

Indiabulls

Indiabulls Securities Limited

BROKERAGE HOUSE OF CHOICE

ANNUAL REPORT
2008-09

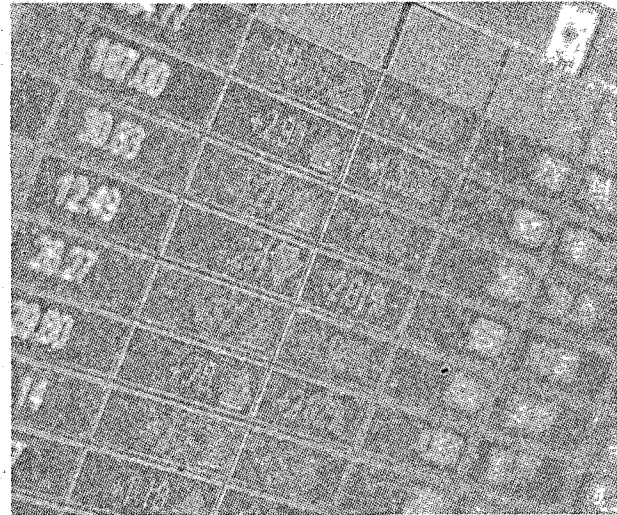
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The Brokerage House of Choice



Determination coupled with capability and vision has empowered us to forge a meaningful presence in a competitive marketplace. A reliable and indigenous technological platform, supported by excellent customer care services, has furthered our position as the brokerage house of choice.

INDIABULLS SECURITIES LIMITED

CORPORATE AND FINANCIAL HIGHLIGHTS

TECHNOLOGY, the Enabler	Secure ID	CRISIL BQ 1 Rating
<p>FORESIGHT COUPLED WITH ABILITY HAS EMPOWERED THE COMPANY TO DEVELOP A SOUND, SCALABLE TECHNOLOGY PLATFORM THAT HAS PUSHED IT AHEAD OF COMPETITION IN THE MARKETPLACE. BOLSTERED BY ITS TECHNOLOGICAL STRENGTH, THE COMPANY OFFERS OPTIMUM SPEED, EFFICIENCY AND SECURITY TO ITS CUSTOMERS. THE COMPANY'S TECHNOLOGICAL PROWESS HAS EMERGED AS ONE OF THE BIGGEST CONTRIBUTORS TO ITS SUCCESS TODAY.</p>	<p>WITH ITS TECHNOLOGICAL COMPETENCY, ISL HAS SUCCEEDED IN LAUNCHING INGENUOUS CUSTOMER-CENTRIC PLATFORMS SUCH AS, SECURE ID, AN ADVANCED HARDWARE AUTHENTICATION DEVICE THAT ENSURES THE HIGHEST SECURITY LEVELS FOR ITS CLIENTS. THE LAUNCH OF SECURE ID HAS DEEPENED THE COMPANY'S STANDING AS AN INNOVATIVE BROKERAGE HOUSE IN THE MARKETPLACE.</p>	<p>CRISIL HAS ASSIGNED A CRISIL BQ 1 TO THE COMPANY. THIS IS AN OPINION ON THE QUALITY OF OPERATIONS AND SERVICE OFFERED BY INDIABULLS SECURITIES LIMITED. THE GRADING IS EXPRESSED ON A FIVE POINT SCALE BQ-1 TO BQ-5, WITH BQ-1 BEING THE HIGHEST.</p>

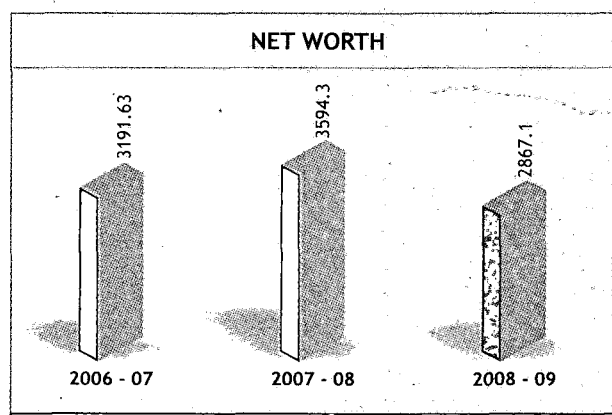


FINANCIAL HIGHLIGHTS (STANDALONE)

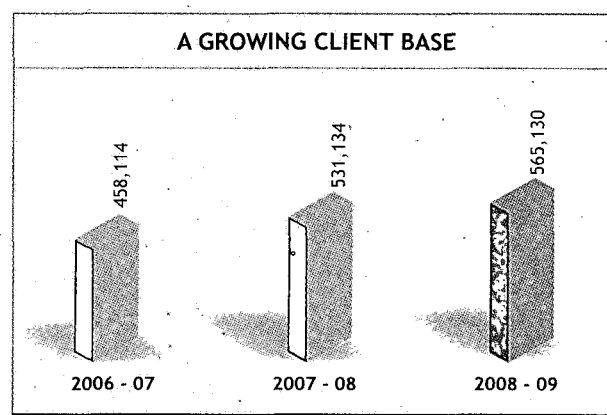
(Rs. in Million)

	08-09	07-08	06-07
Total Income	4032.80	6236.69	4436.14
Operating Expenses	308.97	432.30	616.06
Employee Cost	1116.06	1054.13	1059.78
Administrative and Other Expenses	2365.83	713.52	506.23
Earning before Interest, Depreciation & Tax	241.94	4036.74	2234.02
Interest	194.53	156.91	141.45
Depreciation/Amortisation	242.22	212.11	144.39
Profit/(Loss) Before Tax	(194.81)	3717.72	1998.18
Tax	(83.68)	1231.14	624.24
Profit/(Loss) After Tax	(111.13)	2436.53	1373.94
Preferences Share Dividend including Corporate Dividend Tax	5.38	3.12	—
Net Profit/(Loss) attributable to Equity Share Holders	(116.51)	2433.46	1373.94
Equity Share Capital	506.85	506.85	178.34
Reserves & Surplus	2360.25	3087.45	3013.29
Net Worth	2867.10	3594.30	3191.63
Key Indicators			
Earnings Per Share - Rs. **	(0.53)	9.80	77.04
Net Profit Margin %	-2.76%	39.55%	30.73%
Return on Net Worth %	-4.06%	69.09%	43.05%

** EPS for 07-08 and 08-09 has been computed on the basis of 253,426,989 fully paid Equity Shares of Rs.2/- each whereas EPS for 06-07 has been computed on the basis of 17,834,099 fully paid Equity Shares of Rs.10/- each.



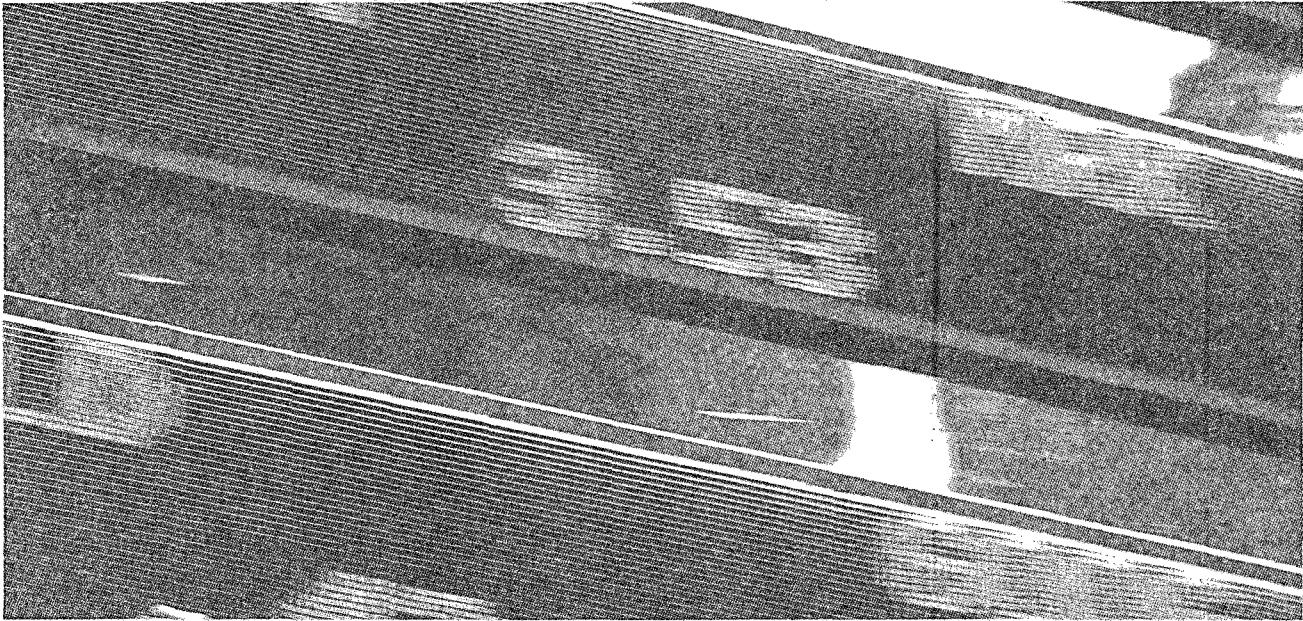
Rs. in Mn



Rs. in Mn

ISL AT A GLANCE

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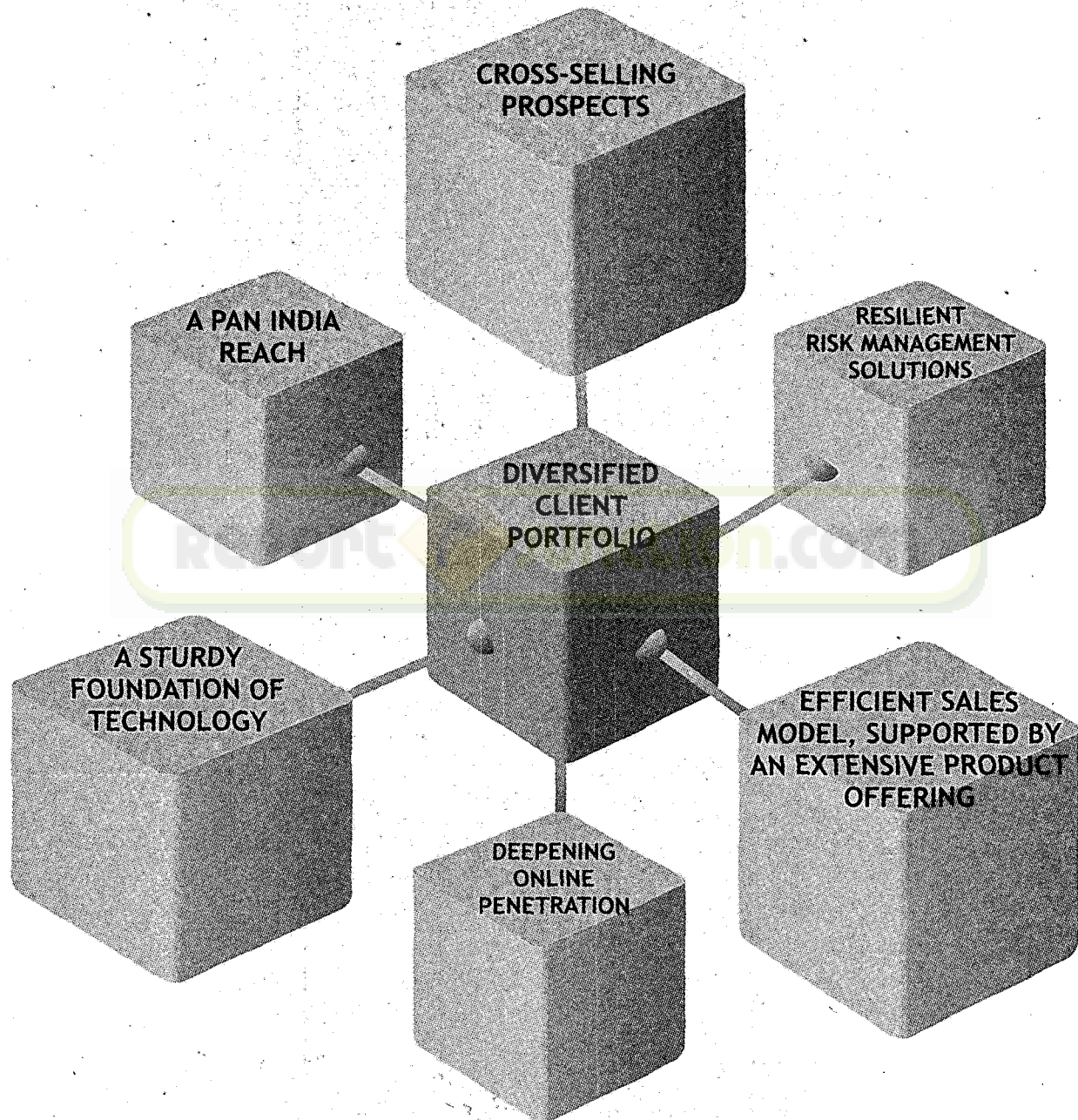


Reaching out to as many as over 5 lakh customers through a ubiquitous presence across India, we have emerged as one of the frontrunners within the Indian Retail Broking industry.

OUR GROWTH DRIVERS



A PROVEN BUSINESS MODEL



COMPANY INFORMATION

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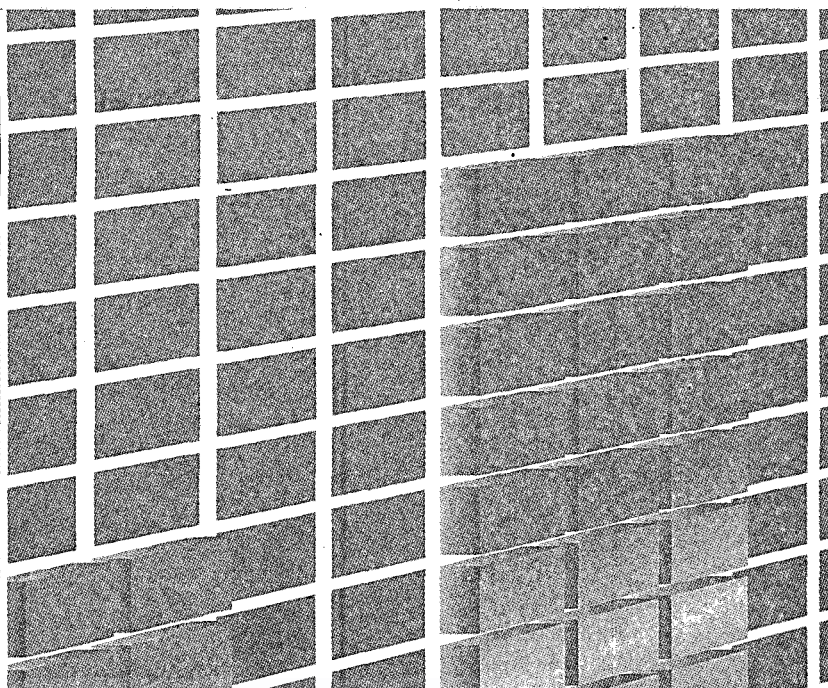
OFFICES

REGISTERED OFFICE:

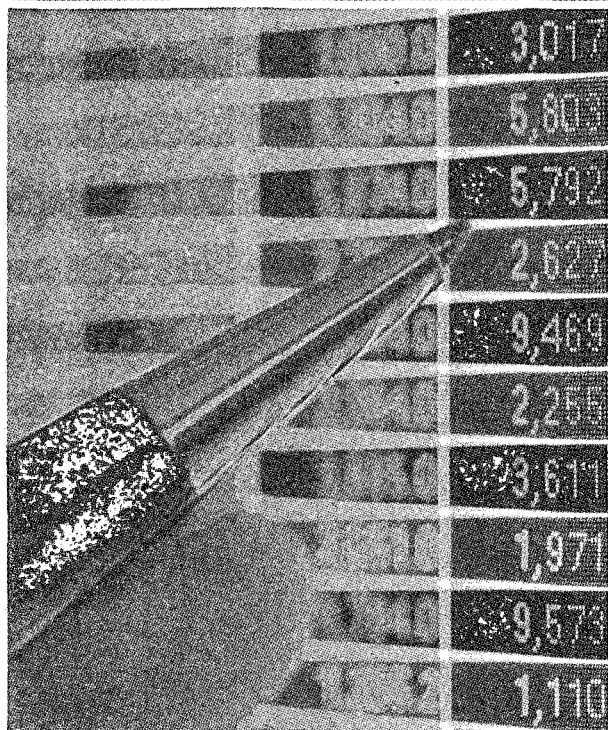
F-60, Malhotra Building,
2nd Floor, Connaught Place,
New Delhi - 110 001, INDIA
Website: www.indiabulls.com/securities

CORPORATE OFFICE

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



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BOARD OF DIRECTORS

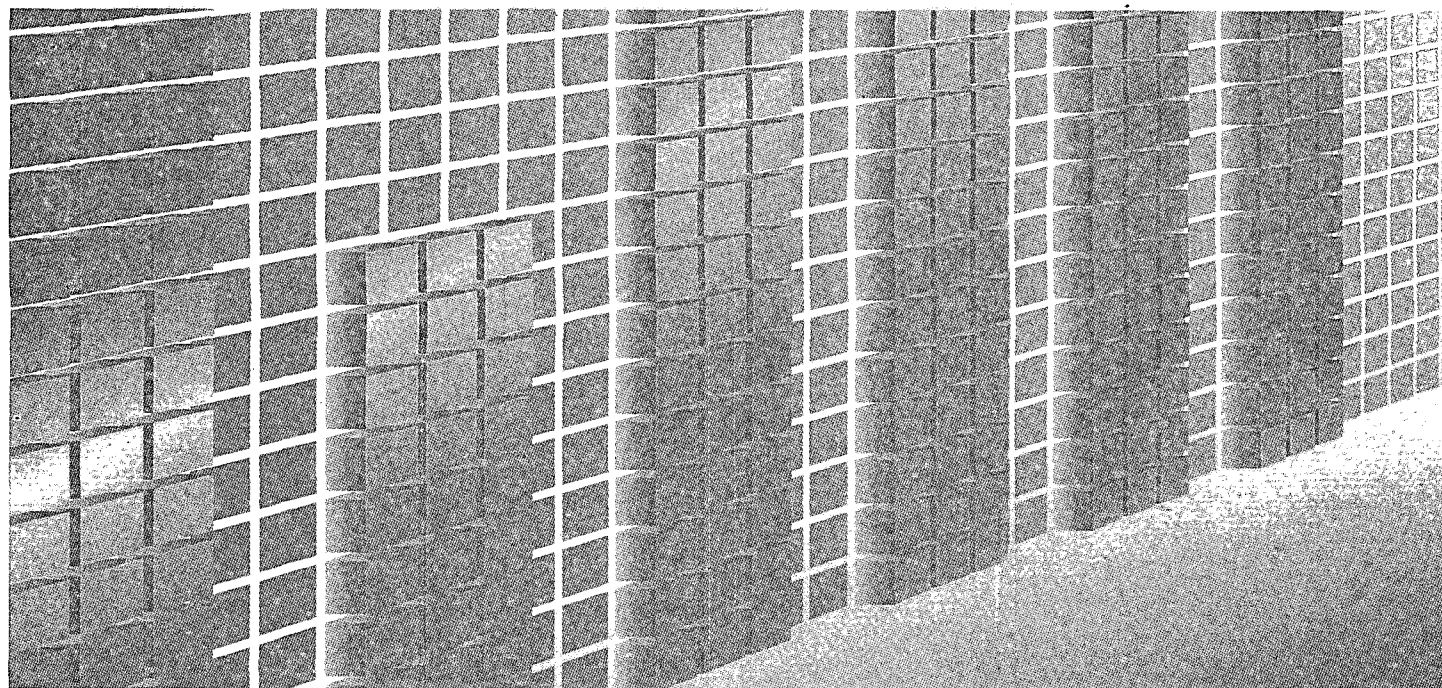
Mr. Divyesh B. Shah
Mr. Ashok Sharma
Mr. Rajiv Rattan
Mr. Saurabh K. Mittal
Mr. Aishwarya Katoch
Mr. Karan Singh
Mr. Prem Prakash Mirdha
Brig. Labh Singh Sitara

COMPANY SECRETARY

Mr. R. K. Agarwal

STATUTORY AUDITORS

Deloitte Haskins & Sells
Chartered Accountants
Opp. Shiv Sagar Estate
12, Dr. Annie Besant Road
Worli, Mumbai -400018.


INTERNAL AUDITORS

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

REGISTRARS & TRANSFER AGENTS

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

BANKERS

ABN Amro
Allahabad Bank
Andhra Bank
Axis Bank
Bank of India
Bank of Maharashtra
Bank of Rajasthan
Canara Bank
Citibank
Dena Bank
HDFC Bank
HSBC
ICICI Bank
IDBI Bank
Indian Bank
Indusind Bank
ING Vyasya Bank

Karnataka Bank
Karur Vyasya Bank
Oriental Bank of Commerce
Punjab National Bank
Punjab & Sind Bank
Standard Chartered Bank
State Bank of Patiala
Syndicate Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank

LETTER FROM THE CEO

LETTER FROM THE CEO

Mr. Divyesh Shah



"Our credo is to learn from the global transformational and innovative processes and customise them to derive maximum value for our clients. While retaining our undisputed niche in the retail segment, the next frontier is to establish our institutional footprint."

Divyesh Shah
CEO, Indiabulls Securities Limited.

Dear Shareholders,

Times such as these are rare. The world is yet recovering from the shock of an unexpected economic downturn. The developments within the Western financial landscape during FY 2008 set the Indian capital markets in frenzy, adversely impacting investor confidence. The year proved beyond doubt that the Indian economy is not decoupled from the rest of the world. With investors treading a cautious path, fresh investments eluded domestic capital markets. As overall volumes in transactions declined significantly during the year, this era of volatility has spared no brokerage house. However, we have come through this difficult period with a renewed sense of purpose and determination by assisting our clients with sound advice and strategies through these tough times and building strong bonds with them.

Signs of Normalcy on the Horizon

I believe, with some hopeful signs emerging in the capital markets of late, the worst in terms of the prevalent slowdown is behind us, at least in the Indian context. The recent economic downturn reiterated that strong fundamentals are difficult to shake. In times such as these, India has proved beyond doubts that its economic growth rests on resilient foundations. The domestic economy is recuperating from the effects of the downturn at a relatively faster pace. The good news is that we are already witnessing the early stages of a long-term turnaround and India's GDP is gradually approaching high single digit numbers. As confidence is building up, investors are reposing their faith in the equity market. We now look forward to earlier levels of trade volumes as the markets return back to their earlier vigour. The mood is set for 'business as usual'. At ISL, we have our eyes fixed on an exciting future.