

Annual Report 2008-09



Indiabulls

Indiabulls Financial Services Limited

Resilient and Ready

Report www.indiabulls.com

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.

Indiabulls

Indiabulls Financial Services Limited

10
years

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

EBITDA

Rs. 12,139 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)

Indiabulls
 Indiabulls Financial Services Limited


(Rs. In Million)

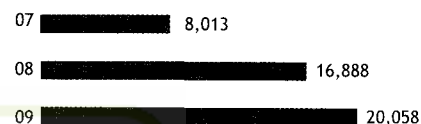
	08-09	07-08	06-07 Proforma Figures*	06-07
Total Income	20,057.86	16,887.65	8,012.55	12,444.00
Operating Expenses	227.06	426.31	225.12	847.00
Employee Cost	1,668.92	2,389.17	1,298.32	2,369.00
Administrative and Other expenses	6,022.65	1,767.65	1,230.26	1,740.00
Earning before Interest, Tax & Depreciation	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

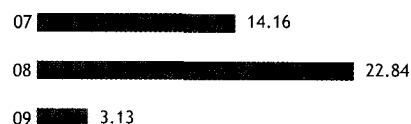
Earnings Per Share - Rs.	3.13	22.84	14.16	22.84
Net Profit margin %	5.28%	34.38%	37.94%	35.63%
Return on Net Worth %	3.00%	16.59%	16.25%	20.22%

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

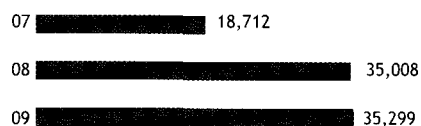
Revenues (Rs. in Million)*



Basic Earnings per Share (in Rs.)*



Net Worth (Rs. in Million)*



About us

assets under
management

> 8,900

> 8,900

locations

> 138

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

> 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. Shamsheer 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

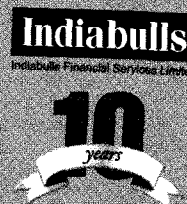
BANKS

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