)] (pro forma)	114,266,108
Net Profit considered for computing EPS (pro forma)	1,603,930,117
Basic earnings per share (as reported)	6.78
Basic earnings per share (pro forma)	6.33
Diluted earnings per share (as reported)	6.72
Diluted earnings per share (pro forma)	6.28

The other disclosures in respect of the Scheme are as under:-

	Employees Stock Option Plan - 2008
Total Options under the Scheme	7,500,000
Options issued (Nos.)	7,500,000
Vesting Period and Percentage	Ten years, 10% each year
Vesting Date	December 08 each year, commencing December 08, 2009
Exercise Price (Rs.)	95.95
Options vested during the year (Nos.)	--
Exercised during the year (Nos.)	--
Expired during the year (Nos.)	--
Cancelled during the year	--
Outstanding at the end of the year (Nos.)	7,500,000
Remaining contractual Life (Weighted Months)	134

8. During the current financial year there was variation in the terms of Appointment of Mr. Rajiv Rattan pursuant to Section 302 of the Companies Act, 1956. Mr. Rajiv Rattan who was appointed as a Whole-time Director of the Company on February 27, 2004 (effective from February 28, 2004) and has been drawing remuneration from the Company with effect from August 1, 2005, pursuant to the shareholders approval, accorded in the Annual General Meeting of the Company dated July 26, 2005. Subsequently effective from March 6, 2008, he was designated as Vice Chairman of the Company. While the terms of his remuneration as approved by the Shareholders authorise him to receive remuneration from the Company up till February 27, 2009, in the Board meeting dated July 25th 2008 Mr. Rajiv Rattan expressed his desire to continue as the Vice Chairman of the Company, without any remuneration, effective September 1, 2008. The last drawn remuneration by Mr. Rajiv Rattan was Rs.36,90,500/- per month. Accordingly, in deference of his desire the Board has decided that with effect from September 1, 2008 Mr. Rajiv Rattan would be Vice Chairman of the Company without any remuneration.
9. During the year the Company had advanced a sum of Rs. 1,455,673,000 by way of loans to three of its wholly owned subsidiaries viz. Indiabulls Insurance Advisors Limited, Indiabulls Capital Services Limited and Divya Shakti Trading Services Limited. Those subsidiaries have incurred / provided for losses aggregating to Rs.2,275,330,373 in respect of dealing in securities. Based upon the availability of resources with those subsidiaries as at the year end to repay those loans, the Company has written off loans given to two of those subsidiaries -viz. Indiabulls Insurance Advisors Limited and Indiabulls Capital Services Limited aggregating to Rs. 1,136,173,000 as bad loans / advances written off.

Significant Accounting Policies and Notes to Accounts *continued*

10. Investments by the company in the equity share capital of Indiabulls Insurance Advisors Limited and Indiabulls Capital Services Limited are considered as strategic and long term in nature and are held at a cost of Rs. 500,000 and Rs. 50,000,000 respectively. The company considers the losses suffered by these subsidiaries as temporary in nature and accordingly no provision for diminution in value has been made in books of account.
11. As at March 31, 2009, the Company holds 100% of the equity capital of Indiabulls Asset Holding Company Limited, Indiabulls Life Insurance Company Limited and International Multi Commodity Exchange Limited each at a cost of Rs. 500,000. Based on the audited financials those companies as at and for the year ended March 31, 2009, there has been erosion in the value of investment made in those companies as the operations in those companies have not yet commenced / are in the process of being set up. Considering the investment in these companies as strategic and long term in nature, the company considers the losses suffered by these subsidiaries as temporary in nature and accordingly no provision for diminution in value has been made in books of account.
12. The Company (including erstwhile Indiabulls Credit Services Limited) has entered into various agreements for the assignment/securitisation of loans with assignees, wherein it has assigned/securitised a part of its secured and unsecured loan portfolio amounting to Rs. 36,668,236,257 upto March 31, 2009, being the principal value outstanding. The Company's subsidiaries Indiabulls Infrastructure Limited (formerly Indiabulls Commercial Credit Limited) and Indiabulls Housing Finance Limited have issued corporate guarantees aggregating to Rs. 43,272,462 in favour of the assignees. The Company does not anticipate any losses on account of the said corporate guarantees, in the event of the rights under guarantee being exercised by the assignees
- The Company (including erstwhile Indiabulls Credit Services Limited) assigned/securitised various loan portfolios to banks and/or other institutions which are derecognised in the books of accounts of the Company in terms of accounting policy mentioned at schedule 18 A (v) above and the purchase consideration not received upfront is recognised as deferred purchase consideration under loans and advances. Due to foreclosures and repurchase transactions with different assignees during the year, the company has reinstated the repurchased loan balances in the books of account aggregating to Rs. 1,409,145,384. The Company has also reversed the proportionate upfront income so accounted on assignment/securitisation. The Company has recognized income on assignment of Rs. NIL which is net of income reversal on account of foreclosure and repurchase of assigned loans during the year amounting to Rs. 557,960,054 in the Profit & Loss Account.
13. Secured loans from banks and others include:
Vehicle Loans amounting to Rs. 7,699,535 (Previous Year Rs. 15,875,480) from Banks which are secured against hypothecation of vehicle and Secured loans from Banks / others amounting to Rs. 40,617,940,040 (Previous Year Rs. 35,579,821,438) which are secured against book debts and balances of receivables included in loans and other credit facilities
14. During the year, the Company has issued Fixed Rate, Unsecured Redeemable Non-Convertible Debentures, the salient features of the same are given below:

Party	Date of Issue	Date of Maturity	Rate of Interest p.a	Face Value (Rs.)	Amount (Rs.)
Reliance Mutual Fund(1)	15-May-08	14-May-09	10.80%	10,000,000	500,000,000
Reliance Mutual Fund(2)	27-Jun-08	29-Sep-08	11.50%	10,000,000	900,000,000
Birla Sun Life Mutual Fund*	30-Jun-08	30-Jul-08	11.75%	10,000,000	500,000,000
JM Financial Mutual Fund*	30-Jun-08	30-Jul-08	11.75%	10,000,000	500,000,000
JM Financial Mutual Fund*	30-Jul-08	29-Aug-08	11.75%	10,000,000	500,000,000
Birla Sun Life Mutual Fund(3)	31-Jul-08	30-Sep-08	11.25%	10,000,000	500,000,000
Reliance Mutual Fund(4)	06-Aug-08	03-Nov-08	11.75%	10,000,000	500,000,000
JM Financial Mutual Fund(5)	13-Aug-08	29-Aug-08	11.00%	10,000,000	500,000,000
Reliance Mutual Fund(6)	25-Aug-08	21-Nov-08	11.90%	10,000,000	550,000,000
Reliance Mutual Fund(7)	02-Sep-08	02-Dec-08	12.25%	10,000,000	1,000,000,000
Reliance Mutual Fund(8)	04-Sep-08	04-Dec-08	12.25%	10,000,000	700,000,000
JM Financial Mutual Fund(9)	05-Sep-08	20-Oct-08	12.60%	10,000,000	1,000,000,000
Reliance Mutual Fund(10)	29-Sep-08	26-Dec-08	14.50%	10,000,000	1,000,000,000
Birla Sun Life Mutual Fund*	29-Sep-08	29-Oct-08	13.75%	10,000,000	500,000,000
Reliance Mutual Fund*	20-Oct-08	20-Nov-08	16.50%	10,000,000	250,000,000

Significant Accounting Policies and Notes to Accounts *continued*

Party	Date of Issue	Date of Maturity	Rate of Interest p.a	Face Value (Rs.)	Amount (Rs.)
Birla Sun Life Mutual Fund*	31-Oct-08	28-Nov-08	15.00%	10,000,000	500,000,000
Reliance Mutual Fund(11)	03-Nov-08	02-Feb-09	14.50%	10,000,000	500,000,000
Canara Robeco Mutual Fund*	06-Nov-08	22-Dec-08	12.25%	10,000,000	250,000,000
Reliance Mutual Fund(12)	28-Nov-08	27-Feb-09	14.00%	10,000,000	2,550,000,000
Birla Sun Life Mutual Fund*	28-Nov-08	31-Dec-08	15.00%	10,000,000	500,000,000
Reliance Mutual Fund(13)	02-Dec-08	02-Mar-09	14.00%	10,000,000	1,000,000,000
Reliance Mutual Fund(14)	26-Dec-08	20-Mar-09	13.00%	10,000,000	950,000,000
Birla Sun life Mutual Fund(15)	09-Jan-09	20-Mar-09	14.00%	10,000,000	500,000,000
Reliance Mutual Fund(16)	21-Jan-09	20-Apr-09	11.25%	10,000,000	200,000,000
Reliance Mutual Fund(17)	21-Jan-09	20-Jan-10	12.50%	10,000,000	250,000,000
Reliance Mutual Fund(18)	02-Feb-09	04-May-09	11.25%	10,000,000	500,000,000
Reliance Mutual Fund(19)	19-Feb-09	19-May-09	11.75%	10,000,000	250,000,000
Reliance Mutual Fund(20)	02-Mar-09	30-May-09	11.75%	10,000,000	500,000,000
Reliance Mutual Fund	26-Mar-09	25-Sep-09	11.75%	11,000,000	1,100,000,000

* Redeemed on respective maturity dates given above.

- (1) Call option exercised and redeemed before the due date on June 26, 2008.
 - (2) Call option exercised and redeemed before the due date on July 02, 2008.
 - (3) Call option exercised and redeemed before the due date on September 29, 2008.
 - (4) Call option exercised and redeemed before the due date on August 12, 2008.
 - (5) Call option exercised and redeemed before the due date on August 21, 2008.
 - (6) Call option exercised and redeemed before the due date on August 29, 2008.
 - (7) Call option exercised and redeemed before the due date on September 08, 2008.
 - (8) Call option exercised and redeemed before the due date on September 09, 2008.
 - (9) Call option exercised and redeemed before the due date on September 19, 2008.
 - (10) Call option exercised and redeemed before the due date on October 06, 2008.
 - (11) Call option exercised and redeemed before the due date on November 06, 2008.
 - (12) Call option exercised and redeemed before the due date on December 04, 2008.
 - (13) Call option exercised and redeemed before the due date on December 19, 2008.
 - (14) Call option exercised and redeemed before the due date on December 30, 2008.
 - (15) Call option exercised and redeemed before the due date on January 13, 2008.
 - (16) Call option exercised and redeemed before the due date on January 27, 2009.
 - (17) Call option exercised and redeemed before the due date on January 27, 2009.
 - (18) Call option exercised and redeemed before the due date on February 05, 2009.
 - (19) Call option exercised and redeemed before the due date on February 26, 2009.
 - (20) Call option exercised and redeemed before the due date on March 06, 2009.
15. (a) Secured Loans and Other Credit Facilities given to customers amounting to Rs. 32,817,903,991 are secured against securities both tradable and listed, Commercial Vehicles, Tractors, Two Wheelers, Gold and Mortgage of Properties.
- (b) Secured Loans comprising loan against shares given to customers are secured against
- securities both tradable and listed and;
- equitable mortgage of property / properties or registered mortgage of property / properties.
- (c) Secured loans in the nature of Commercial Vehicle, Tractor finance, Two Wheeler are secured against hypothecation of the respective vehicle. Other secured loans are secured by equitable mortgage of property or registered mortgage of property / properties, securities and personal guarantees accepted as collateral security.
- (d) Unsecured Loans comprise of Business Loans, Personal Loans, Personal Loans Plus, Small Business Loans, Big Ticket Unsecured Loans given to customers aggregating to Rs. 23,426,693,468 and inter-corporate deposits aggregating to Rs. 1,506,137,137 given to companies.

Significant Accounting Policies and Notes to Accounts *continued*

(e) Provision for Loans and Other Credit Facilities in respect of Unsecured and Secured Loans granted is made as per the Prudential Norms applicable to Non-Banking Finance Companies. The Company has made additional provision based on the underlying risk factors and on the best estimates of the management taking into consideration the outstanding balances / ageing of the loans.

16. The Company (including the erstwhile ICSSL) has taken office premises on Lease and Leave & License basis at various locations. Lease rent / License fees amounting to Rs 140,586,799 (Previous Year: License Fees Rs. 167,155,123) in respect of the same have been charged to Profit and Loss account. The agreements (including agreements entered into by erstwhile ICSSL) have been executed for a period ranging from 11 months to 10 years with a renewable clause and also provide for termination at will by either party giving a prior notice period between 30 to 90 days. The minimum lease rentals outstanding as at March 31, 2009, are as under:

Amount (in Rs.)

Minimum lease rentals

	As at March 31, 2009	As at March 31, 2008
Within one year	57,741,987	122,874,913
One to Five years	155,343,521	135,157,743
Above Five Years	5,796,797	25,090,631

17. Employee Benefits Provident Fund, ESIC, Gratuity, Leave (Compensated absences) and Superannuation (Pension & Medical coverage) benefit plans disclosures as per Accounting Standard (AS) 15 (Revised) Employee Benefits as notified by the Companies (Accounting Standards) Rules, 2006:

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all regular employees eligible under applicable Acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs.6,143,014 (Previous year Rs. 51,343,990) towards employer contribution for the above mentioned funds.

Provision for unfunded Gratuity, Leave encashment (compensated absences) for all employees and unfunded Superannuation (Pension & Medical coverage) payable to certain Promoter Directors on retirement is based upon actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard (AS) 15 (Revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Disclosures in respect of Gratuity, Compensated Absences and Superannuation:

Amount (in Rs.)

	Gratuity (Unfunded) 2008 - 09	Gratuity (Unfunded) 2007-2008	Compensated Absences (Unfunded) 2008 - 09	Compensated Absences (Unfunded) 2007-2008	Superan- nuation (Unfunded) 2008 - 09	Superan- nuation (Unfunded) 2007-2008
Reconciliation of liability recognized in the Balance sheet:						
Present Value of commitments (as per Actuarial valuation)	23,736,716	19,512,932	12,824,850	12,473,314	63,049,049	57,400,000
Fair value of plans	-	-	-	-	-	-
Net liability in the Balance sheet (as per Actuarial valuation)	23,736,716	19,512,932	12,824,850	12,473,314	63,049,049	57,400,000

Significant Accounting Policies and Notes to Accounts continued

Amount (in Rs.)

	Gratuity (Unfunded) 2008 - 09	Gratuity (Unfunded) 2007-2008	Compensated Absences (Unfunded) 2008 - 09	Compensated Absences (Unfunded) 2007-2008	Superan- nuation (Unfunded) 2008 - 09	Superan- nuation (Unfunded) 2007-2008
Movement in net liability recognized in the Balance sheet:						
Net liability as at April 01, 2008	19,512,932	13,151,381	12,473,314	13,616,466	57,400,000	31,700,000
Net expenses recognized / (reversed) in the Profit and Loss account	4,674,642	6,361,551	368,696	(1,143,152)	55,729,352	25,700,000
Contribution during the year	(450,858)	-	(17,160)	-	(50,080,303)	-
Net liability as at March 31, 2009	23,736,716	19,512,932	12,824,850	12,473,314	63,049,049	57,400,000
Expenses recognized in the Profit and Loss account:						
Current service cost	11,482,413	12,562,236	6,287,925	11,948,920	10,490,918	23,300,000
Interest Cost	1,329,132	859,139	757,810	943,797	3,815,060	2,400,000
Expected return on plan assets	-	-	-	-	-	-
Actuarial (gains) / losses	(8,136,903)	(7,059,824)	(6,677,039)	(14,035,869)	41,423,374	-
Expenses charged / (reversal) to the Profit and Loss account	4,674,642	6,361,551	368,696	(1,143,152)	55,729,352	25,700,000
Return on Plan assets:						
Expected return on Plan assets	-	-	-	-	-	-
Actuarial (gains) / losses	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-
Reconciliation of defined-benefit commitments:						
Commitments as at April 01, 2008	19,512,932	13,151,381	12,473,314	13,616,466	57,400,000	31,700,000
Current service cost	11,482,413	12,562,236	6,287,925	11,948,920	10,490,918	23,300,000
Interest cost	1,329,132	859,139	757,810	943,797	3,815,060	2,400,000
Paid benefits	(450,858)	-	(17,160)	-	(50,080,303)	-
Actuarial (gains) / losses	(8,136,903)	(7,059,824)	(6,677,039)	(14,035,869)	41,423,374	-
Commitments as at March 31, 2009	23,736,716	19,512,932	12,824,850	12,473,314	63,049,049	57,400,000
Reconciliation of Plan assets:						
Plan assets as at April 01, 2008	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Contributions during the year	-	-	-	-	-	-
Paid benefits	-	-	-	-	-	-
Actuarial (gains) / losses	-	-	-	-	-	-
Plan assets as at March 31, 2009	-	-	-	-	-	-

Significant Accounting Policies and Notes to Accounts *continued*

The actuarial calculations used to estimate commitments and expenses in respect of unfunded Gratuity, Compensated absences and Superannuation (Pension & Medical coverage) are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Discount rate -	
Gratuity and Compensated Absences	7.00% - 7.50%
Superannuation	7.50%
Expected return on plan assets	--
Expected rate of salary increase	5.00%
Mortality	LIC (1994-96) Duly Modified

As, this is the second year in which the AS 15 (Revised) has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous four years have not been furnished.

18. Profit and Loss account disclosure as per Schedule VI of the Companies Act, 1956
- a) Managerial Remuneration under Section 198 of the Companies Act, 1956 (included under Personnel Costs in Schedule 15)

Particulars	Amount (in Rs.)	
	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Salary & Incentives	70,058,080	74,972,669
Liability towards actuarially valued Employee Benefits	57,338,970	23,022,539
Total	127,397,050	97,995,208

As no commission is payable to Directors, the computation of net profits in accordance with section 309(5) read with section 349 of the Companies Act, 1956 has not been given.

- b) Expenditure in Foreign Currency:

Particulars	Amount (in Rs.)	
	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Professional Expenses	1,112,873	--
GDRs listing / Issue related expense	160,912	8,658,665
Traveling Expense	915,033	3,775,874
Others	228,221	310,500

- c) Remittances during the year in foreign currency on account of dividends:
- Final Dividend (Year End March 31, 2008)**
 Number of Shareholders: 5
 Equity Shares held on which dividend is remitted: 28,570,229 Equity Shares
 Amount Remitted- Rs. 242,846,946.50

Preference Dividend (From April 1, 2008 to March 31, 2009)

Number of Shareholders: 1
 Preference Shares held on which dividend is remitted: 9,966,667 Preference Shares
 Amount Remitted- Rs. 150,330,781

Note: The Company does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by non-resident shareholders.

Significant Accounting Policies and Notes to Accounts continued

19. Segment Reporting:

Segment information for the year ended March 31, 2009

(a) Primary segment information (by business segments)

Amount (in Rs.)

	Investing and financing related activities	Fee Income	Others	Total
(i) Segment Revenue	17,604,044,543	23,1039,937	-	17,835,084,480
	12,554,845,722	723,610,369	-	13,278,456,091
(ii) Segment Result	2,427,171,536	230,312,554	(22,545,699)	2,634,938,391
	5,046,944,769	723,599,245	-	5,770,544,014
Add: Unallocated income net of other unallocated expenditure				--
				--
Less: Unallocated expenditure net of other unallocated income				165,977,818
				101,915,836
Less: Income taxes, Deferred tax (credit) and Fringe benefits tax				567,239,705
				1,848,450,731
Total Profit after tax				1,901,720,868
				3,820,177,447
(iii) Segment Assets	98,601,997,603	8,532,190	-	98,610,529,793
	117,425,372,517	125,413,670	-	117,550,786,187
Unallocated Corporate Assets				1,163,104,453
				34,131,313,125
Total Assets				99,773,634,246
				151,682,099,312
(iv) Segment Liabilities	66,947,883,323	3,660,800	-	66,951,544,123
	117,309,725,461	1,298,780	-	117,311,024,241
Unallocated Corporate Liabilities				752,051,263
				3,434,213,980
Total Liabilities				67,703,595,386
				120,745,238,221
(v) Capital Expenditure (including Capital Work-in-progress Rs. 10,445,558, Previous Year Rs. 18,104,045)	61,436,380	-	-	61,436,380
	180,947,397	-	-	180,947,397
(vi) Depreciation	64,508,703	11,124	-	64,519,827
	57,214,998	11,124	-	57,226,122
Unallocated Depreciation				3,568,676
				3,285,162
Total Depreciation				68,088,503
				60,511,284
(vii) Non-Cash expenditure other than depreciation	213,870,015	-	-	213,870,015
	486,038,898	-	-	486,038,898

Significant Accounting Policies and Notes to Accounts *continued*

- b) The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- c) The Company's primary business segment is reflected based on principal business activities carried on by the Company. The Company's primary business comprises of investing and finance related activities (investing in various subsidiaries, financing of loans and credit activities) and Fee Income which mainly comprises of Financial Service related fee based advisory services income (Previous Year: Securities Broking and Financial Service related fee based advisory services income).
"Others" business segment constitutes profit on investment / dealing in securities. This, not being the normal business activity of the company, is shown as "Others"
- d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis..
- e) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Significant Accounting Policies (A) above.

20. Disclosures in respect of Related Parties:

Nature of relationship	Related party
a) Related parties where control exists: Subsidiaries	Indiabulls Insurance Advisors Limited (Formerly Indiabulls Insurance Advisors Private Limited) Indiabulls Finance Company Private Limited Indiabulls Capital Services Limited Indiabulls Housing Finance Limited Indiabulls Infrastructure Credit Limited (formerly Indiabulls Commercial Credit Limited) Indiabulls Collection Agency Limited Fast Loans Services Limited Divya Shakti Trading Services Limited Nilgiri Financial Consultants Private Limited Indiabulls Life Insurance Company Limited Indiabulls Asset Holding Company Limited Indiabulls Asset Management Company Limited Indiabulls Trustee Company Limited International Multi Commodity Exchange Limited
b) Related Party where significant influence exists: Associate	Indiabulls Asset Reconstruction Company Limited
c) Other related parties: Key Management Personnel	Mr. Rajiv Rattan, Director Mr. Sameer Gehlaut, Director Mr. Saurabh Mittal, Director Mr. Gagan Banga, Director

d) Significant Transactions with Related Parties during the period from April 01, 2008 to March 31, 2009:

Nature of Transaction	All Amount (in Rs.)				
	Subsidiary Companies	Associate	Others	Key Management Personnel	Total
Finance					
Intercorporate Deposit received (maximum balance outstanding during the year)	679,500,000	--	--	--	679,500,000
	400,000,000	--	--	--	400,000,000

Significant Accounting Policies and Notes to Accounts *continued*

All Amount (in Rs.)

Nature of Transaction	Subsidiary Companies	Associate	Others	Key Management Personnel	Total
Intercorporate Deposit given (maximum balance outstanding during the year)	8,157,300,000	--	--	--	8,157,300,000
	<i>4,101,000,000</i>	--	--	--	<i>4,101,000,000</i>
Interest Expense	16,256,389	--	--	--	16,256,389
	<i>15,090,974</i>	--	--	--	<i>15,090,974</i>
Investments					
Investments in Equity Shares	180,500,000	--	--	--	180,500,000
	<i>1,000,000</i>	--	--	--	<i>1,000,000</i>
Investments in Preference Shares	2,500,000,000				2,500,000,000
	--	--	--	--	--
Redemption of Preference Shares	500,000,000	--	--	--	500,000,000
	--	--	--	--	--
Share Application Money Paid (pending allotment)	153,840,000	--	--	--	153,840,000
	--	--	--	--	--
Income					
Interest Income	165,666,232	--	--	--	165,666,232
	<i>156,489,536</i>	--	--	--	<i>156,489,536</i>
Expenses					
Remuneration paid	--	--	--	127,397,050	127,397,050
	--	--	--	<i>97,995,208</i>	<i>97,995,208</i>
Apportionment of Expenses	--	--	--	--	--
	<i>16,647,031</i>	--	--	--	<i>16,647,031</i>
Reimbursement of Expenses (paid)	20,200	--	--	--	20,200
	<i>32,962,038</i>	--	--	--	<i>32,962,038</i>
Expenses Paid on Behalf of Subsidiaries	7,816,300	--	--	--	7,816,300
	<i>6,625,413</i>	--	--	--	<i>6,625,413</i>
Reimbursement of Expenses (received)	48,046	--	--	--	48,046
	<i>4,573</i>	<i>21,283</i>	--	--	<i>25,856</i>
Issue of Share Warrants and Equity Shares					
Money Received on conversion of Share Warrant II	--	--	--	--	--
	--	--	--	<i>1,213,800,000</i>	<i>1,213,800,000</i>
Issue of Equity Shares of Indiabulls Credit Services Limited under ESOS scheme	--	--	--	--	--
	--	--	--	<i>2,004,000</i>	<i>2,004,000</i>
Other receipts and payments					
Sale of Loan Receivables	1,607,968,841	--	--	--	1,607,968,841
	--	--	--	--	--
Purchase of Loan Receivables	1,254,203,276	--	--	--	1,254,203,276
	--	--	--	--	--
Counter guarantees provided to third parties	--	--	--	--	--
	<i>776,420,547</i>	--	--	--	<i>776,420,547</i>

(Figures in respect of previous years are stated in italics)

Significant Accounting Policies and Notes to Accounts *continued*

e) Outstanding balances as on March 31, 2009:

All Amount (in Rs.)

Nature of Transaction	Subsidiary Companies	Associate	Others	Key Management Personnel	Total
Intercorporate Deposit given	651,548,000	--	--	--	651,548,000
	<i>4,294,300,000</i>	--	--	--	<i>4,294,300,000</i>
Intercorporate Deposit Taken	230,000,000	--	--	--	230,000,000
	--	--	--	--	--
Interest Income receivable	--	--	--	--	--
	--	--	--	--	--
Assignment Receivable (Net)	24,90,011	--	--	--	24,90,011
	--	--	--	--	--

(Figures in respect of previous years are stated in italics)

f) Statement of Material transactions:

(Amount in Rs.)

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Intercorporate Deposit received (maximum balance outstanding)		
Subsidiaries		
- Indiabulls Finance Company Private Limited	320,000,000	400,000,000
- Indiabulls Capital Services Limited	285,000,000	--
- Indiabulls Insurance Advisors Limited	454,500,000	--
Intercorporate Deposit given (maximum balance outstanding)		
Subsidiaries		
- Indiabulls Finance Company Private. Limited	50,000,000	1,070,000,000
- Indiabulls Housing Finance Limited	1,309,500,000	4,101,000,000
- Indiabulls Capital Services Limited	3,510,000,000	8,504,300,000
- Indiabulls Insurance Advisors Limited	4,355,000,000	4,530,000,000
- Divya Shakti Trading Services Limited.	663,500,000	2,613,600,000
- Nilgiri Financial Consultants Limited	10,000,000	--
- Indiabulls Life Insurance Company Limited	108,900,000	--
- International Multi Commodity Exchange Limited	3,700,000	--
Counter Guarantee to third parties		
Subsidiaries		
- Indiabulls Housing Finance Limited	--	776,420,547
Interest Received		
Subsidiaries		
- Indiabulls Finance Company Private. Limited	75,340	967,398
- Indiabulls Housing Finance Limited	21,784,150	155,522,138
- Nilgiri Financial Consultants Limited	82,976	--
- Indiabulls Life Insurance Company Limited	5,399,956	--
- Indiabulls Insurance Advisors Limited	65,022,733	--
- Indiabulls Capital Services Limited	73,301,077	--
Investment in Equity Shares		
Subsidiaries		
- Indiabulls Life Insurance Company Limited	--	500,000
- Indiabulls Asset Holding Company Limited	--	500,000
- Divya Shakti Trading Services Limited	25,000,000	--

Significant Accounting Policies and Notes to Accounts continued

(Amount in Rs.)

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
- Indiabulls Asset Management Company Limited.	150,000,000	--
- Indiabulls Trustee Company Limited	5,000,000	--
- International Multi Commodity Exchange Limited	500,000	--
Investment in Preference Shares		
Subsidiaries		
- Divya Shakti Trading Services Limited	2,500,000,000	--
Redemption of Preference Shares		
Subsidiaries		
- Divya Shakti Trading Services Limited	500,000,000	--
Share Application money paid (pending allotment)		
Subsidiaries		
- International Multi Commodity Exchange Limited	153,840,000	--
Interest Expense		
Subsidiaries		
- Indiabulls Finance Company Private Limited	6,076,387	15,090,974
- Indiabulls Insurance Advisors Limited	5,757,539	--
- Indiabulls Capital Services Limited	4,422,463	--
Remuneration		
- Mr. Rajiv Rattan	37,091,193	41,765,960
- Mr. Sameer Gehlaut	75,277,005	41,782,923
- Mr. Gagan Banga	15,028,852	14,446,325
Equity Contribution		
- Mr. Gagan Banga (Towards shares of Indiabulls Credit Services Limited under ESOS scheme)	--	2,004,000
Apportionment of Expenses received		
Subsidiaries		
- Indiabulls Asset Holding Company Limited	--	446,945
- Indiabulls Finance Company Private Limited	--	16,200,086
Reimbursement of Expenses received		
Subsidiaries		
- Indiabulls Finance Company Private Limited	--	4,573
- Indiabulls Assets Management Company Limited	12,544	--
- Indiabulls Capital Services Limited	501	--
- Indiabulls Finance Company Limited	1,001	--
- Indiabulls Housing Finance Limited	21,925	--
- Indiabulls Life Insurance Company Limited	7,003	--
- Indiabulls Infrastructure Credit Limited	501	--
- Indiabulls Trustee Company Limited	2,906	--
- Nilgiri Financial Consultants Limited	1,665	--
Associate		
- Indiabulls Asset Reconstruction Company Limited	--	21,283
Reimbursement of Expenses paid		
Subsidiaries		
- Indiabulls Housing Finance Limited	--	32,880,000
- Indiabulls Commercial Credit Limited	--	82,038
- Indiabulls Insurance Advisors Limited	20,200	--
Expenses Paid on Behalf of Subsidiaries		
- Indiabulls Trustee Company Limited	117,550	--

Significant Accounting Policies and Notes to Accounts *continued*

(Amount in Rs.)

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
- International Multi Commodity Exchange Limited	6,613,875	--
- Indiabulls Assets Management Company Limited	1,084,875	--
- Indiabulls Life Insurance Company Limited	--	6,625,413
Money Received on Conversion of Share Warrants		
- Mr. Sameer Gehlaut	--	606,900,000
- Mr. Rajiv Rattan	--	303,450,000
- Mr. Saurabh Mittal	-	303,450,000
Sale of Loan Receivables		
Subsidiary		
- Indiabulls Housing Finance Limited	1,607,968,841	--
Purchase of Loan Receivables		
Subsidiary		
- Indiabulls Housing Finance Limited	1,254,203,276	--

Related Party relationships as given above is as identified by the company and relied upon by the Auditors. The transactions with companies which cease to be subsidiaries of the Company during the previous year have not been treated as related party transactions as they do not qualify as being Related Parties during the year.

21. Earnings Per Share (EPS):

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares, Convertible Preference Shares, Share Warrants and the potential dilutive effect of Employee Stock Option Plan as appropriate.

	For the year ended March 31, 2009	For the year ended March 31, 2008
Profit after tax and prior period adjustments (Rs.)	1,901,720,868	3,819,699,855
Less: Preference dividends paid / proposed for the year (Rs.)	156,865,372	91,076,206
Less: Corporate Dividend tax thereon (Rs.)	26,659,271	15,478,401
Profit available for Equity Shareholders (Rs.)	1,718,196,225	3,713,145,248
Weighted average number of Shares used in computing Basic earnings per share	253,535,879	246,184,479
Add: Potential number of Equity share that could arise on exercise of Employee Stock Options / Share Warrants	2,001,935	8,331,728
Weighted average number of Shares used in computing Diluted earnings per share	255,537,814	254,516,207
Face Value of Equity Shares - (Rs.)	2.00	2.00
Basic Earnings Per Share - (Rs.)	6.78	15.08
Diluted Earnings Per Share - (Rs.)	6.72	14.59

Significant Accounting Policies and Notes to Accounts continued

22. Deferred Tax:

The breakup of deferred tax into major components as at March 31, 2009 is as under:

Amount (in Rs.)

	As at March 31, 2009	As at March 31, 2008
Deferred tax Liabilities		
Depreciation	(33,518,816)	(39,618,880)
Retained interest on securitization / assignment of loans	(194,339,373)	(655,362,513)
Deferred tax Assets		
Provision for doubtful assets	476,996,502	412,468,510
Disallowance under section 43 B of the Income-Tax Act, 1961	33,857,653	30,382,389
Preliminary expenses	4,094	20,511
Net Deferred Tax (Liabilities) / Assets	283,000,060	(252,109,983)

23. Personnel Costs:

Personnel Costs include an amount of Rs. 10,713,577 (Previous Year Rs. 175,567,569) being cost of employees on deputation from other Group / erstwhile Group companies on specific job basis. Out of the above, an amount of Nil (Previous Year Rs. 29,310,011) has been apportioned from Indiabulls Housing Finance Limited - a Subsidiary Company and the balance is from Indiabulls Securities Limited the erstwhile subsidiary company, amounting to Rs 10,713,577 (Previous Year Rs. 146,257,588).

Personnel costs exclude an amount of Rs. Nil (Previous Year Rs. 16,200,086) being cost of employees apportioned to Indiabulls Finance Company Limited - a subsidiary company on specific job basis.

24. No borrowing costs have been capitalised during the year.

25. Details of Purchase and Sale of long term, non-trade investments during the year ended March 31, 2009:

The Company invested in the following Subsidiaries during the year:

Investment in Shares of Subsidiaries Name of the Company	Purchase	
	Shares (Nos.)	Amount (Rs.)
Divya Shakti Trading Services Limited	2,500,000	25,000,000
Divya Shakti Trading Services Limited (Preference Shares)	2,500,000	2,500,000,000
Indiabulls Asset Management Company Limited	15,000,000	150,000,000
Indiabulls Trustee Company Limited	500,000	5,000,000
International Multi Commodity Exchange Limited	50,000	500,000
Redemption of Preference Shares Name of the Company	Redemption	
	Shares (Nos.)	Amount (Rs.)
Divya Shakti Trading Services Limited (Preference Shares)	500,000	500,000,000

26. Investments

(a) Additional information in respect of Non Trade, Unquoted (Mutual Funds) / Quoted (Equity Shares) Current investments / dealing in securities:

	March 31, 2009		March 31, 2008	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Investments at the beginning of the year				
Equity Shares	--	--	--	--
Mutual Funds	--	--	180,297,729	2,001,662,864

Significant Accounting Policies and Notes to Accounts *continued*

	March 31, 2009		March 31, 2008	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Mutual Fund investment received in the Merger of Indiabulls Credit Services Limited	--	--	130,042,468	1,300,424,678
Total (A)	--	--	310,340,197	3,302,087,542
Investments made during the Year				
Equity Shares	4,500,000	2,258,886,551	-	--
Mutual Funds	83,421,098,802	972,000,298,658	68,041,642,362	890,312,430,289
Total (B)	83,425,598,802	974,259,185,209	68,041,642,362	890,312,430,289
Investments redeemed / sold during the Year				
Equity Shares	4,500,000	2,186,095,673	--	--
Mutual Funds	82,749,915,781	964,887,037,701	68,351,982,559	893,614,893,977
Total (C)	82,754,415,781	967,073,133,374	68,351,982,559	893,614,893,977
Investments as at the year end				
Equity Shares	--	--	--	--
Mutual Funds	--	--	--	--
Total (D)	671,183,021	7,091,308,287	--	--
Profit / (Loss) on Derivative trading (E)	--	50,245,179	--	--
Profit / (Loss) (C+D+E-A-B)		(44,498,369)		376,146

(b) Detailed Quantitative information in respect of Non Trade, Unquoted, Current Investments / dealing in securities

In units of Mutual Funds Unquoted	Type	Investment		Sales / Redemption	
		No. of units	Rupees	No. of units	Rupees
ABN AMRO Cash Fund	Daily Dividend	-	-	-	-
		600,122,315	6,001,223,145	600,122,315	6,001,223,145
ABN Money Plus Fund	Daily Dividend	-	-	-	-
		50,015,820	500,163,211	50,015,820	500,163,211
Birla Cash Plus-Instl.Prem.	Daily Dividend	8,494,379,610	85,109,436,503	8,494,379,610	85,109,436,503
		1,834,409,922	18,379,870,212	1,834,409,922	18,379,870,212
Birla Sun Life Cash Manager	Daily Dividend	-	-	-	-
		300,040,345	3,001,303,568	300,040,345	3,001,303,568
Birla Sun Life Liquid Plus	Daily Dividend	1,527,129,230	15,281,676,777	1,527,129,230	15,281,676,777
		-	-	-	-
Birla Sun Life Mutual Fund	Daily Dividend	-	-	-	-
		958,509,855	9,591,616,417	958,509,855	9,591,616,417
DSP Mutual Fund	Daily Dividend	-	-	-	-
		4,500,540	4,500,990,499	4,500,540	4,500,990,499
DWS Cash Plus Fund	Daily Dividend	274,585,910	2,751,213,526	274,585,910	2,751,213,526
		-	-	-	-
DWS Insta Cash Plus Fund	Daily Dividend	439,423,320	4,403,021,668	439,423,320	4,403,021,668
		-	-	-	-
DWS Liquid Plus	Daily Dividend	271,648,407	2,734,273,842	271,648,407	2,734,702,437
		-	-	-	-
Franklin - Templeton Floating Rate Income Fund	Daily Dividend	360,013,180	3,604,019,938	360,013,180	3,604,019,938
		-	-	-	-

Significant Accounting Policies and Notes to Accounts *continued*

In units of Mutual Funds Unquoted	Type	InvestmentSales / Redemption		No. of units	Rupees
		No. of units	Rupees		
Franklin - Templeton India Treasury Management A/c Franklin Mutual Fund	Daily Dividend	8,899,240 -	8,902,377,144 -	8,899,240 -	8,902,377,145 -
G50 IDFC Floating Rate Fund	Daily Dividend	6,299,511 400,069,235	6,301,085,431 4,002,892,731	6,299,511 400,069,235	6,301,085,431 4,002,892,731
G70 IDFC Liquidity Manager - Plus	Daily Dividend	71,841,646 -	71,856,733,008 -	71,841,646 -	71,856,733,004 -
HDFC Cash Management Fund	Daily Dividend	5,966,334,346 3,930,151,071	63,460,318,639 41,802,658,848	5,966,334,346 3,930,151,071	63,460,318,639 41,802,658,848
HDFC Floating Rate Fund	Daily Dividend	2,644,288,171 695,837,609	26,656,804,618 7,014,669,356	2,644,288,171 695,837,609	26,656,804,618 7,014,669,356
HSBC Mutual Fund	Daily Dividend	358,087,711 99,962,122	3,582,882,405 1,000,181,010	358,087,711 99,962,122	3,582,882,405 1,000,181,010
ICICI Flexible Income Plan	Daily Dividend	1,629,859,995 236,989,436	17,233,324,662 2,505,807,801	1,629,859,995 236,989,436	17,233,318,474 2,505,807,801
ICICI Prudential Institutional Liquid Plan	Daily Dividend	15,126,033,666 17,826,780,337	151,267,899,680 178,272,938,321	15,126,033,666 17,956,822,805	151,267,899,680 179,573,362,999
JM High Liquidity Fund	Daily Dividend	705,152,811 -	7,063,163,127 -	705,152,811 -	7,063,163,127 -
JM Money Manager Fund	Daily Dividend	679,103,766 -	6,793,821,983 -	679,103,766 -	6,793,821,983 -
Kotak Flexi Debt Scheme	Daily Dividend	49,987,789 -	501,432,510 -	49,987,789 -	501,432,510 -
Kotak Liquid (Institutional Premium)	Daily Dividend	40,896,088 -	500,081,452 -	40,896,088 -	500,081,452 -
Kotak Mutual Fund	Daily Dividend	- 448,221,857	- 5,480,901,684	- 448,221,857	- 5,480,901,684
LICMF Income Plus Fund	Daily Dividend	450,583,380 -	4,505,833,798 -	450,583,380 -	4,505,833,798 -
LICMF Liquid Fund	Daily Dividend	11,652,452,160 -	127,945,089,965 -	11,265,269,139 -	123,693,781,678 -
LICMF Saving Plus Fund	Monthly Dividend	49,907,013 -	524,115,235 -	49,907,013 -	501,740,159 -
LICMF Saving Plus Fund	Daily Dividend	484,390,089 -	4,843,900,893 -	200,390,089 -	2,003,900,893 -
Lotus India Liquid Fund	Daily Dividend	4,428,939,640 1,172,325,205	44,303,863,858 11,724,964,892	4,428,939,640 1,172,325,205	44,303,863,858 11,724,964,892
Lotus India Liquid Plus Fund	Daily Dividend	1,153,517,473 -	11,553,284,958 -	1,153,517,473 -	11,553,284,958 -
Lotus India Overnight Fund	Daily Dividend	- 500,150,439	- 5,001,504,389	- 500,150,439	- 5,001,504,389
Magnum Insta Cash Fund	Daily Dividend	1,217,531,947 -	20,394,025,365 -	1,217,531,947 -	20,394,025,365 -
MIRAE Asset Liquid Fund	Daily Dividend	5,204,657 -	5,208,376,198 -	5,204,657 -	5,208,376,198 -
MIRAE Asset Liquid Plus Fund	Daily Dividend	2,000,018 -	2,002,814,810 -	2,000,018 -	2,002,814,810 -
NLFSD Canara Robeco Liquid Super Instt.	Daily Dividend	100,274,568 -	1,006,856,938 -	100,274,568 -	1,006,856,938 -
Principal Cash Management Fund	Daily Dividend	150,393,699 -	1,504,042,267 -	150,393,699 -	1,504,042,267 -
Principal Floating Rate Fund	Daily Dividend	727,525,540 -	7,284,203,959 -	727,525,540 -	7,284,203,959 -
Principal Mutual Fund	Daily Dividend	- 500,051,350	- 5,000,863,532	- 500,051,350	- 5,000,863,532
Reliance Liquid Plus Fund	Daily Dividend	17,880,367 8,510,864	17,900,685,873 8,520,397,631	17,880,367 8,510,864	17,900,685,875 8,520,397,631

Significant Accounting Policies and Notes to Accounts *continued*

In units of Mutual Funds Unquoted	Type	Investment		Sales / Redemption	
		No. of units	Rupees	No. of units	Rupees
Reliance Liquidity Fund	Daily Dividend	19,277,785,565 <i>37,474,520,993</i>	192,837,616,786 <i>374,861,380,952</i>	19,277,785,565 <i>37,654,622,449</i>	192,837,616,786 <i>376,662,953,822</i>
Reliance Medium Term Fund	Daily Dividend	675,858,933	11,554,146,388	675,858,933	11,554,146,388
SBI Mutual Fund	Daily Dividend	-	-	-	-
		<i>356,548,609</i>	<i>4,500,962,681</i>	<i>356,548,609</i>	<i>4,500,962,681</i>
SBI Premier Liquid Fund - Super Institutional	Daily Dividend	3,199,520,240	32,099,186,806	3,199,520,240	32,099,186,806
SBI SHF Liquid Plus - Institutional Plan	Daily Dividend	676,661,664	6,769,999,944	676,661,664	6,769,999,944
Standard Chartered Liquidity Manager	Daily Dividend	-	-	-	-
		<i>81,942,639</i>	<i>81,959,847,200</i>	<i>81,942,639</i>	<i>81,959,847,200</i>
Standard Chartered-Grindlays Floating Rate Fund	Daily Dividend	-	-	-	-
		<i>851,780,275</i>	<i>8,521,861,732</i>	<i>851,780,275</i>	<i>8,522,237,878</i>
Tata AIG Mutual Fun	Daily Dividend	-	-	-	-
		<i>4,497,161</i>	<i>4,500,821,930</i>	<i>4,497,161</i>	<i>4,500,821,930</i>
Tata Floater Fund	Daily Dividend	100,199,945	1,005,566,564	100,199,945	1,005,566,564
Tata Liquid Super High Investment fund	Daily Dividend	2,737,783	3,051,313,840	2,737,783	3,051,313,840
UTI Cash Plan Fund	Daily Dividend	-	-	-	-
		<i>97,289,397</i>	<i>99,181,258,446</i>	<i>97,485,670</i>	<i>99,381,348,440</i>
UTI Liquid Plus Fund	Daily Dividend	-	-	-	-
		<i>2,184,690</i>	<i>2,185,157,401</i>	<i>2,184,690</i>	<i>2,185,157,401</i>
In Equity Shares- Quoted		4,500,000	2,258,886,551	4,500,000	2,186,095,673
Ranbaxy Laboratories Limited		-	-	-	-
Total		83,425,598,802 <i>68,041,642,362</i>	974,259,185,209 <i>890,312,430,289</i>	82,754,415,781 <i>68,351,982,559</i>	967,073,133,374 <i>893,614,893,977</i>

(Figures in respect of previous years are stated in italics)

(c) Details of Futures and Option contracts entered / settled for the year ended March 31, 2009:

In Futures and Options - Trade Quoted	Expiry Date	Lot Size	No. of contracts	Purchase Quantity	Sales Quantity
FUTSTK RANBAXY 25-SEP-08	25/09/2008	800	2,750	2,200,000	2,200,000

Futures - FUTSTK RANBAXY 25-SEP-08

Date	Quantity	Rate	Purchase Value (Rs.)	Date	Quantity	Rate	Sale Value (Rs.)
18-Sep-08	708,800	340.66	241,456,557	12-Aug-08	500,000	385.14	192,570,726
19-Sep-08	478,400	350.83	167,838,537	13-Aug-08	177,600	379.44	67,389,257
22-Sep-08	1,012,800	350.34	354,822,331	14-Aug-08	583,200	369.81	215,670,288
				18-Aug-08	58,400	360.87	21,074,864
				19-Aug-08	180,800	357.96	64,719,166
				20-Aug-08	700,000	361.34	252,938,302
Total	2,200,000		764,117,425		2,200,000		814,362,603

27. Schedule in terms of Paragraph 13 Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Particulars	Amount Outstanding	Amount Overdue
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	NIL	NIL
: Unsecured	1,100,000,000	NIL

Significant Accounting Policies and Notes to Accounts continued

Liabilities side : (other than falling within the meaning of public deposits*)	Amount Outstanding	Amount Overdue
(b) Deferred Credits	NIL	NIL
(c) Term Loans	32,996,214,286	NIL
(d) Inter-corporate loans and borrowing	230,000,000	NIL
(e) Commercial Paper	21,750,000,000	NIL
(f) Other Loans - Working Capital Loans	NIL 7,621,725,754	NIL NIL
Assets side :		Amount Outstanding in Rs.
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured (net of provisions)		32,475,839,983
(b) Unsecured (net of provisions)		26,597,305,513
(3) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL / HP activities (net of provision)		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Hypothecation loans counting towards EL / HP activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
(4) Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		-
(iv) Government Securities		NIL
(v) Others (please specify)		NIL
2. Unquoted :		
(i) Shares : (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL
Long Term investments :		
1. Quoted :		
(i) Shares :		
(a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL
2. Unquoted :		
(i) Shares :		
(a) Equity shares of subsidiary companies		3,274,375,000
Equity shares in an associate company		12,250,000
(b) Preference shares of subsidiary company		2,000,000,000
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL

Significant Accounting Policies and Notes to Accounts *continued*

1) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances:

Category	Amount net of provisions (Rs.)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	--	831,548,000	831,548,000
(b) Companies in the same group	--	--	--
(c) Other related parties	--	--	--
2. Other than related parties	32,475,839,983	25,765,757,513	58,241,597,496
Total	32,475,839,983	26,597,305,513	59,073,145,496

2) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Break up value per share (Rs.)	Book Value (Net of Provision) (Rs.)
1. Related Parties		
(a) Subsidiaries		
i. Indiabulls Insurance Advisors Private Limited	(20,967.04)	500,000
ii. Indiabulls Finance Company Private Limited.	318.99	437,500,000
iii. Indiabulls Capital Services Limited.	(21.81)	50,000,000
iv. Indiabulls Housing Finance Limited.	24.91	2,253,375,000
v. Indiabulls Infrastructure Credit Limited (formerly Indiabulls Commercial Credit Limited)	29.54	250,000,000
vi. (a) Divya Shakti Trading Services Limited	10.63	25,500,000
vi (b) Divya Shakti Trading Services Limited (Preference Shares)	1000.00	2,000,000,000
vii. Indiabulls Asset Holding Company Limited	(0.86)	500,000
viii. Indiabulls Life Insurance Company Limited	(719.37)	500,000
ix. Indiabulls Collection Agency limited	766.89	100,500,000
x. Fast Loan Services Limited	7.18	500,000
xi. Indiabulls Asset Management Company Limited	10.12	150,000,000
xii. Indiabulls Trustee Company Limited	10.03	5,000,000
xiii. International Multi Commodity Exchange Limited	(223.21)	500,000
(b) Companies in the same group		
i. Indiabulls Asset Reconstruction Company Limited	11.12	12,250,000
(c) Other related parties	--	--
2. Other than related parties	--	--
Total		5,286,625,000

Other Information:

Particulars	Amount (Rs.)
(I) Gross Non-Performing Assets	
(a) Related parties	--
(b) Other than related parties	1,152,183,713
(II) Net Non-Performing Assets	
(a) Related parties	--
(b) Other than related parties	--
(III) Assets acquired in satisfaction of debt	--

Significant Accounting Policies and Notes to Accounts continued

28. Disclosures in terms of Paragraph 10 Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(i) Disclosure for CRAR

CRAR Items	As on Mar '09 Current year
i) CRAR (%)	36.01%
ii) CRAR - Tier I capital (%)	34.04%
iii) CRAR - Tier II Capital (%)	1.97%

(ii) Exposure to Real Estate Sector:-

Category	Mar '09 Current year
a) Direct exposure	
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lacs may be shown separately)	6,177,666,530
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	7,251,807,691
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential, b. Commercial Real Estate.	568,301,766 438,247,571
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,182,932,016.64

Note:

- This being the first year in which the Company is required to make disclosure in accordance with the circular, comparative information has not been presented.
- The above classification is as identified by the company and relied upon by the auditors.

(iii) Maturity Pattern of Assets and Liabilities:-

	1 day to 30/31 days (one month)	Over month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 yrs	Over 3 to 5 yrs	Over 5 years	Total
Liabilities									
Borrowing from banks	13.53	212.71	159.47	343.44	1,522.51	1,551.42	5.00	-	3,809.02
Market borrowings	20.00	729.00	50.00	884.55	778.00	-	-	-	2,461.55
Assets									
Advances	252.32	394.59	318.17	1,005.47	1,330.20	1,877.83	251.78	697.29	6,127.65
Investments	989.13	-	600.44	689.14	449.65	192.66	-	533.66	3,454.68

Note: The above maturity pattern is as classified by the company and relied upon by the auditors.

29. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

- An amount of Rs. Nil and Rs. Nil was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.

Significant Accounting Policies and Notes to Accounts *continued*

- (b) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
- (c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
- (d) No amount of interest was accrued and unpaid at the end of the accounting year.

The above information and that given in Schedule 11 - "Current Liabilities and Provisions" regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

- 30. The Company does not have any derivative instruments that are outstanding as at March 31, 2009. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.

- 31. Other Operating Charges includes:

Particulars	Amount (in Rs.)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Processing and Renewal Fees	787,046,779	1,225,548,850
Other fees and charges	81,786,113	28,771,288
Web Portal fees	2,966,655	7,390,220
Total	871,799,547	1,261,710,358

- 32. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 - Provisions, Contingent Liabilities and Contingent Assets as notified under the Companies (Accounting Standards) Rules, 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.
- 33. During the previous year, the Company has entered into a Memorandum of Understanding with MMTC Limited, the largest commodity trading business in India to establish a Commodities Exchange with 26% ownership with MMTC. Subsequent to March 31, 2009, in line with the Government of India ownership guidelines, International Multi Commodity Exchange Limited has received its entire capital contribution of Rs. 10,000 Lacs from Indiabulls Financial Services Ltd (40%), MMTC Ltd (26%), Indian Potash Ltd (10%), United Stock Exchange of India Ltd (10%) and Abhinay Trading Private Ltd (14%), of which Rs. 9,995 Lacs is pending allotment. Recognition of the exchange from Forward Markets Commission is expected shortly. The technology platform for the exchange including network and, infrastructure is at an advanced stage of completion and membership campaign is underway.
- 34. The Company had, during 2007-08 entered into an MOU with Sogecap, the life insurance arm of Societe Generale of France, for its upcoming life insurance Joint Venture. Sogecap will subscribe to 26% of the paid up capital in the Joint Venture. The Company has already obtained approval from the Reserve Bank of India vide its letter no. DNBS.ND.No.2751/05.09.055./2007-08 dated November 20, 2007 for holding 49.50% equity stake in the life insurance venture, and has also been issued R1 by the Insurance Regulatory and Development Authority (IRDA), the insurance regulator, for initiating necessary regulatory approvals. Indiabulls Securities Limited (IBSL) agreed to subscribe to balance 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 Indiabulls Financial Services Limited 49.5%, IBSL 24.5% and Sogecap, France - 26%. ILICL will commence its life insurance business on receipt of all applicable statutory and regulatory approvals.

35. During the previous year, the Securities and Exchange Board of India (SEBI) has approved setting up of an Asset Management Company and a Trustee Company for setting up a Mutual Fund. As a result thereof, during the current financial year Indiabulls Asset Management Company Limited and Indiabulls Trustee Company Limited have been formed as 100% subsidiaries of the Company. The regulatory approvals for commencing operations of Indiabulls Trustee Company Limited and Indiabulls Asset Management Company Limited (wholly owned subsidiaries of the Company) are under process.
36. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2009.
37. Previous year's figures have been regrouped and / or re-arranged wherever necessary to confirm to current year's groupings and classifications.

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

K. A. Katki
Partner

Sameer Gehlaut
Whole time Director

Gagan Banga
Whole time Director

Amit Jain
Company Secretary

Mumbai: June 06, 2009

Mumbai: June 06, 2009

Statement Pursuant to Section 212 (1) (e) of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies for the Financial Year 2008-09

The net aggregate amount of profits/(losses) so far as it concerns the members of the Holding Company							
Sr. No. Name of the Subsidiary Company	Financial year / period ending of the Subsidiary	Date from which they became Subsidiary Companies	Holding Company's interest Number of shares held (Equity Shares of Rs. 10 each stated otherwise)	Extent of Holding	b. Dealt with in the Holding Company Accounts		
					a. Not dealt with in the Holding Company Accounts	i) For the Financial Year ended 31st March 2009	ii) For the previous financial years of the Subsidiary Companies since they become Holding Company's subsidiaries
1 Indiabulls Insurance Advisors Limited	31-Mar-09	27-Dec-03	50,000 Equity shares of face value of Rs. 10 each fully paid up	100%	(1,480,371,825)	431,519,967	NIL
2 Indiabulls Finance Company Private Limited	31-Mar-09	18-Mar-05	4,375,000 Equity shares of face value of Rs. 10 each fully paid up	57.50%	88,109,179	224,591,237	NIL
3 Indiabulls Capital Services Limited	31-Mar-09	13-Apr-05	5,000,000 Equity shares of face value of Rs. 10 each fully paid up	100%	(795,435,829)	636,387,654	NIL
4 Indiabulls Housing Finance Limited	31-Mar-09	10-May-05	135,000,000 Equity shares of face value of Rs. 10 each fully paid up	100%	178,868,850	898,597,460	NIL
5 Nilgiri Financial Consultants Limited	31-Mar-09	14-Dec-05	50,000 Equity shares of face value of Rs. 10 each fully paid up	100%	12,367,923	36,045,345	NIL
6 Indiabulls Collection Agency Limited	31-Mar-09	1-Jun-06	150,000 Equity shares of face value of Rs. 10 each fully paid up	100%	7,924,107	6,736,818	NIL
7 Fast Loans Services Limited	31-Mar-09	9-Oct-06	50,000 Equity shares of face value of Rs. 10 each fully paid up	100%	(56,800)	(83,992)	NIL
8 Indiabulls Infrastructure Credit Limited (Formerly Indiabulls Commercial Credit Limited) ¹	31-Mar-09	7-Jul-06	10,000,000 Equity shares of face value of Rs. 10 each fully paid up	100%	16,947,205	22,576,273	NIL
9 Divya Shakti Trading Services Limited	31-Mar-09	2-Nov-06	2,550,000 Equity shares of face value of Rs. 10 each fully paid up	100%	(257,366,841)	258,970,926	NIL
10 Indiabulls Asset Holding Company Limited	31-Mar-09	14-Jun-07	50,000 Equity Shares of face value of Rs. 10 each fully paid up	100%	(60,650)	(482,137)	NIL
11 Indiabulls Life Insurance Company Limited	31-Mar-09	3-Dec-07	50,000 Equity Shares of face value of Rs. 10 each fully paid up	100%	(29,796,978)	(6,671,593)	NIL
12 Indiabulls Asset Management Company Limited ²	For the period from April 10, 2008 to March 31, 2009	10-Apr-08	15,000,000 Equity Shares of face value of Rs. 10 each fully paid up	100%	1,793,172	-	NIL
13 Indiabulls Trustee Company Limited ³	For the period from April 10, 2008 to March 31, 2009	10-Apr-08	500,000 Equity Shares of face value of Rs. 10 each fully paid up	100%	13,100	-	NIL
14 International Multi Commodity Exchange Limited ⁴	For the period from August 18, 2008 to March 31, 2009	18-Aug-08	50,000 Equity Shares of face value of Rs. 10 each fully paid up	100%	(11,660,268)	-	NIL

Notes:

1. Name of the Company "Indiabulls Commercial Credit Limited" has been changed to "Indiabulls Infrastructure Credit Limited" w.e.f. 21.01.2009
2. Incorporated on April 10, 2008
3. Incorporated on April 10, 2008
4. Incorporated on August 18, 2008

For and on behalf of the Board

Sameer Gehlaut
Whole Time Director

Gagan Banga
Whole Time Director

Mumbai, June 6, 2009

Details of Subsidiary Companies

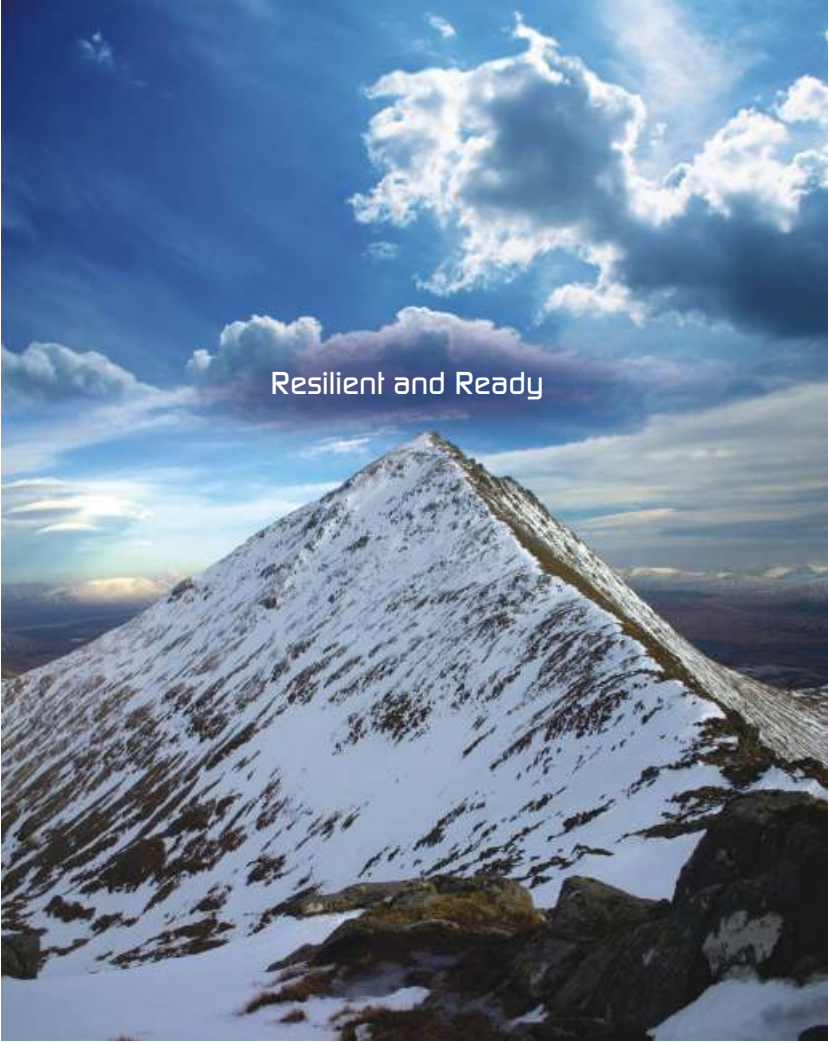
Particulars	Indiabulls Collection Agency Limited	Fast Loans Services Limited	Indiabulls Insurance Advisors Limited	Nigiri Financial Consultants Limited	Indiabulls Finance Company Private Limited	Indiabulls Housing Finance Limited	Indiabulls Capital Services Limited	Indiabulls Infrastructure Credit Limited*	Divya Shakti Trading Services Limited	Indiabulls Asset Holding Company Limited	Indiabulls Life Insurance Company Limited	Indiabulls Asset Management Company Limited	Indiabulls Trustee Company Limited	Indian Commodity Exchange Limited**
Share Capital	1,500,000	500,000	500,000	500,000	76,086,960	1,350,000,000	50,000,000	100,000,000	45,500,000	500,000	500,000	150,000,000	5,000,000	500,000
Reserves & Surplus	113,532,965	(140,792)	(1,048,851,858)	48,413,268	2,350,976,166	2,012,703,539	(159,048,175)	195,430,165	1,981,604,085	(542,787)	(36,468,571)	1,793,172	13,100	(11,660,268)
Total Assets	115,416,216	414,358	44,762,603	63,901,671	2,427,763,292	9,678,860,853	273,340,650	297,577,640	2,167,018,417	12,363	95,271,234	153,007,675	5,081,683	491,780,934
Total Liabilities	115,416,216	414,358	44,762,603	63,901,671	2,427,763,292	9,678,860,853	273,340,650	297,577,640	2,167,018,417	12,363	95,271,234	153,007,675	5,081,683	491,780,934
Investments	-	-	500,000	-	540,099,644	580,107,025	80,456,512	-	2,000,000,000	-	-	-	-	290,053,512
Revenue	9,892,898	-	93,848,852	21,863,591	272,224,298	1,829,299,928	68,945,099	27,792,910	2,756,716	-	6,966,668	10,335,131	306,257	2,122,856
Profit Before Taxation	9,688,980	(56,800)	(1,481,246,135)	19,015,595	270,303,989	283,130,786	(803,305,433)	27,022,158	(257,419,583)	(60,650)	(29,777,437)	5,298,198	117,197	(11,289,201)
Provision For Taxation	1,764,873	-	(874,310)	6,647,672	78,762,296	59,544,724	(7,869,604)	5,817,374	(52,742)	-	19,541	3,505,026	104,097	371,067
Profit After Tax	7,924,107	(56,800)	(1,480,371,825)	12,367,923	191,541,693	223,586,062	(795,435,829)	21,204,784	(257,366,841)	(60,650)	(29,796,978)	1,793,172	13,100	(11,660,268)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Name of the Company "Indiabulls Commercial Credit Limited" has been changed to "Indiabulls Infrastructure Credit Limited" w.e.f. 21.01.2009

** Name of the Company "International Multi Commodity Exchange Limited" has been changed to "Indian Commodity Exchange Limited" w.e.f. 20.07.2009

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No	1 0 3 1 8 3	State Code	5 5
Balance Sheet Date	3 1	0 3	2 0 0 9
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placements	N I L
Global Depository Receipt	N I L	Employees Stock Options Plan	8 4 5 0
III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)			
Total Liabilities	9 9 7 7 3 6 3 4	Total Assets	9 9 7 7 3 6 3 4
Sources of Funds Paid - up Capital	2 0 7 5 9 1 3	Reserves & Surplus	2 9 9 9 4 1 2 6
Secured Loans	4 0 6 2 5 6 4 0	Unsecured Loans	2 3 0 8 0 0 0 0
Deferred Tax Liability (Net)	N A		
Application of Funds Net Fixed Assets	4 0 9 0 3 4	Investments	1 3 7 3 7 4 6 9
Net Current Assets	8 1 3 4 6 1 7 6	Misc. Expenditure	N A
Accumulated Loss	N A	Deferred Tax Assets (Net)	2 8 3 0 0 0
IV. Performance of Company (Amount in Rs.Thousands)			
Turnover	1 7 8 3 5 0 8 4	Total Expenditure	1 5 3 6 6 1 2 4
Profit / Loss Before Tax	+ 2 4 6 8 9 6 1	Profit/Loss after Tax	+ 1 9 0 1 7 2 1
(Please tick Appropriate Box + for Profit - for Loss)		DILUTED	+ 6 . 7 2
Earning Per Share in Rs. (BASIC)	+ 6 . 7 8	Dividend Rate (%)	1 0 0
V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)			
Item Code No. (ITC Code)	N A		
Product	N O N B A N K I N G		
Description	F I N A N C E C O M P A N Y		
Item Code No. (ITC Code)	N A		
Product	N A		
Description			
Item Code No. (ITC Code)			
Product			
Description			



Resilient and Ready

Registered Office

F-60, Malhotra Building,
2nd Floor, Connaught Place,
NEW DELHI - 110 001
India.

Corporate Office

“Indiabulls House”
448-451, Udyog Vihar, Phase V,
GURGAON - 122001, Haryana

S. P. Centre, “C” Wing,
41/44 Minoo Desai Road,
Near Radio Club, Colaba,
MUMBAI - 400005

Website

www.indiabulls.com/financial

The logo for Indiabulls, featuring the word "Indiabulls" in a white, bold, sans-serif font, centered within a solid green rectangular background.

Indiabulls Financial Services Limited