

Indiabulls

Indiabulls Housing Finance Limited

ANNUAL REPORT 2013-14



SALUTING THE SPIRIT OF THE HARD-WORKING INDIAN

Indiabulls
HOME LOANS

Ab Ghar Aa Jao 



CELEBRATING THE
SPIRIT OF THE
HARD-WORKING INDIAN





Indiabulls Home Loans welcomes you home!

We acknowledge the spirit of hard-working Indians that strive to do their best, both at their jobs and towards their families. We salute and respect this spirit with which they lead their lives.

We understand that owning a home is their dream, their goal and a source of immense pride. We partner with them in this dream and ensure they move into their own home with complete peace of mind.

Indiabulls Housing Finance Limited is dedicated to helping Indians across the country, to own a home of their own. We channel our expertise towards this objective and have emerged as India's leading and preferred Home Loan provider.

Our extensive and expanding reach, a customer focused approach, a dedicated workforce and an institutional DNA of ethical values have all come together to make purchasing and owning homes a smooth and hassle-free experience for our customers.

We thank you all for reposing your trust in us. We immensely value our relationship with you, which is both the cause for, and is at the centre of our existence.



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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publically update any forward looking statements, whether as a result of new information, future events or otherwise.



CORPORATE INFORMATION

Board of Directors

1. Mr. Sameer Gehlaut
2. Mr. Rajiv Rattan
3. Mr. Saurabh Kumar Mittal
4. Mr. Gagan Banga
5. Mr. Ajit Kumar Mittal
6. Mr. Ashwini Omprakash Kumar
7. Mr. Aishwarya Katoch
8. Mr. Shamsheer Singh Ahlawat
9. Mr. Karan Singh Khera
10. Mr. Prem Prakash Mirdha
11. Mr. Ram Kumar Sheokand
12. Mr. Joginder Singh Kataria

Statutory Auditor

Deloitte Haskins & Sells LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3,
32nd Floor, Elphinstone Mill Compound,
Senapati Bapat Marg, Elphinstone (W),
Mumbai - 400 013

Registered Office

M-62 & 63, First Floor,
Connaught Place,
New Delhi - 110 001
Email: helpdesk@indiabulls.com
Tel: 0124-6681199, Fax: 0124-6681240
Website: www.financial.indiabulls.com

Corporate Offices

Indiabulls House, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road,
Mumbai - 400 013

Indiabulls House, 448-451,
Udyog Vihar, Phase-V, Gurgaon - 122 016

Company Secretary

Mr. Amit Jain

Registrar & Transfer Agent

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

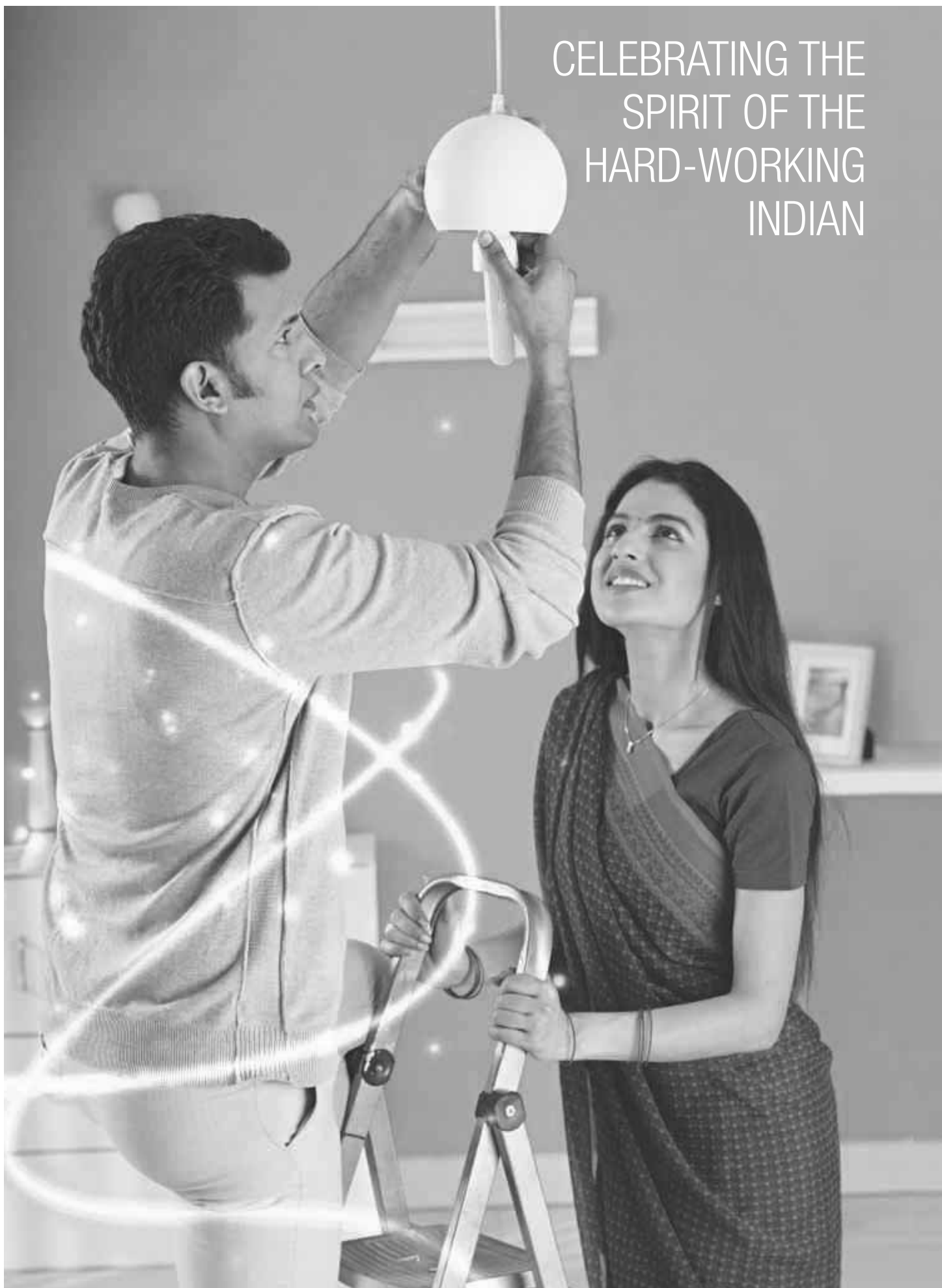
Internal Auditor

N.D. Kapur & Co.
Chartered Accountants
0-24 B, LGF, Jangpura Extension,
New Delhi - 110 014

List of Bankers

Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Barclays Bank
Canara Bank
Central Bank of India
Citibank N.A.
Corporation Bank
DBS Bank
Dena Bank
Deutsche Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
IndusInd Bank
ING Vysya Bank
Karnataka Bank
Kotak Mahindra Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
RBL Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank

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EXPANDING REACH, FULFILLING DREAMS

Workforce of over
4000 dedicated employees
serving more than 6,00,000
satisfied customers across
100 plus cities in India

Indiabulls Home Loans is committed to help millions of Indians realise their dream of owning a home by providing affordable housing loans.

205 well-appointed branches spread across over 100 towns and cities in India are accessible and customer-centered, offering convenient Home Loan services.

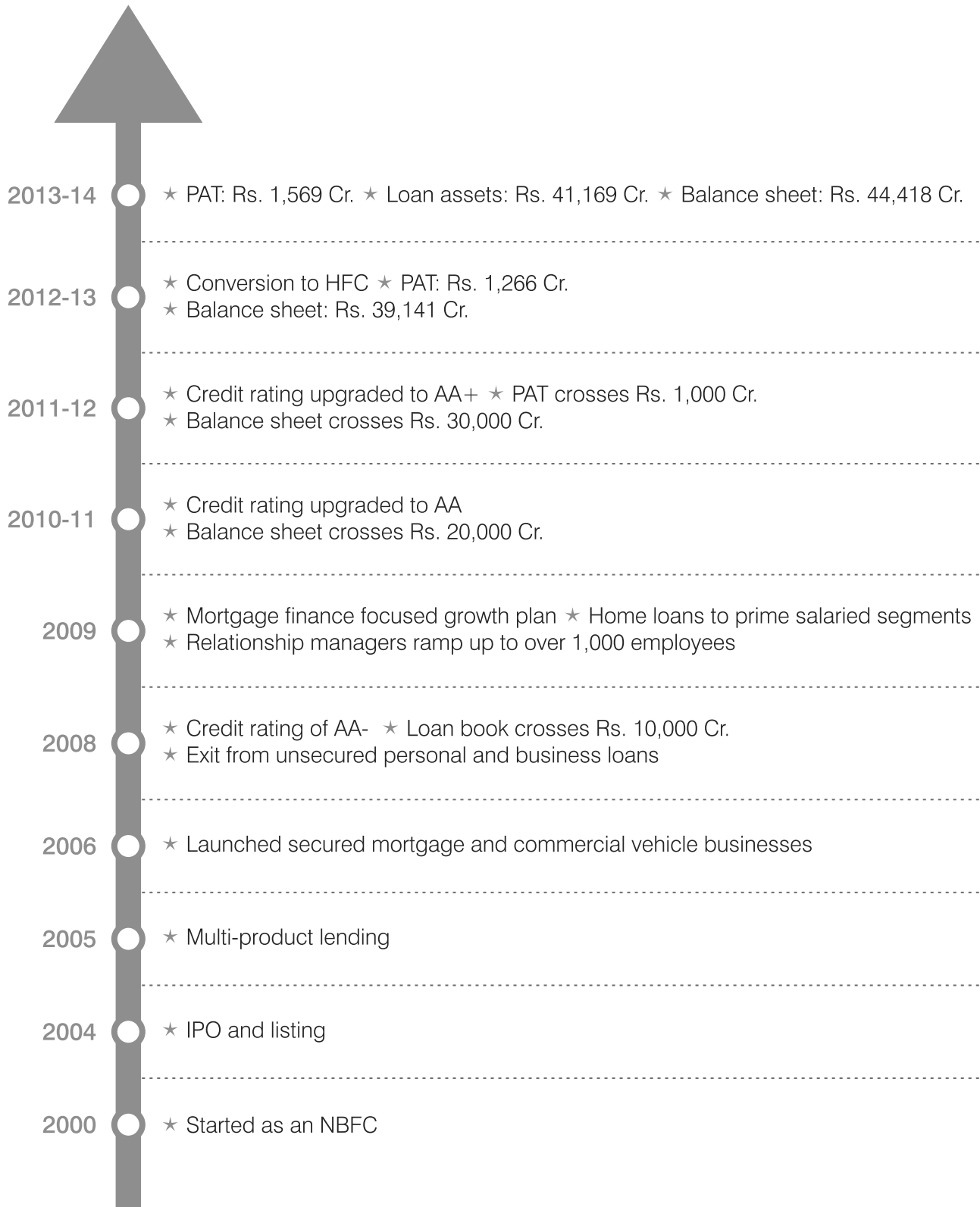
With overseas branches in Dubai and London, we cater to the housing finance needs of Non-Resident Indians (NRIs) as well.

We reach out to our customers offering personalised services and home purchase counselling through our well-trained, in-house Direct Sales Team (DST) as well as through tie-ups with Direct Sales Associates (DSAs) across the country.

For quick and hassle-free Home Loan approvals, Indiabulls Home Loans has more than 3000 pre-approved projects across the country.



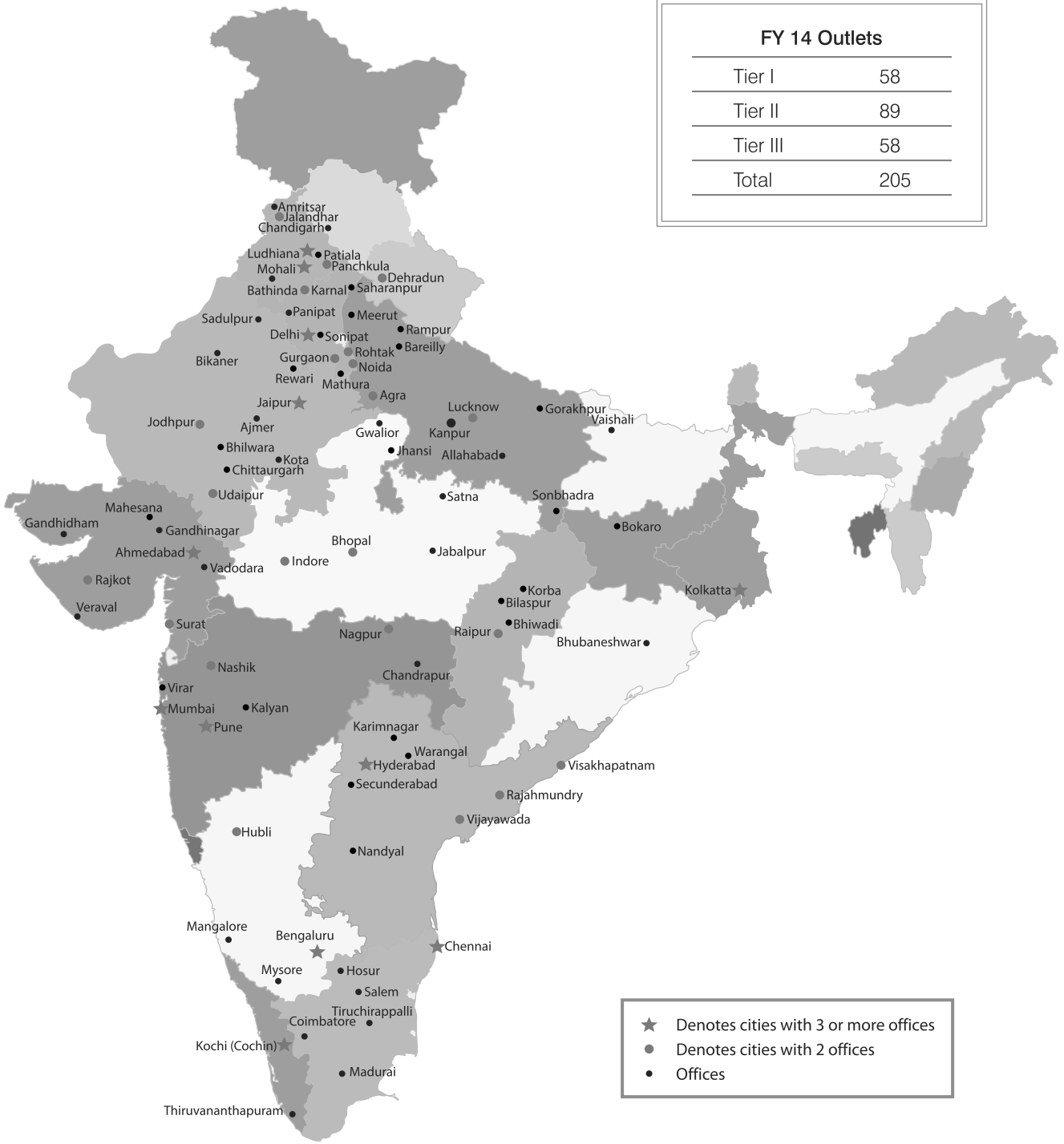
THE GROWTH STORY





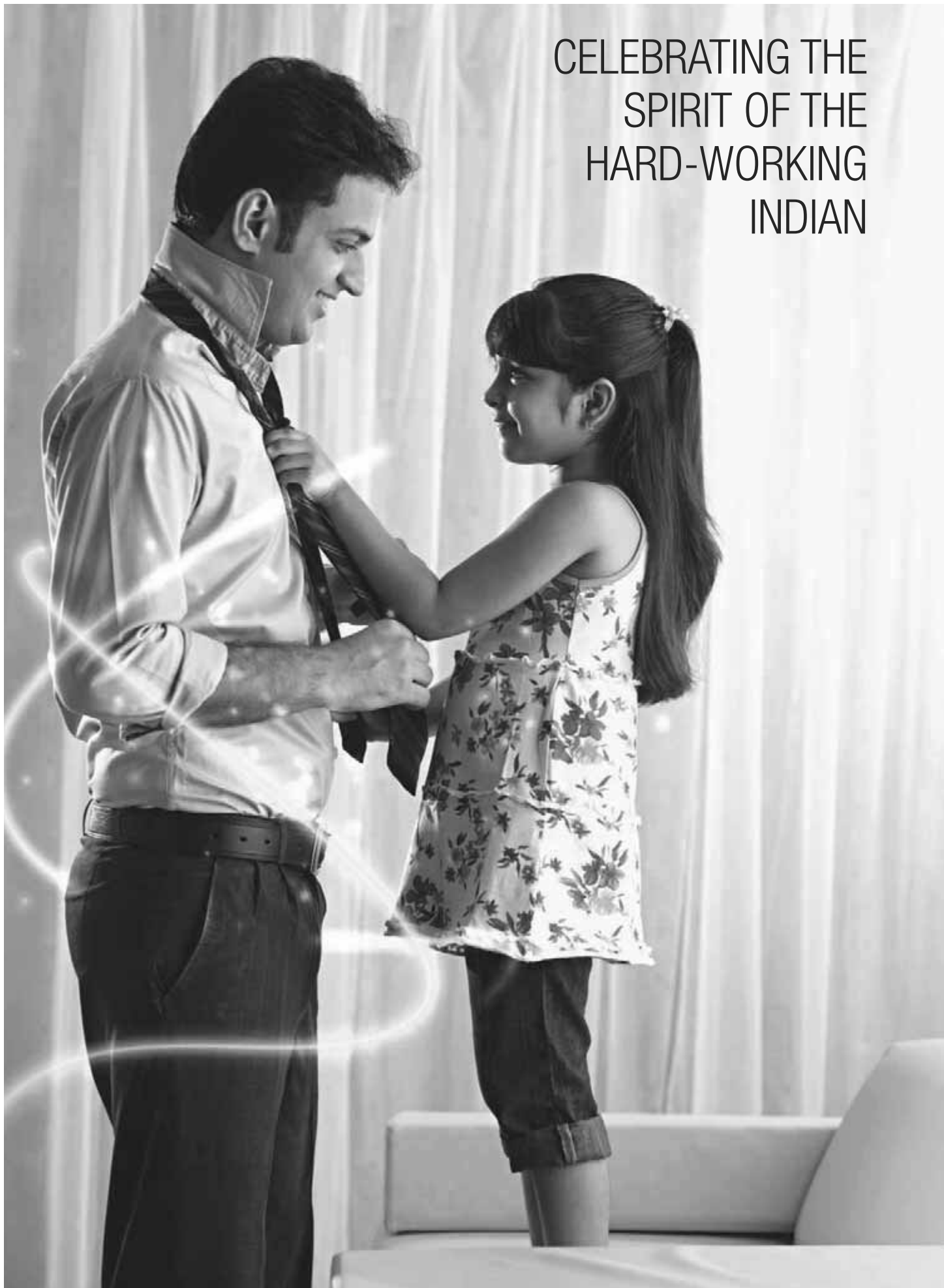
COUNTRY-WIDE REACH

FY 14 Outlets	
Tier I	58
Tier II	89
Tier III	58
Total	205



- ★ Denotes cities with 3 or more offices
- Denotes cities with 2 offices
- Offices

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OUR FOCUS - CUSTOMER FIRST

IBHFL has been certified
ISO 9001:2008 Certification for
Quality Management Processes

Buying a home is often one of the most important financial decision in a person's life.

A sensible, knowledgeable and attentive "Customer First" approach is at the core of our operations. We are keenly aware and understand that it is important to work closely with our customers at every step of their home purchase journey.

It is our desire to give wings to the aspirations of millions of Indians wanting to purchase a home of their own. Our products and services are tailored to fulfill this growing need of affordable housing in India.

Being a housing finance company focused primarily on Home Loans allows us to offer a bouquet of benefits to our customers such as – competitive interest rates, quick approval & sanction of loans, extended tenure of up to 30 years, doorstep service & online account access. Flexible repayment options are also available for our customers to manage their EMI's.

We hope to continue empowering millions of customers every year.



OUR ADVANTAGES



Competitive rates & tenure up to 30 years

We take sincere efforts to provide the most competitive interest rates to our customers with special focus on small-ticket home loans and other mortgage based loans. We also offer extended loan tenures of up to 30 years for easing out the repayment period for our customers.



Doorstep Service

For the convenience of our customers, we also offer Doorstep Service. This enables them to avail the benefit of our services from the comfort of their home or office.



Home Loan in 48 hours

We assure quick approval and sanction of home loans. Our expertise, built over the last decade in legal and technical checks, allows us to sanction cases efficiently and diligently.



3000+ Projects Approved

To facilitate speedy and hassle-free disbursement of home loans, we have over 3000 pre-approved projects across the country.



Flexible Repayment Options

We offer flexible repayment options to meet the needs of our customers ensuring that customer interest comes first.



Hotline Service

To further assist customers, especially at relatively smaller locations, a Hotline Service has been installed at every centre to promptly address customer queries.



Online Account Access

To enhance customer experience, we offer Online Account Access which enables our customers to view their account statements, disbursement details, interest rate history, ECS details, repayment schedule and much more over a click.



Aawas – Budget Property Show

We conduct Budget Property Shows in partnership with leading developers from the sub 30 lac category in Tier II and Tier III cities across India. These shows bring together properties and home buying solutions under one roof.



WHAT OUR CUSTOMERS HAVE TO SAY

I am glad to share that I am a customer of Indiabulls Housing Finance and I frequently visit my nearest branch. Every time the representatives have helped me in the best possible manner.

I am highly satisfied with the services.

Shiv Prakash Mishra, Delhi

I have been to almost all the loan providers but finally took my loan from Indiabulls Home Loans. It was very simple to apply and my home loan got processed within a few days.

The interest rates are also less & the service is good.

Ravi Mahajan, Bangalore





I can't forget the days when I was looking for a property and I came across the representative of Indiabulls Housing Finance Limited. I would like to thank him for clarifying all my doubts & guiding me with the right approach to get my loan sanctioned.

All the very best to team Indiabulls!

Shrikant Roy Chowdhury, Mumbai

The service is excellent - everything is transparent. When I did not understand something online, I sought assistance over the phone and my queries were solved by the friendly, patient and well-informed customer service representatives.

Overall I had a satisfactory experience.

Vinay Iyer, Chennai



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STRONG VALUES, TRANSPARENT PROCESSES

The company now counts
108 strong relationships:
26 PSU Banks, 16 Private
and Foreign Banks and
66 Mutual Funds, Provident Funds,
Pension Funds, Insurance
Companies and others

Transparency and integrity are the hallmarks of our operations. We adhere to core values of fair play, credibility and accountability to serve our stakeholders with passion and commitment.

Our emphasis on these values makes us the preferred choice amongst our customers. Our dedicated and personalised services assist our customers at every step of their home buying decision.

We have a regular & transparent system of communication with our investors. Quarterly earnings updates and conference calls give investors and other key stakeholders a chance to interact with the senior management and analyse the quarterly results in greater depth.

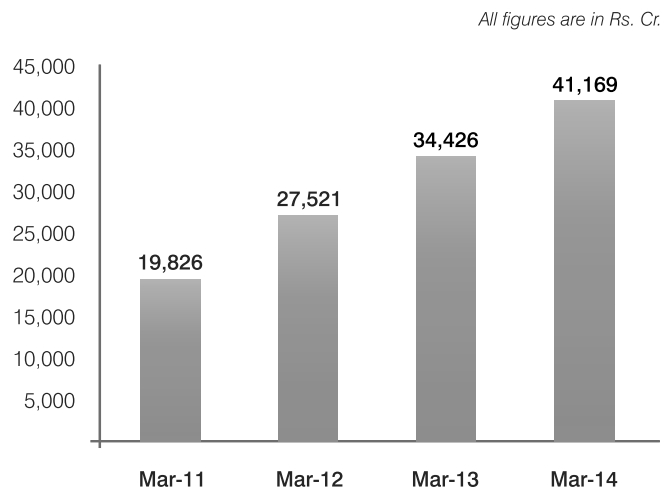
We regularly organise events with premier rating agencies, where a rating agency, an unbiased and reputed source, discusses the company and its fundamentals with key stakeholders.

Our values and transparent processes act as a catalyst in our steady growth.

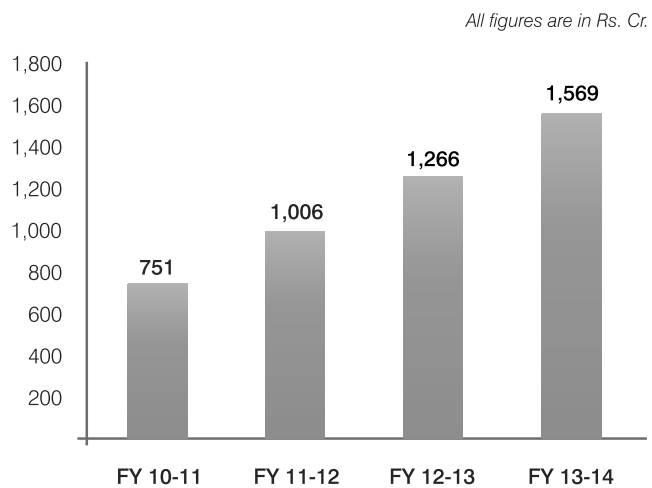


FINANCIAL HIGHLIGHTS

Asset Under Management

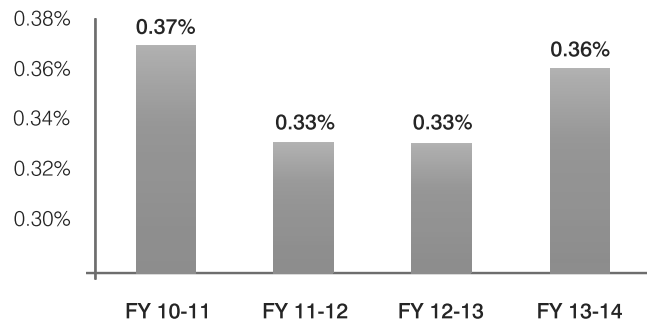


Profit After Tax

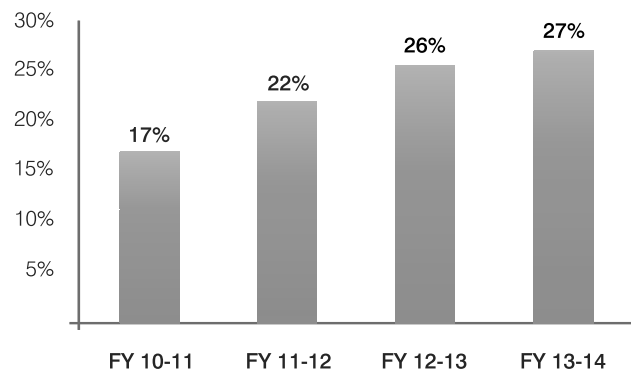




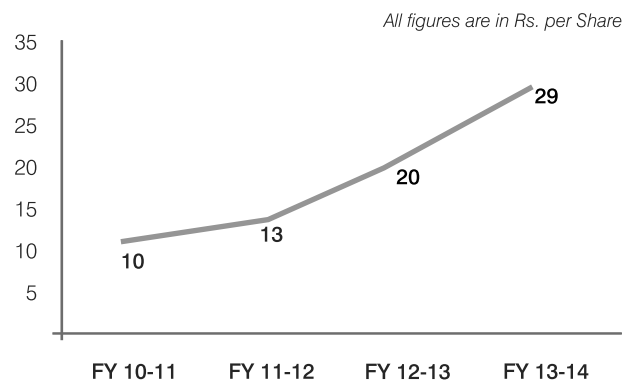
Net Non-Performing Asset



Return On Equity



Dividend Per Share



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OUR FOUNDATION, OUR PEOPLE

Our performance is driven by our people. We value them and ensure that roles and responsibilities are assigned as per the interest and specialisation of each employee. This has helped us create a strong foundation of a dedicated and motivated workforce.

Our focus areas are: Health and Security, Work-life Balance and Personal Development.

Health and Security: We offer free medical insurance to our employees and their families which gives them security and permanence to continuously put in their best.

Work-life Balance: We encourage our employees to maintain a healthy work-life balance. We conduct regular activities to mark festivals and other occasions at our branches. A special initiative “IB Get Fit Go” - commit to be fit, was also conducted this year. This initiative encouraged people to adopt healthier lifestyles.

Personal Development: We conduct regular training and development sessions for our employees across India. It develops them as individuals and also allows them to render superior services to our customers in alignment with our business objectives.

IBHFL was awarded
“Housing Finance Company
of the year 2013-14” by
ASSOCHAM at The Real
Estate Excellence Awards
in October 2013



OUR MEMORABLE MOMENTS



Indiabulls Investor Interface and CRISIL Issuer Presentation



Indiabulls London Property Show



Team Indiabulls wins the prestigious BLE Champions Trophy, Bangalore



Team IBHFL wins the Cricket Championship at "YI Corporate Sports League", Chandigarh



Aawas – Budget Property Show, Kolkata



Holi Celebration



Senior Management Conclave, Shanghai



Organ Donation Drive



IB Get Fit Go, Fitness Contest



Puma Urban Stampede



Branch Opening, Kalyan



Project Approved Signage Activity



Chairman's Speech



Mr. Sameer Gehlaut
Founder & Chairman

Dear Shareholders and friends,

This year's AGM is remarkable as I share one full year's operating performance of your company post its merger with its erstwhile parent. And it's extremely gratifying that the vision behind this strategic restructuring has resulted in the emergence of a solid and profitable mortgage franchise, thanks to the synergies and operating efficiency resulting from this merger. I am proud to announce that your company has emerged as country's second largest housing finance company (HFC) in the private sector by assets and second largest overall in profits with its loan book growing at 25.6% CAGR over the last six years.

Our pre-eminent position in the country's financial services sector is a result of our relentless efforts along the transformational journey we embarked upon six years ago post 2008 meltdown. As highlighted in my past years' annual speeches, high quality, mortgage backed secured lending has been the bedrock of our business. We continue to diligently pursue our focus on collections and consolidation, drastically curtailing our reliance on short term funds, and deepening our banking relationships to access long term funds from varied and diverse lenders. All these steps have helped your company maintain its growth trajectory in a tough economic environment.

Macroeconomic scenario

It has been a challenging year for the India's financial sector. The economy has been impacted by decelerating GDP growth, high interest rates, mounting fiscal deficit and high current account deficit (although latter two have been controlled in the later part of the year by deferring plan expenditure and gold import curbs). India's GDP grew 4.7% in FY 14, the third annual sub-5% growth in the last 11 years. This has been on account of poor performance of manufacturing, mining, and construction, an indication of the weak investment activity. However, the few positives to emerge from this scenario were the clutch of fiscal reforms introduced in the latter half of the year to revving up the economy. These measures will have to be sustained and supplemented by a slew of others to effectively recharge the economy and restore its growth trajectory.

Mean while, as we entered the new financial year 2014-15, we have very recently witnessed the change of Government consequent to general elections, and the nation has pinned all hopes on the new Government to infuse a fresh sense of dynamism and vibrancy in the economic direction. Some evidence of new Government's resolve to break the economic logjam is already visible in dramatic improvement in the market sentiment, although underlying economy will take time to recover. The disappointment is balanced by the hope that new Government will move rapidly to revive demand and put the economy back on track.

Performance overview

Against the backdrop of this challenging environment, your company has turned in a commendable performance on all key parameters thanks to the initiatives taken by the Company for achieving competitiveness and sustainable growth. For the year ended 31st March 2014, the Company reported a 24.77% increase in Total Revenues at Rs. 5,961 crore for the financial year ended 31st March 2014 as against Rs. 4,778 crore for the previous year. Profit after Tax (PAT) for the year ended 31st March 2014 has increased to Rs. 1,568.54 crore from Rs. 1,266.06 crore, an increase of 23.89% over the last year. Loans outstanding management



Chairman's Speech (Contd...)

grew roughly 20 % to Rs. 41,169 Cr from Rs. 34,426 crore a year earlier. The Net Interest Income (NII) has grown by 22.39 % to Rs. 2,607 crore. Return on Equity (ROE) works out to 27 % with Earnings per Share (EPS) of Rs. 48 (Rs. 40 last year). Given the good performance of the company, and its philosophy to reward shareholders, and as recommended by your Board of Directors, your company has cumulatively paid a record dividend of Rs. 29 per share at different quarterly intervals during the year, resulting in dividend payout of Rs. 1,130 crore (including Corporate Dividend Tax) for the year 2013-14. I am proud to say that your company has consistently been one of the highest dividend paying companies in the private sector.

Robust fundamentals key to Sustained growth

The consolidated net worth of your company today stands at 5,639 crore, which makes us one of the best capitalized HFCs (our CRAR stands at 19.1 % as against the prescribed 12 %) with healthy ratings for both its long term (AA+) and short term (P1+) debt, comfortable liquidity and fund raising capabilities as demonstrated by the fact that our bonds have become an established currency with almost all the leading institutional subscribers. During the year, the company issued Bonds amounting to Rs. 3,703 crore on a private placement basis, taking the total funds raised through bonds to nearly Rs. 13,000 crore in March 2014, up from Rs. 9,406 crore in March 2013. As a sacrosanct element of our risk mitigation strategy, the company continues to maintain healthy levels of liquidity with cash and bank balances and current investment adding up to nearly Rs. 7,400 crore at the end of FY 14. Among its lenders, the company now counts 108 strong relationships: 26 PSU banks, 16 Private and Foreign banks and 66 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others.

Apart from effective risk management, achieving cost efficiency is another significant contribution to the sustained growth in profitability. NPA's continue to remain within the target range despite a prolonged depressed economic environment and a resultant weak phase of the credit cycle. Our Gross NPA and Net NPA stood at 0.83 % (0.79% in FY 13) and 0.36% (0.33% FY 13) respectively at

the end of FY 14. The total provision pool, including floating and standard asset provisions, stood at Rs. 503 crore as on March 31, 2014, compared to Rs. 461 crore last year.

Expanding international footprint

As informed last year, we already have a well functioning Representative office in London and launched our advisory services for the benefit for NRIs and PIOs in and around UK. The Rep office has been organizing and participating in a number of events targeted at the NRIs to provide them advisory services for their housing requirements in India. I am happy to announce that next in sequence is going to be our Representative Office in Dubai, for which we have already got the U.A.E. Central Bank's approval. It's expected to be operational in less than a month, and we are all set to market our home loan products among the mass affluent Indian expatriates in UAE.

Human Resources

Your company believes in the dictum that its human resources are its most important assets and its biggest strength. The company has grown in tandem with the interests of its employees by ensuring that Human Resource team works humbly in line with the corporate needs of the company as well as personal needs of the employees of a company. Toward this end, we have endeavored to safeguard our employees against potential sickness/accident to them and or any member of their family by providing Rs. 2.5 lac medical insurance cover to each employee covering him and his family. Recognizing the need to maintain a fine work-life balance, we have Initiated Health & Fitness drive for the employees & their families with its pan India concept of "Get Fit Go 2014". We have hired 130 Chartered Accountants & Management graduates in last year from esteemed colleges located across India. This talent pool is creating a platform for delivering better and skilled services to our customers.

Customer Service

Our state of the art Customer Care set up helps speedy resolution of customer queries and takes care of any further loan requirements. Survey calling has also been helping in continuous process improvement and creating customer



Chairman's Speech (Contd...)

leads. In the last financial year more than 20 offices were opened which has increased our presence to 205 branches spread across more than 20 states. All our offices are located in localities where our target customer segments are present.

Corporate Social Responsibility

As an enlightened corporate citizen, your company is firmly committed to contributing to the cause of the society. Our approach to social outreach is driven by our humane and compassionate philosophy. Your company contributed a sum of Rs. 3 crore to our group's CSR arm, Indiabulls Foundation for undertaking various activities in thrust areas such as Health, Education, Rural Development and Youth Empowerment. In Health, Indiabulls Foundation has recently implemented programmes like Mobile Medical Vans called JanSwasthya Kalyan Vahika, Indiabulls Foundation Charitable Clinic and Cleft Surgeries. These are ongoing endeavours, and we propose scale up these efforts in the days to come.

Awards and Accolades

Your company has endeavoured to reach out to more and more rural beneficiaries to support the social sector initiative for affordable housing scheme of the Government of India. I am proud to say that for the first time, your company has been given the award for being the **"Housing Finance Company of the Year 2013-14"** by ASSOCHAM. We were conferred this honour on the basis of our performance on several parameters:

- Headroom to grow: CRAR: 19.1%; Net gearing: 5.2
- Steady book growth over last 19 quarters

- Technology driven quality customer service
- Stable and experienced management team
- In-house collections team, facilitates portfolio stability

Outlook for the housing finance sector

The new government has declared **"Housing for all by 2022"** as its motto. According to 2011 census, 32 percent (377 million) of the country's population live in urban areas as against 28 percent in 2001 and 17 percent in 1991. Going by the trend, by 2050, 50% population would migrate to towns. To cater to demands of rapid urbanization, the new Prime Minister, Shri Narendra Modi has declared his Government's mission to build **"100 smart satellite cities"**. This combined with improvement in the economy would be a tremendous boost for the housing finance sector. Further, the new government has also reiterated its resolve to make the cheap housing finance available so as to increase the affordability of the home buyers. An increased demand for houses would also benefit your company. Your company is ideally poised to reap the opportunities and make its rightful contribution to the growth of the nation's economy.

Before I conclude, I would like to extend my thanks to team Indiabulls, our customers, bankers, regulators and other stakeholders without whose support our continued growth momentum would not have been possible.

Thank you!

Sameer Gehlaut

Founder & Chairman



EXECUTIVE MANAGEMENT TEAM



Gagan Banga
Vice Chairman
& Managing Director



Ajit Mittal
Executive Director



Ashwini Omprakash Kumar
Deputy Managing Director



Sachin Chaudhary
Business Head



Mukesh Garg
Chief Financial Officer



Pinank Shah
Head - Treasury



Management's Discussion and Analysis

For the purpose of the Management Discussion and Analysis, Indiabulls Housing Finance Limited (IBHFL) is defined as the consolidated entity consisting of all its subsidiaries. The terms 'the Company' and 'Indiabulls' also refer to the consolidated entity. HFC refers to Housing Finance Company.

Macroeconomic Environment

The year under review has been one of change. The economy has grown despite a very challenging environment with the GDP growth rate increasing by around 4.7% in 2013-14. The new government has swung into action and the economy is set to grow faster with a number of business friendly reforms already set in motion.

A recent study by the IMF on India's investment slowdown has revealed that the growth in investment which averaged around 12% over the last decade fell to less than one percent in the last two years. This situation needs to be addressed on priority and investment needs to be made into the crucial infrastructure sector to kick-start long term growth in the economy. The new government has already indicated its desire to revive the investment cycle and to empower the bureaucracy to ensure successful execution of the government's plans. It has also indicated an alignment of policy and decision making with the RBI. The rupee hit an all time low versus the dollar in the last financial year. But effective steps taken by the RBI and the finance ministry have already begun strengthening the rupee. The current account deficit (CAD) has been contained through import restrictions on gold. Many more measures are expected from the new government to effectively contain the CAD in the long-term.

Over the past decade, the Indian economy has passed through phases of growth and slowdown. Multiple issues have plagued the economy, yet India Inc. has steered through and remains confident of an economic rebound. A number of key business-friendly initiatives will further empower corporate India and improve business sentiment. Clarity of policy making and its implementation, stimulus to infrastructure sector and further strengthening of capital markets will go a long way in promoting growth and inclusive development across the country.

Industry Overview

Interest Rate Scenario

At the outset of the financial year, with drop in IIP (Index of Industrial Production) and WPI (Wholesale Price Index),

RBI cut the repo rate by 25 bps (7.5% in Mar'13). For the next six months, the RBI maintained these rates but kept a constant vigil on the inflation numbers. The first half of the year was dominated by concerns of tapering of the quantitative easing in the US and subdued economic performance of emerging economies. Domestically, the key issues were sluggish infrastructure growth, weakening rupee and widening of current account deficit (CAD) primarily due to coal, gold and oil imports.

In Sep'13 the rise of CPI levels, primarily due to higher fuel prices and a weakened rupee, prompted a 25 bps increase of repo rate. At the same time liquidity crunch due to high MSF (Marginal Standing Facility) at 10.25% in July '13 was resolved by reducing MSF by 75 bps. As the inflation levels remained elevated, RBI continued on its path of using monetary tools to curb inflation, increasing repo by further 25 bps twice in Oct'13 and Jan'14 (Repo: 8%).

Higher inflation eating into disposable incomes, combined with sluggish economic growth reduced affordability of homes. Elevated repo rates too had a bearing on the home loan interest rates which were in the range of 10-11% through the year.

Housing Sector

The housing industry is one of the largest employment generators in India and is ranked 4th as per the multiplier effect in terms of income generation. Rising urbanization, rising income levels and emergence of nuclear families have resulted in steady growth in the housing industry. The Indian construction market is expected to be the world's third largest by 2020. It is currently the fourth largest sector in the country in terms of FDI inflows. The market is projected to reach US\$ 649.5 billion by 2020 from US\$ 360 billion in 2010. Real estate contributes about 6.3 per cent to India's GDP. There is vast opportunity for the real estate sector to grow, creating an even larger opportunity in the housing finance sector. The Government of India has shown support for the industry. It has allowed foreign direct investment (FDI) of up to 100 per cent in development projects for townships and settlements, as well as formally approved 577 Special Economic Zones (SEZs). The Government has also announced 'housing for all' by 2022 as its mission.

Housing Finance Sector

The housing finance market in India has shown tremendous growth and is served by multiple diverse institutions. As per



Management's Discussion and Analysis (Contd...)

estimates by ICRA, the domestic housing credit outstanding as of Dec'13 was Rs. 8.6 trillion working out to an annualized growth of around 18%. The growth for the year in outstanding credit is predicted to be 18-20% for the year.

Within the Housing Finance sector, HFCs have a market share of 36%, which is slated to further grow. HFCs tend to gain primarily because of a focused approach, better service levels and prudent regulatory measures. The gearing levels for HFCs remain stable at around 7.4 times. HFC's have also been able to withstand the effect of interest rate shocks on the asset quality, with Gross NPAs being stable at around 0.84% (0.82% as on Sep'13). The competition in mortgage finance is increasing, with more banks focusing on this secured lending segment. However, housing finance is expected to boom, given the strong political mandate at the centre. Upsurge in economic activity coupled with key strengths of HFCs bodes well for the sector and the participating entities.

Regulatory Environment

The government and the sector regulator National Housing Bank have provided support and stability to the housing finance sector. The National Housing Bank along with its joint venture partners Genworth, Asian Development Bank and the International Finance Corporation launched its mortgage guarantee scheme through the Indian Mortgage Guarantee Corporation (IMGIC). The IMGIC promises to provide credit enhancement to HFCs, eventually helping both the lending institutions and end customers through efficient credit utilization, greater loan to value disbursements on mortgage loans and efficient utilization of capital. Other regulatory initiatives that have strengthened the sector over time include the credit risk guarantee fund that was set up to promote low cost and affordable housing, the 1 billion US dollar external commercial borrowing window that was set up to promote low cost housing along with the setting up of CERSAI to reduce the risk of multiple loans against the same property.

Business Overview

Indiabulls Housing Finance Limited (IBHFL) is one of India's largest Housing Finance Company. The Company manages loan assets of Rs 41,169 Crore as on March 31, 2014.

In the year ending March 31, 2014 the Company clocked a PAT of Rs 1,569 Crore, an increase of 23.9% over FY 2012-13's PAT of Rs 1,266 Crore.

Indiabulls has nationwide presence through its network of 205 branches spread across 20 states and union territories. Over the last decade the Company has expanded its branch network to effectively cover geographical areas relevant to its suite of products.

Business Strategy

Indiabulls Housing Finance Limited aims to continue to grow as a leading home loans provider and build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the financial services industry. It is our intention to adopt a cautious credit underwriting approach while maintaining high growth rates and profitability in all our business segments. The Company focuses on operational excellence, prudent credit policies, adequate fraud control and an effective collection mechanism.

An Asset base of high quality secured assets

The Company has grown its on-balance sheet assets from Rs. 39,141 Crore in 2012-13 to Rs. 44,418 Crore in 2013-14 – a growth rate of slightly under 14%. The Company's Assets Under Management have grown from Rs. 34,425 Crore in 2012-13 to Rs. 41,169 Crore in the current financial year – a growth of around 20%.

As the Company continues to grow its client base, it will maintain its focus on secured lending to low risk segments in order to maintain a high-quality loan portfolio and minimize client delinquencies and defaults. The Company is focused on long term low risk secured mortgage-backed loans. From the Company's total loan assets in 2013-14, mortgage loans constituted around 74% and corporate loans constituted 21%.

The mortgage loans constituted of home loans and loans against property. The home loans were disbursed at an average ticket size of Rs. 24 Lacs, with average LTVs of 70%. The loans against property had an average ticket size of Rs. 68 Lacs, with average LTVs of 49% at origination. Mortgage loans remain the focus area for the Company going forward. This focus also helped the Company maintain high quality of assets, as NPA's continue to remain within the target range despite a prolonged depressed economic environment and a resultant weak phase of the credit cycle. The gross NPA for 2013-14 stood at 0.83% of the total assets, while net NPA remained low at 0.36% of total assets.



Management's Discussion and Analysis (Contd...)

Investment

The investments of the Company are monitored by the Investments Committee of the Board of Directors. The committee helps the Company deploy excess funds from time to time to generate optimal returns for the Company, while also reviewing all the investments and ensuring they comply with the investment policy of the Company. On 31st March 2014, the cash and bank balances and current investment of the Company stood at Rs. 7,341 Crore, as against Rs. 7,181 Crore at the end of the previous year.

Stable, long-term and diversified liability profile

The Company will continue to pursue a stable well-diversified liability mix. This is important as IBHFL is a Housing Finance Company with long term asset maturity mix. The company relies on long and medium term funding from banks and bond market and ensures sufficient liquidity at all times to meet any short-term needs.

Total borrowings of the Company grew from Rs. 31,286 Crore in 2012-13 to Rs. 35,540 Crore in 2013-14 – an increase of 14%. Of the total borrowings in 2013-14, term loans from banks and other financial institutions were over 62%. Bonds contributed to 30% of the total borrowings, with the short term commercial paper contributing to only 8%.

The Company has developed relationships with a large number of financial institutions and counts over 108 strong relationships from 42 leading banks (including 26 PSU banks and 16 private banks and foreign banks) and 66 mutual funds, provident funds, pension funds, insurance companies and other leading financial institutions amongst its lenders.

Securitization / Assignment of Loans

The Company has sold down loans amounting to Rs. 13,685 Crore since inception. In FY 2013-14, the Company sold down loans amounting to Rs. 4,171 Crore. The outstanding securitised/assigned loan book as of 31st March 2014 stood at Rs. 5,724 Crore. The Company earns residual interest of around 3.4% p.a. over the life of these loans. This Residual income on securitisation/assignment of loans is recognised over the life of the underlying loans and not on an upfront basis. The sell down of loans happens as either securitisation or direct assignment transactions. In securitisation, the loans are pooled and sold down to an SPV. The SPV issues securities, which are Pass Through Certificates (PTCs), against this

pool of loans securitised. The proceeds from the sale of these PTCs are used by the SPV to purchase the pool from the originator. The PTCs are shown as 'investments' on the balance sheet of the investor. The investor receives the contracted payments on these PTCs out of the repayment proceeds from the underlying pool of loan assets. In direct assignment, the loans are sold down directly to the investor and they appear as 'loan assets' on the books of the investing entity.

In both types of transactions, the sold down loan assets do not form part of the outstanding loan portfolio in the balance sheet of the originator.

Asset Liability Management

The Asset Liability Management committee of the Board of Directors actively reviews the assets and liabilities position of the Company and gives directions to the finance and treasury teams in managing the same. Under the revised Schedule VI of the Companies Act, 1956, the classification of assets and liabilities into current and non-current is based on their contracted maturities. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank.

As of 31st March 2014, the assets and liabilities of the standalone entity Indiabulls Housing Finance Limited with maturity up to 1 year amounted to Rs. 11,970 Crore and Rs. 10,359 Crore respectively. Assets and liabilities with maturity between 1 to 5 years amounted to Rs. 21,392 Crore and Rs. 19,224 Crore respectively, while those with maturity over 5 years amounted to Rs. 8,028 Crore and Rs. 4,906 Crore respectively.

Prudential Norms for Housing Finance Companies

National Housing Bank (NHB) regulates the HFCs and issues guidelines on income recognition, asset classifications, provisioning, provisioning for bad and doubtful debts, capital adequacy, accounting and disclosure policies, and fair practice code and asset liability management. The Company is in compliance with all applicable regulatory norms and guidelines.

Capital Adequacy Ratio

In accordance with the NHB guidelines, IBHFL is required to maintain capital adequacy of 12% on its risk weighted assets. IBHFL has maintained consistently high levels of



Management's Discussion and Analysis (Contd...)

capital adequacy over the last few years and the capital adequacy ratio for financial year 2013-14 was 19.14%, up from 18.47% at the end of the previous year. Tier I and Tier II capital adequacy for 2013-14 were at 15.05% and 4.09% respectively, up from 14.96% and 3.51% for 2012-13.

Experienced Senior Management Team

The senior management team of the Company has remained unchanged since the start of its different business lines. The Company has recruited laterally from within the industry to bring on capable leaders who continue to grow the business. Over time, the Company has also paid attention to developing a second line to the senior management team. As a result, today the middle and the senior management team of the Company have rich experience within the financial services industry, have been with the Company for several years and form the stable and reliable backbone of the Company.

Human Resources

The Company has grown from a start-up to one of India's largest financial services companies on the strength of its management and its employees. The Company firmly believes that its employees are key to driving performance and developing a competitive advantage. The Company has always been actively engaging its employees in its growth, and motivating them to give their best.

The Company has taken multiple initiatives on the HR front. An employee fitness competition cum campaign called 'Get Fit Go' encouraged all employees to focus on their health, while maintaining a healthy work-life balance. The company also introduced the family floater insurance policy, which provides complimentary family insurance to all employees and their families. The Company also started an internal newsletter 'IBHFL Expressions', to update, educate and engage the employees with the various activities undertaken by the organization. The Company has also emphasized the creation of a friendly and opportunity granting work culture, recruiting talent with a focus on their continuous development.

The Company aims to build a team of dedicated employees who work with passion and play a defining role in accelerating the growth of the Company. IBHFL has had low levels of attrition within its key departments and especially among the experienced senior management team. With an average vintage of 7 years the mortgage credit appraisal team has

been instrumental in the loan book's steady growth with low levels of incremental delinquency.

Recovery

All of the Company's loan recovery efforts are carried on in-house, with no cases being allocated to external collection agencies. This experienced collection team has been a big factor in the Company being able to maintain healthy asset quality.

Awards and Accolades

Indiabulls Housing Finance Limited (IBHFL) was recently awarded the "Housing Finance Company of the Year 2013-14" by ASSOCHAM. This was in recognition of IBHFL's contribution to the housing and excellence in customer service.

In the past, the Company has been conferred the prestigious "Best Employer Brand" award for its human resource practice by The Institute of Public Enterprises.

Marketing Initiatives

The Company has taken a number of initiatives through the financial year 2013-14. Carrying forward the success of our inaugural property show last year, the Company further expanded the initiative to organize 12 'Aawas' property shows in tier I and II cities across the country. This initiative helped us build valuable relationships with major developers, while extending our reach to their customers. The Company continued to partner with various developers on pre-approving their projects.

The Company organized various campaigns and competitions for the DSAs and DSTs to motivate the sales teams to continue growing the business. The Company also organized quarterly meets for these front end sales teams to help them achieve their goals. The Company also started three special initiatives during the course of the year. To capitalize on the ever growing utility of digital media and social networking, the company launched its online campaign on relevant sites and used email marketing to enhance its visibility and garner leads from the digital space. The Company also launched and implemented a pan India vernacular print campaign to better reach out to its customers.

Going Beyond India

The company continued to grow its international presence through its offices in Dubai and London to cater to the NRI and expatriate community. The Company organized two



Management's Discussion and Analysis (Contd...)

grand property shows in London, which saw participation from 15 top builders and developers from India. Through timely and meaningful dispersion of various market and regulatory information, the Company was able to help multiple clients purchase properties in India. Going forward, the Company sees a greater opportunity in these markets with the turnaround in the Indian economy.

Focused Distribution Network

The financial year 2013-14 saw the Company further expanding its branch network. The Company now has 205 branches spread across 20 states. These well-appointed branches are at locations which are accessible to the Company's focused retail customer segment.

The Company sources its home loans and loans against property through a well-trained Direct Sales Team of over 1,900 employees. The Company also relies on the tie-ups with external direct sourcing agents to source some portion of its loans against property business. The Company continues to source business through its tie-ups with Yes Bank and Doha Bank.

Internal Control Systems

The Company has adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the existing control system in view of changing business needs from time to time.

Perceived Business Risks

The Company's business activities expose it to a variety of risks including liquidity risk, credit risk and interest rate risks. The Company has a comprehensive risk management framework, which lays down guidelines and practices for risk assessment and mitigation. The Risk Management Committee (RMC) of the Company has developed a robust mechanism to ensure a regular review of systems, policies, processes and procedures to adapt to changes in the operating environment. The Company constantly analyzes the various associated risks and tracks the efficiency of the various risk mitigation methodologies used. The identification and management of risks is essential to the Company's success and continued financial soundness.

Indiabulls Foundation

One of the first initiatives of Indiabulls Foundation is to support the development of rural districts. The Foundation has initiated pilot projects such as Aatm Shakti and Anganwadi in Rajasthan and Maharashtra with an open and a collaborative approach, which leverages the efforts of local stakeholders for a robust and scalable structure.

Aatm Shakti

Aatm Shakti is a project initiative by Indiabulls Foundation to encourage and empower citizens at the grass root levels. It involves a mixed spectrum of development and social projects which include:

- Panchayat Website Project
- CLICK Project
- Eye Care
- Government Schemes

Anganwadi for Site Labourers

Migrant workers who are employed at various construction sites face difficulties in accessing basic amenities. The Foundation has ensured that migrant workers have access to potable drinking water and also help with setting up a waste water management system at the labour colony. The Foundation has also ensured that children of migrant workers get day care facilities through anganwadi. Medical camps and medical facilities at these sites provide basic health care facilities to these workers.

Other projects initiated by the Foundation are granting of mobile medical vans, rainwater harvesting, groundwater management, tree plantation, IT projects for rural development, income generation support for rural women, skills training for rural youth, conducting eye camps for rural school children and in trying to be of support to traditional artisans.

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.



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2014.

Financial Results

The financial highlights of the Company, for the financial year ended March 31, 2014, are as under -

Particulars	Amount (in Rs.)	
	Year ended March 31, 2014	Year ended March 31, 2013
Profit before Depreciation and amortisation expense	19,084,400,506	16,133,276,744
Less: Depreciation and amortisation expense	76,526,559	92,110,194
Profit before Tax	19,007,873,947	16,041,166,550
Less: Provision for Tax	3,907,892,095	3,762,096,996
Profit after Tax	15,099,981,852	12,279,069,554
Add: brought forward balance	2,208,792,471	1,595,235,686
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement	—	1,295,149,850
Amount available for appropriation	17,308,774,323	15,169,455,090
Appropriations:		
Interim Dividend paid on Equity Shares (Rs. 20.00 Per Share (Previous Year Rs. 13.50 Per Share))	6,650,135,713	4,215,019,939
Interim Dividend payable on Equity Shares (Rs. 9.00 Per Share (Previous Year Rs. 6.50 Per Share))	3,006,381,987	2,031,322,586
Dividend for the previous year on Equity Shares issued by the Erstwhile Holding Company after the year end pursuant to ESOPs Allotment	—	1,291,745
Corporate Dividend Tax on:		
– Interim Dividend paid on Equity Shares	1,130,190,566	683,781,610
– Interim Dividend payable on Equity Shares	510,934,619	345,223,274
– Dividend for the previous year on Equity Shares issued by the Erstwhile Holding Company after the year end pursuant to ESOPs Allotment	—	209,554
Transferred to General Reserve	1,510,000,000	1,228,000,000
Transferred to Special Reserve (U/s 29C of the National Housing Bank Act, 1987)	3,019,996,370	2,455,813,911
Transferred to Additional Reserve (U/s 29C of the National Housing Bank Act, 1987)	1,000,000,000	2,000,000,000
Balance of Profit Carried Forward	481,135,068	2,208,792,471



Directors' Report (Contd...)

KEY FINANCIAL HIGHLIGHTS: FY13-14 (Consolidated)

	FY 12-13	FY 13-14	Growth (%)
Total Revenues (Rs. Crore.)	4,777.95	5,961.31	24.77%
NII (Rs. Crore.)	2,130.33	2,607.33	22.39%
PAT (Rs. Crore.)	1,266.06	1,568.54	23.89%
EPS (Rs.)	40.19	47.96	19.34%
CRAR% (Standalone)	18.47	19.14	

BUSINESS UPDATE

- Return on Equity (RoE) has grown to 27.75%. RoE expected to increase further with growth in business.
- 450% of interim dividend of Rs. 9 per share of face value Rs. 2/- has been declared. With this, the total dividend for FY 2013-14 (including interim dividend of Rs. 20/- already paid) is Rs. 29/- per share of face value of Rs. 2/- amounting to 1450%, total outflow of Rs. 1,129.76 Crore (inclusive of Corporate Dividend Tax).

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Asset Growth

- Assets continue to grow steadily on back of long-term, low-risk mortgage loans. The total Assets under Management stood at Rs. 41,169.40 Crore, up 19.59% from Rs. 34,425.62 Crore.
- During the year, loans amounting to Rs. 4,171 Crore. were sold down.
- With the above sell down, outstanding securitized loan book was Rs. 5,724 Crore. at the end of FY 2013-14, on which a spread of 3.4% p.a. is to be earned over the life of the loan.

Asset Composition

- Home loans, which form the majority of incremental disbursements, are disbursed at an average ticket size of Rs. 24 lacs and at average LTV of 70% at origination.
- Loans against property, which form the remainder of the retail mortgage book, are disbursed at an average ticket size of Rs. 68 lacs and at an average LTV of 49% at origination.
- The loan profiles of both the home loans and loans against property are conservative. The loans are monthly amortizing, secured against mortgage on the property financed and are given out at moderate LTV levels.

- 76% of retail mortgage loans, consisting of the above home loans and loans against property, are sourced in-house. With improving productivity of in-house sourcing team, over 80% of these retail mortgage loans will be sourced in-house in FY15.

Home Loans: Streamlined Loan Fulfillment

- In FY 2014, the ISO certification (ISO 9001:2008) awarded to the Company's document management system was reaffirmed.
- The Company continues to grow its branch network and now has 205 branches spread across the country.
- The Company has a well-trained, in-house Direct Sales' Team of over 2,000 people to promptly attend to prospective customers.

Improving Liability Profile

- In keeping with its stated strategy, the Company continues to maintain healthy levels of liquidity with cash and bank balances and current investments adding up to Rs. 7,341.38 Crore at the end of FY 13-14.
- Funds raised through bonds constituted 26% of the Company's incremental borrowings in FY 13-14.
- The Company has further reduced its reliance on short-term money to 8% of total borrowings.

Diversified Borrowing Program

- Amongst its lenders, the Company now counts 108 strong relationships: 26 PSU banks, 16 Private and Foreign banks and 66 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others.

Optimally Matched Balance Sheet

- The assets and liabilities have been optimally matched with no mismatch till 5 years.



Directors' Report (Contd...)

- The maturity profile reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank.

Stable Asset Quality

- Gross non-performing loans as at March 31, 2014 amounted to Rs. 341.69 Crore. This is equivalent to 0.83% of the portfolio.
- Net non-performing loans as at March 31, 2014 amounted to Rs. 147.26 Crore. This is equivalent to 0.36% of the portfolio.
- The Company has been successful in maintaining stable, low levels of NPA as low-risk mortgage portfolio increases the asset base, while contributing very low incremental delinquencies.
- Moderate levels of LTV and emphasis on borrower cash flow stability during loan appraisal have ensured that the credit quality in loans against property portfolio also remains high.
- An experienced underwriting team and the in-house sourcing and collection teams ensure control over loan sourcing, credit appraisal and portfolio management.

Subordinated Debt

During the year, the Company raised Rs. 220.00 Crore through the issue of long-term Unsecured Redeemable Non – Convertible Subordinated Debentures. The Subordinated Debt was assigned a 'AA+' rating from both, CARE and Brickworks Ratings.

As at March 31, 2014, the Company's outstanding subordinated debt and perpetual debt stood at Rs. 1,064.68 Crore. The debt is subordinate to present and future senior indebtedness of the Company and has been assigned the rating by CARE and Brickworks Ratings. Based on the balance term to maturity, as at March 31, 2014, Rs. 1,008.64 Crore of the book value of subordinated debt is considered as Tier II under the guidelines issued by the Reserve Bank of India (RBI) and National Housing Bank (NHB) for the purpose of capital adequacy computation.

Non Convertible Debentures (NCD)

During the year, the Company issued NCD amounting to Rs. 3,703.3 Crore on a private placement basis. The Company's NCDs have been listed on the Wholesale Debt Market segment of BSE and NSE and have been assigned AA+ rating

from both CARE and Brickwork Ratings and A1+ from CRISIL. As at March 31, 2014, NCD outstanding stood at Rs. 9,460.4 Crore. There are no NCDs which have not been claimed by the investors or not paid by the Company after the date on which the NCD became due for redemption.

Loans from Banks during the year, the Company raised term loans amounting to Rs. 8,735 Crore from commercial banks. The Company's long-term bank loan facilities continue to enjoy a rating of AA+, signifying high degree of safety for timely servicing of debt obligations and its short-term bank loan facilities continue to enjoy a rating of A1+ signifying highest degree of safety for timely servicing of debt obligations.

Regulatory Guidelines / Amendments

The Company has complied with directions from the RBI and the NHB regarding Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit rating.

Risk Management Framework

The Company has a Risk Management Framework that provides guidelines and standard practices for risk assessment and mitigation. The Risk Management Committee (RMC) of the Company comprises of members of its senior management team, who have many years of experience in the industry and have put in place preventive mechanisms to contain various risks. The RMC met multiple times during the year ending 31 March 2014 and kept an active watch on the emergent risks the Company was exposed to. The RMC put in place or enhanced the control measures to contain these risks. The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time.

Codes and Standards

The Fair Practices Code (FPC) recommended by sector regulator, the National Housing Bank (NHB) as well as the RBI seek to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business. The NHB has also issued comprehensive Know Your Customer (KYC) Guidelines and Anti Money Laundering Standards in the context of recommendations made by the Financial Action Task Force on Anti Money Laundering Standards.



Directors' Report (Contd...)

Marketing and Distribution

The Company has taken a number of initiatives through the financial year 2013-14 to reach out to a greater number of customers. To capitalize on the ever growing utility of digital media and social networking, the company launched its online campaign on relevant sites and used email marketing to enhance its visibility and garner leads from the digital space. The Company further expanded the inaugural property show started last year, to organize 12 'Aawas' property shows in tier I and II cities across the country. This was well appreciated by many of the home buyers as it gave them a good platform to find their dream home at an affordable price.

Cross Selling and Distribution of Financial Products and Services

The financial year 2013-14, saw the Company further expanding its branch network, and widen its reach on the community. The Company now has 205 branches spread across 20 states. State of the art Customer Care set up helps speedy resolution of customer queries and promptly attends to any loan requirements. Survey calling, where feedback is taken from existing and new customers also helps in continuous process improvement and generation of new leads.

Training and Human Resource Management

The Company aims to build a team of dedicated employees who work with passion and a sense of belonging and play a defining role in accelerating the Company's growth. The Company has recruited laterally from within the industry to bring on capable leaders.

Trainings for more than 2,500 employees were conducted in the last financial year covering various aspects such as sales excellence, customer service, data analysis, credit risk analysis, etc. We have a state of the art facility spread over 25,000 sq.ft. at our corporate office at Parel, Mumbai, where periodic training sessions are organized by the Training Department.

INDIAN MORTGAGE MARKET

- Lower mortgage penetration, measured by mortgage to GDP ratio, stands at 9% for India. This is quite low when compared with other developing nations, with the same ratio for China at 20% and Malaysia at 29%. The mortgage to GDP for some of the developed

nations is close to 100%, all of which points to the huge opportunity for growth in the Indian mortgage market.

- The Indian mortgage industry at an inflection point and is estimated to grow five-fold in next 10 years.
- This growth is driven by increasing urbanization, rising income levels and break up of traditional joint family structures.
- This growth in demand and increasing competition between banks, housing finance companies and non-banking financial companies for the secured mortgage market has made financing readily available. This in-turn acts as an enabler for the growth of the sector.

HOME LOAN SECTOR GROWTH

- The home loan industry is expected to grow at 18-20% CAGR for the next five years, on a large base of more than Rs. 8,60,000 Crore in FY14.
- The Indian home loan market is characterized by low average LTVs of 65-70% and predominantly first-time home buyers. This implies significant borrower equity and results in stability in the market.
- The expected growth in the home loan Industry gives opportunity for the Company to sustain current mortgage business growth.

FACTORS DRIVING MORTGAGE DEMAND

- Rising disposable incomes and increasing affordability of mortgage loans, with effective interest rate after tax benefits of only 7.02%, have led to greater demand in the mortgage market.
- Urbanization in India is expected to increase, with 40% of the population predicted to be living in urban areas by 2025. This will create a huge demand for urban housing, indicating the growth potential for mortgage market.
- Falling average age of house owners coupled with favorable demographics, as 60% of the country's population is below the age of 30, has driven the growth in the housing and housing finance market.

DIVIDEND

In keeping with the Company's policy of rewarding its shareholders, the Board of Directors of the Company, had, for the year 2013-14, declared four interim dividends



Directors' Report (Contd...)

aggregating to Rs 29/- per share on shares of face value Rs. 2/- each (Rs. 6/- per equity share on July 18, 2013, Rs. 7/- per equity share on October 23, 2013, Rs. 7/- per equity share on January 22, 2014 and Rs. 9/- per equity share on shares of face value Rs. 2/- each, on April 23, 2014). With this, the total dividend for FY 2013-14 is Rs. 29/- per share on face value of Rs. 2/- amounting to 1450%, total outflow of Rs. 1,129.76 Crore (inclusive of Corporate Dividend Tax).

SIGNIFICANT DEVELOPMENT DURING THE YEAR

Listing of the securities, post-merger of Indiabulls Financial Services Limited with the Company

312,511,167 Equity Shares and 27,500,000 warrants of the Company, issued and allotted on March 25, 2013, to the holders of Equity Shares and of listed warrants in Indiabulls Financial Services Limited (IBFSL), respectively, in the ratio of 1:1 i.e. the Share Exchange Ratio, fixed under the Scheme of Arrangement involving merger of IBFSL, with the Company in terms of the provisions of Section 391 to 394 of the Indian Companies Act, 1956 (the "Scheme"), got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. July 23, 2013.

PUBLIC 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 the circular no.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs for granting general permission for not attaching certain prescribed documents including annual accounts of the Subsidiaries to the Balance Sheet of the Holding Company, as required to be attached in terms of Section 212 of the Companies Act, 1956, and accordingly as approved by the Board of Directors in its meeting held on April 23, 2014, 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, 2014 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. The annual

accounts of the subsidiary companies are also kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned. Further, in terms of the said circular, information required to be disclosed in respect of each of the subsidiary company, has been disclosed, in the notes to accounts of the Consolidated Balance Sheet forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 as notified by the Companies (Accounting Standard) Rules 2006, as amended from time to time, Consolidated Financial Statements presented by the Company includes financial information of its subsidiaries.

DIRECTORS

The Board in recognition of the efforts and contributions of Mr. Gagan Banga, CEO & MD of the Company in taking the company to remarkable growth and progress under his stewardship, was pleased to elevate him to the position of Vice Chairman and Managing Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 Mr. Gagan Banga (DIN: 00010894), as Vice Chairman and Managing Director and Mr. Ajit Kumar Mittal (DIN: 02698115), Executive Director of the company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. The Board of Directors recommend their re-appointment.

The Board of Directors of the Company (the Board) has proposed the appointment of Dr. Kamalesh Shailesh Chandra Chakrabarty (DIN 03543682) and Mr. Rajender Mohan Malla (DIN 00136657), as Independent Directors of the Company, for a period of 5 (five) years, effective from the date of their appointment, as such by the Board. Keeping in view their vast experience & knowledge, the Board is of the view that it will be in the interest of the Company that both of them are appointed as Independent Directors on its Board. Upon the approval of the shareholders to their appointment, as Independent Directors, the appointment of Dr. Chakrabarty & Mr. Malla, as such, shall be formalized by the Board by issuing letters of appointment to them.

Brief resume of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board



Directors' Report (Contd...)

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.

CORPORATE SOCIAL RESPONSIBILITY

During the year, your directors have constituted the Corporate Social Responsibility Committee comprising Mr. Joginder Singh Kataria as the Chairman and Mr. Gagan Banga and Mr. Ashwini Omprakash Kumar as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

INDIABULLS FOUNDATION

The objective of Indiabulls Foundation is to do meaningful work with measureable output and maximum impact on the society. One of the first initiatives of Indiabulls Foundation is to support the development of rural districts. The Foundation has initiated pilot projects such as Aatm Shakti and Anganwadi in Rajasthan and Maharashtra with an open and a collaborative approach, which leverages the efforts of local stakeholders for a robust and scalable structure.

Other projects initiated by the Foundation are granting of mobile medical vans, rainwater harvesting, groundwater management, tree plantation, IT projects for rural development, income generation support for rural women, skills training for rural youth, conducting eye camps for rural school children and in trying to be of support to traditional artisans.

LISTING WITH STOCK EXCHANGES

The Equity Shares and Warrants of the Company, issued by it pursuant to and in terms of the Scheme, got listed on BSE and NSE, on July 23, 2013 and continue to remain listed thereafter. The listing fees payable to both the exchanges for the financial year 2014-15 have been paid. The GDRs issued in lieu of IBFSL GDRs, got listed on Luxembourg Stock Exchange on September 11, 2013 and continue to remain listed thereafter.

CHANGE IN THE CAPITAL OF THE COMPANY

Subsequent to the financial year ended March 31, 2014, the Company had allotted 285,231 equity shares of face value Rs. 2/- each (a) against conversion of equivalent number of warrants (ISIN No.: INE148I13017) and (b) exercise of stock options under various ESOP Schemes of the Company, consequent to which the paid up equity share capital of the Company increased from Rs. 668,084,886/- comprising of 334,042,443 equity shares of Rs. 2/- each to Rs. 668,655,348/- comprising of 334,327,674 equity shares of Rs. 2/- each.

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 Agreement 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 in relation to Clause 49 of the Listing Agreement is attached with the Corporate Governance Report.

AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells LLP (Firm Regn. No. 117366W / W-100018), 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 141(3)(g) of the Companies Act, 2013. 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.

GREEN INITIATIVES

Electronic copies of the Annual Report 2014 and Notice of the 9th AGM are sent to all the members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their



Directors' Report (Contd...)

email addresses, physical copies of the Annual Report 2014 and Notice of the 9th AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 2013

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 (to the extent applicable) and the provisions of Companies Act, 2013 (to the extent applicable), 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 in receipt of remuneration equal to or in excess of the limits stipulated under the said section, are required to be set out in a statement annexed 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 (to the extent applicable) and the Companies Act, 2013 (to the extent notified) 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, 2014 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: July 6, 2014
Place: New Delhi

Sameer Gehlaut
Chairman



Directors' Report (Contd...)

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:

- Implementation of viable energy saving proposals.
- Installation of automatic power controllers to save maximum charges and energy.
- Training front end operational personnel on opportunities of energy conservation.
- 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

(a) Earning in Foreign Currency:

Particulars	For the Year ended	For the Year ended
	March 31, 2014 (Rs.)	March 31, 2013 (Rs.)
Earning from Exhibition	15,206,735	—
Total	15,206,735	—

(b) Expenditure in Foreign Currency:

	For the Year ended	For the Year ended
	March 31, 2014 (Rs.)	March 31, 2013 (Rs.)
Professional Expenses	251,007	39,216,246
GDRs listing/Issue related Expense	2,403,819	803,670
Travelling Expenses	4,223,368	5,332,405
Commission Expense	10,097,524	1,289,759
Interest Expense on Foreign Currency Loan	79,271,360	13,810,479
Overseas Representative Office Expenses	17,331,264	—
Advertisement/Corporate Sponsorship Expenses	2,797,565	7,635,651
Salary Expenses	13,369,745	—
Total	129,745,652	68,088,210

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

(i) Remittance during the Financial Year 2013-14

Financial Year	Interim / Final	No of Shareholders	No. of Shares	Amount
2012-13	3rd Interim	2	11,259,610	73,187,465
2013-14	1st Interim 2013-14	2	11,259,610	67,557,660
2013-14	2nd Interim 2013-14	2	9,530,243	66,711,701
2013-14	3rd Interim 2013-14	2	9,409,098	65,863,686
		Total	41,458,561	273,320,512

(ii) Remittance during the Financial Year 2012-13

Financial Year	Interim / Final	No of Shareholders	No. of Shares	Amount
2011-12	Final Dividend by erstwhile Holding company Indiabulls Financial Services Limited	2	8,967,321	62,771,247
2012-13	1st Interim 2012-13	2	10,167,993	81,343,944
2012-13	2nd Interim 2012-13	2	10,329,200	56,810,600
		Total	29,464,514	200,925,791



Annexure forming part of the Directors' Report (Contd...)

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 and outgo.

IHFL-IBFSL Employees Stock Option Plan - 2006 – As on March 31, 2014

Particulars	
a. Options Granted	1,440,000
b. Exercise price	1,045,000 options at Rs. 41.67 per Option 395,000 options at Rs. 95.95 per Option
c. Options vested	840,816 options at Rs. 41.67 per Option 158,000 options at Rs. 95.95 per Option
d. Options exercised	625,252 options at Rs. 41.67 per Option 118,500 options at Rs. 95.95 per Option
e. The total number of Shares arising as a result of exercise of option	625,252 options at Rs. 41.67 per Option 118,500 options at Rs. 95.95 per Option
f. Options lapsed	214,080
g. Variation in terms of options	Not Applicable
h. Money realized by exercise of options	Rs. 37,424,326
i. Total number of options in force	205,668 options at Rs. 41.67 per Option 276,500 options at Rs. 95.95 per Option
j. Employee wise details of options granted to;	
i. Senior Management personnel	Mr. Gagan Banga – 395,000
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	
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital	
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. 45.83
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	Refer Note 3 of Notes to Accounts forming part of the Financial Statements.
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. 56.56



Annexure forming part of the Directors' Report (Contd...)

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 Note 3 of Notes to Account forming part of the Financial Statements.
i. risk free interest rate	
ii. expected life	
lii. expected volatility	
iv. expected dividends, and	
v. the price of the underlying share in market at the time of option grant	

IHFL-IBFSL Employees Stock Option Plan II - 2006 – As on March 31, 2014

Particulars	
a. Options Granted	720,000
b. Exercise price	Rs. 100
c. Options vested	258,427 options at Rs. 100 per Option 87,600 options at Rs. 100 per Option
d. Options exercised	167,222 options at Rs. 100 per Option 65,700 options at Rs. 100 per Option
e. The total number of Shares arising as a result of exercise of option	167,222 options at Rs. 100 per Option 65,700 options at Rs. 100 per Option
f. Options lapsed	233,827
g. Variation in terms of options	Not Applicable
h. Money realized by exercise of options	Rs. 23,292,200
i. Total number of options in force	253,251 options at Rs. 100 per Option
j. Employee wise details of options granted to;	
i. Senior Management personnel	Mr. Gagan Banga – 299,160
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	
lii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital	
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. 45.83



Annexure forming part of the Directors' Report (Contd...)

<p>i. 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</p>	<p>Refer Note 3 of Notes to Accounts forming part of the Financial Statements.</p>
<p>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.</p>	<p>Rs. 100</p>
<p>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:</p>	<p>Refer Note 3 of Notes to Accounts forming part of the Financial Statements.</p>
<p>i. risk free interest rate</p>	
<p>ii. expected life</p>	
<p>lii. expected volatility</p>	
<p>iv. expected dividends, and</p>	
<p>v. the price of the underlying share in market at the time of option grant</p>	

IHFL-IBFSL Employees Stock Option – 2008 – As on March 31, 2014

Particulars	
<p>a. Options Granted</p>	<p>7,500,000</p>
<p>b. Exercise price</p>	<p>6,702,250 options at Rs. 95.95 per option 367,350 options at Rs. 125.90 per option 200,000 options at Rs. 153.65 per option 230,400 options at Rs. 158.50 per option</p>
<p>c. Options vested</p>	<p>3,135,006 options at Rs. 95.95 per option 48,120 options at Rs. 125.90 per option 60,000 options at Rs. 153.65 per option 66,420 options at Rs. 158.50 per option</p>
<p>d. Options exercised</p>	<p>2,658,895 options at Rs 95.95 per option 22,185 options at Rs. 125.90 per option 51,500 options at Rs. 153.65 per option 65,850 options at Rs. 158.50 per option</p>
<p>e. The total number of Shares arising as a result of exercise of option</p>	<p>2,658,895 options at Rs. 95.95 per option 22,185 options at Rs. 125.90 per option 51,500 options at Rs. 153.65 per option 65,850 options at Rs. 158.50 per option</p>



Annexure forming part of the Directors' Report (Contd...)

f. Options lapsed	1,719,353 options at Rs. 95.95 per option 287,115 options at Rs. 125.90 per option 21,000 options at Rs. 158.50 per option
g. Variation in terms of options	Not Applicable
h. Money realized by exercise of options	Rs. 276,264,267
i. Total number of options in force	2,324,002 options at Rs. 95.95 per option 58,050 options at Rs. 125.90 per option 148,500 options at Rs. 153.65 per option 143,550 options at Rs. 158.50 per option
j. Employee wise details of options granted to;	
i. Senior Management personnel	Mr. Gagan Banga – 786,000
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	
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital	
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. 45.83
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	Refer Note 3 of Notes to Accounts forming part of the Financial Statements.
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. 100.88
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 Note 3 of Notes to Accounts forming part of the Financial Statements.
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	



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 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 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 the best in 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 Housing Finance Limited ("IHFL" 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 to 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 of IHFL 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 twelve directors, four of whom including the Chairman and the CEO are Executive Directors. The remaining eight directors are Non-Executive Directors, with six 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, as on March 31, 2014, are depicted in the table given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in Board Committees of various companies (including the Company)**	
				Member	Chairman
1.	Mr. Sameer Gehlaut (DIN: 00060783)	Chairman & Executive Director	3	Nil	Nil
2.	Mr. Rajiv Rattan (DIN: 00010849)	Non -Executive Director	6	2	Nil
3.	Mr. Saurabh Kumar Mittal (DIN: 01175382)	Non -Executive Director	3	3	Nil



Report on Corporate Governance (Contd...)

Sl. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in Board Committees of various companies (including the Company)**	
				Member	Chairman
4.	Mr. Gagan Banga (DIN: 00010894)	Vice Chairman & Managing Director	5	3	Nil
5.	Mr. Ajit Kumar Mittal (DIN: 02698115)	Executive Director	4	1	Nil
6.	Mr. Ashwini Omprakash Kumar (DIN: 03341114)	Executive Director	1	1	Nil
7.	Mr. Karan Singh Khera (DIN: 00017236)	Independent Director	7	7***	4
8.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	Independent Director	7	7***	5
9.	Mr. Aishwarya Katoch (DIN: 00557488)	Independent Director	4	7***	3
10.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Independent Director	4	4	Nil
11.	Mr. Ram Kumar Sheokand (DIN: 00183200)	Independent Director	2	2***	1
12.	Mr. Joginder Singh Kataria (DIN: 05202673)	Independent Director	1	3***	1

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

** Only memberships / chairmanships of the Audit Committee / Stakeholders Relationship Committee in various public limited companies, considered.

*** Figures inclusive of Chairmanship.

No Director is related to any other Director on the Board.

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

During the FY 2013-14, the Board met 8 (Eight) times. The dates of the Board meetings were April 23, 2013, June 5, 2013, July 18, 2013, October 23, 2013, October 29, 2013, November 29, 2013, January 22, 2014 and March 19, 2014.

The last Annual General Meeting of the Company was held on July 1, 2013.

A table depicting the attendance of Directors at various Board Meetings held during the FY 2013-14 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	3	No
2.	Mr. Rajiv Rattan	5	Yes
3.	Mr. Saurabh Kumar Mittal	3	No
4.	Mr. Gagan Banga	8	No
5.	Mr. Ajit Kumar Mittal	8	No
6.	Mr. Ashwini Omprakash Kumar	8	No
7.	Mr. Karan Singh Khera	4	Yes
8.	Mr. Shamsher Singh Ahlawat	6	Yes
9.	Mr. Aishwarya Katoch	1	Yes
10.	Mr. Prem Prakash Mirdha	5	No
11.	Mr. Ram Kumar Sheokand	6	Yes
12.	Mr. Joginder Singh Kataria	6	Yes



Report on Corporate Governance (Contd...)

(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 <http://financial.indiabulls.com>. 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 has constituted various Committees, name of them are Audit Committee, Nomination & Remuneration Committee (formerly known as 'Remuneration Committee'), Stakeholders Relationship Committee (formerly known as 'Shareholders'/Investors' Grievance Committee'), Compensation Committee, Risk Management Committee, Asset Liability Management Committee, Customer Grievance Committee, Corporate Social Responsibility (CSR) Committee and Investment Committee, which act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairmen. Matters requiring Board's attention/approval are placed before the Board. The role and 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 currently comprises of four members, namely, Mr. Shamsher Singh Ahlawat as the Chairman, Mr. Aishwarya Katoch, Mr. Karan Singh Khara and Mr. Gagan Banga. Three out of the four members comprising the Committee i.e. Mr. Shamsher Singh Ahlawat, Mr. Karan Singh Khara and Mr. Aishwarya Katoch, are Independent Directors

while Mr. Gagan Banga is Executive Director. 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/reports 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 their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Examination of the auditors' report on financial statements of the Company before (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also the reviewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;



Report on Corporate Governance (Contd...)

- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate.

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met four times. The dates of the meetings being April 23, 2013, July 18, 2013, October 23, 2013 and January 22, 2014.

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

Name of the Member	No. of meetings attended
Mr. Shamsheer Singh Ahlawat	2
Mr. Gagan Banga	0
Mr. Karan Singh Kherra	4
Mr. Aishwarya Katoch	2

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

(B) Nomination & Remuneration Committee (Formerly known as 'Remuneration Committee')

Composition

The Nomination & Remuneration Committee of the Board comprises of three Non-Executive Independent

Directors as its members, namely, Mr. Aishwarya Katoch as the Chairman and member, Mr. Shamsheer Singh Ahlawat and Mr. Prem Prakash Mirdha as the other two members.

Terms of reference

The terms of reference of Nomination & 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;
- identifying the persons who are qualified to become directors and those who may be appointed in senior management in accordance with the criteria laid down by it and recommending to the Board their appointment and removal and carrying out the evaluation of the performance of every director;
- formulating the criteria for determining the qualifications, positive attributes and independence of a director.

Meetings and Attendance during the year

No meeting of the Committee was held during the year.

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 package of past and current Executive Directors, during the year 2013-14 in the Company and their relationships with other Directors.

Name of the Director	Relationship with other Director	Salary and allowances per annum (Rs.)	Performance linked incentive (Rs.)	Employee Benefits (Rs.)	Sitting Fee (Rs.)
Mr. Sameer Gehlaut	None	182,929,911	Nil	113,124,262	Nil
Mr. Gagan Banga	None	60,000,000	Nil	3,226	Nil
Mr. Ashwini Omprakash Kumar	None	28,101,333	Nil	3,068	Nil
Mr. Ajit Kumar Mittal	None	18,000,000	Nil	1,590	Nil



Report on Corporate Governance (Contd...)

Notes:

1. Aforesaid components of remuneration include the Basic Salary, House Rent Allowance and other allowances.
2. Employee Benefits represents Gratuity, Superannuation and Compensated Absences, 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 additionally governed by rules and policy of the Company to the extent applicable.
4. Mr. Gagan Banga has been granted an aggregate of 1,480,160 stock options under various employee stock option schemes prevailing in the Company convertible into an equivalent number of Equity Shares of the Company during the exercise period provided under the relevant stock option schemes.
5. Mr. Ajit Kumar Mittal has been granted an aggregate of 124,000 stock options under employee stock option scheme prevailing in the Company convertible into an equivalent number of Equity Shares of the Company during the exercise period provided under the relevant stock option scheme.

(ii) Remuneration of Non-Executive Directors

Non- Executive Directors have not been paid any remuneration/sitting fees during the FY 2013-14.

(C) Stakeholders Relationship Committee (Formerly known as 'Shareholders'/ Investors' Grievance Committee')

Composition

The Stakeholders Relationship Committee of the Board comprises of three Non Executive Independent Directors and one Executive Director as its members, namely, Mr. Aishwarya Katoch as the Chairman and member, Mr. Karan Singh Khara, Mr. Joginder Singh

Kataria and Mr. Gagan Banga as the other three members. Mr. Sameer Gehlaut ceases to be member of the Committee w.e.f. July 18, 2013.

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 to be carried out by the Committee would be 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 Khara.

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

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met four times. The dates of the meetings being April 23, 2013, July 18, 2013, October 23, 2013 and January 22, 2014.

The attendance record of Committee members in respect of 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	0
Mr. Karan Singh Khara	4
Mr. Gagan Banga	0
Mr. Joginder Singh Kataria	2

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 2013-14

Sl. No.	Nature of Compliant	Opening	Received	Redressed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	2	26	28	0
3	Status of applications lodged for public issue(s)0	0	0	0	
4	Non-receipt of dividend	0	289	289	0



Report on Corporate Governance (Contd...)

Sl. No.	Nature of Compliant	Opening	Received	Redressed	Pending
5	Non-receipt of annual report	0	12	12	0
6	Non receipt of Refund order	0	0	0	0
7	Non credit/receipt of shares in demat account	0	14	14	0
8	Non receipt of securities after transfer	0	0	0	0
	TOTAL	2	341	343	0

(D) Compensation Committee

Composition

The Compensation Committee of the Board comprises of two Non Executive Independent Directors and one Executive Director as its members, namely, Mr. Shamsher Singh Ahlawat as the Chairman and member, Mr. Aishwarya Katoch and Mr. Gagan Banga as the other two members.

Terms of reference of the Compensation Committee

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

- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines.

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met four times. The dates of the meetings being July 24, 2013, November 29, 2013, January 4, 2014 and March 14, 2014.

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

Name of the Member	No. of meetings attended
Mr. Shamsher Singh Ahlawat	4
Mr. Gagan Banga	0
Mr. Aishwarya Katoch	4

(E) Risk Management Committee

Composition

The Risk Management Committee comprises of nine members namely Mr. Ajit Kumar Mittal, as the Chairman and member, and Mr. Gagan Banga, Mr. Ashwini Omprakash Kumar, Mr. Ram Kumar, Mr. Sachin Chaudhary, Mr. Subhankar Ghosh, Mr. Gaurav Bhatia, Mr. Naveen Uppal and Mr. Kaushik Chatterjee as the other eight members.

Terms of reference of the Risk Management Committee

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

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/ approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of Branch Audit Report.
- Review Compliances of lapses.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities, including process of vetting by credit committee, for various types/values of loans as specified in Credit Policy approved by the BoDs.
- Review the SARFAESI cases.



Report on Corporate Governance (Contd...)

- Any other matter involving Risk to the asset / business of the Company.

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met fourteen times. The dates of the meetings being April 15, 2013, May 22, 2013, June 11, 2013, July 10, 2013, July 15, 2013, August 19, 2013, October 7, 2013, November 15, 2013, November 28, 2013, December 14, 2013, December 20, 2013, January 27, 2014, February 17, 2014 and March 28, 2014.

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

Name of the Member	No. of meetings attended
Mr. Ajit Kumar Mittal	14
Mr. Gagan Banga	0
Mr. Ashwini Omprakash Kumar	14
Mr. Ram Kumar	14
Mr. Sachin Chaudhary	14
Mr. Subhankar Ghosh	14
Mr. Gaurav Bhatia	11
Mr. Naveen Uppal	14
Mr. Kaushik Chatterjee	14

(F) Asset Liability Management Committee (ALCO) Composition

The Asset Liability Management Committee comprises of nine members namely Mr. Ajit Kumar Mittal, as the Chairman and member, and Mr. Ashwini Omprakash Kumar, Mr. Ram Kumar, Mr. Sachin Chaudhary, Mr. Mukesh Garg, Mr. Naveen Uppal, Mr. Subhankar Ghosh, Mr. Gaurav Bhatia and Mr. Kaushik Chatterjee as the other eight members.

Terms of reference of the Asset Liability Management Committee

The terms of reference of the Asset Liability Management Committee, inter-alia, include:

- Review of Assets and Liabilities position of the Company and Liquidity risk Management and give directions to Finance/Treasury Team in the event of ALM mismatches beyond permissible limit as set out by the Committee.
- Management of Interest Risk and product pricing, launching of new products.

- Periodical review of PLR and recommend for change for the benchmark rate of the Company
- Approval of Inter corporate loans to subsidiaries/ associate companies.
- The ALCO will measure the future cash flow as per maturity profile as per given matrix in the NHB guidelines as fix up tolerance level in different time buckets as prescribed in the guidelines.
- Analyzing various risks like liquidity risk, interest rate risk, investment risk and business risks.
- Assessment of opportunity cost and maintenance of liquidity.
- Evaluate market risk involved in launching of new products.
- Decide the transfer pricing policy of the company.
- Approval of the business plan, targets and their regular reviews.

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met twenty six times. The dates of the meetings being April 1, 2013, April 9, 2013, April 22, 2013, May 10, 2013, May 24, 2013, June 10, 2013, July 5, 2013, July 25, 2013, August 5, 2013, August 18, 2013, August 25, 2013, September 10, 2013, October 8, 2013, October 21, 2013, November 5, 2013, November 14, 2013, November 30, 2013, December 6, 2013, December 19, 2013, December 27, 2013, January 4, 2014, January 30, 2014, February 7, 2014, February 18, 2014, February 28, 2014 and March 7, 2014.

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

Name of the Member	No. of meetings attended
Mr. Ajit Kumar Mittal	26
Mr. Ashwini Omprakash Kumar	26
Mr. Mukesh Garg	26
Mr. Ram Kumar	26
Mr. Sachin Chaudhary	26
Mr. Subhankar Ghosh	26
Mr. Gaurav Bhatia	20
Mr. Naveen Uppal	26
Mr. Kaushik Chatterjee	26



Report on Corporate Governance (Contd...)

(G) Investment Committee

Composition

The Investment Committee comprises of seven members namely Mr. Mukesh Garg, as the Chairman and member, and Mr. Gagan Banga, Mr. Ashwini Omprakash Kumar, Mr. Sachin Chaudhary, Mr. Pinank Shah, Mr. Subhankar Ghosh and Mr. Akhil Gupta as the other six members.

Terms of reference of the Investment Committee

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

- To help the company to gainfully deploy the surplus funds available from time to time and creation of long term assets for the Company.
- To periodically review and ensure that all the investments made by the Company are in consonance / compliance with the Investment Policy adopted by the Company.
- To review and approve the amendments in the Investment Policy.

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met eleven times. The dates of the meetings being June 30, 2013, September 18, 2013, September 19, 2013, September 20, 2013, September 23, 2013, September 24, 2013, September 27, 2013, September 30, 2013, December 24, 2013, December 31, 2013 and March 31, 2014.

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

Name of the Member	No. of meetings attended
Mr. Mukesh Garg	11
Mr. Gagan Banga	0
Mr. Ashwini Omprakash Kumar	1
Mr. Sachin Chaudhary	11
Mr. Pinank Shah	11
Mr. Subhankar Ghosh	11
Mr. Akhil Gupta	11

(H) Customer Grievance Committee

Composition

The Customer Grievance Committee comprises of five

members namely Mr. Ram Kumar, as the Chairman and member, and Mr. Sachin Chaudhary, Mr. Subhankar Ghosh, Mr. Naveen Uppal and Mr. Kaushik Chatterjee as the other four members.

Terms of reference of the Customer Grievance Committee

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

- approve the Grievance Policy and its review / modification from time to time.
- review and redress various customer complaints received directly by the Company or through any regulators, courts, legal bodies etc.

Meetings and Attendance during the year

During the financial year ended March 31, 2014, the Committee met four times. The dates of the meetings being April 23, 2013, July 18, 2013, October 23, 2013 and January 22, 2014.

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

Name of the Member	No. of meetings attended
Mr. Ram Kumar	4
Mr. Sachin Chaudhary	4
Mr. Subhankar Ghosh	4
Mr. Naveen Uppal	4
Mr. Kaushik Chatterjee	4

(I) Corporate Social Responsibility (CSR) Committee

Composition

A Corporate Social Responsibility Committee of the Board of Directors (Board) of the Company was constituted with Mr. Joginder Singh Kataria as its Chairman and Mr. Gagan Banga and Mr. Ashwini Omprakash Kumar as members (**CSR Committee**). CSR Committee is primarily responsible for formulating and monitoring the implementation of the framework of corporate social responsibility policy and matters related to its overall governance.

Terms of Reference

The Terms of reference of the CSR Committee inter-alia, include:



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- (i) To recommend to the Board, the CSR activity to be undertaken by the Company;
- (ii) To approve the expenditure to be incurred on the CSR activity;
- (iii) To oversee and review the effective implementation of the CSR activity;

- (iv) To ensure compliance of all related applicable regulatory requirements.

Meetings and Attendance during the year

Since the Committee was constituted on March 19, 2014, No meeting was held during the financial year 2013-14.

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
2010-11	F-60, Malhotra Building 2nd Floor, Connaught Place, New Delhi -110 001	June 25, 2011	12.30 P.M.
2011-12	F-60, Malhotra Building 2nd Floor, Connaught Place, New Delhi -110 001	June 4, 2012	1.30 P.M.
2012-13	Centaur Hotel, IGI Airport, Delhi - Gurgaon Road, New Delhi – 110 037	July 1, 2013	10.00 A.M.

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

- (1) In the AGM of the Company for the year 2010-11 held on June 25, 2011 no special resolution was passed.
- (2) In the AGM of the Company for the year 2011-12 held on June 4, 2012 no special resolution was passed.
- (3) In the AGM of the Company for the year 2012-13 held on July 1, 2013, three special resolutions as briefly described below, were passed:
 - (i) Special resolution in terms of Section 17 of the Companies Act, 1956, the "Main Objects" Clause of the Memorandum of Association of the Company was altered.
 - (ii) Special resolution, pursuant to Clause 9.2 of the Scheme of Arrangement between Indiabulls Financial Services Limited (IBFSL), Company and their respective shareholders and creditors, approved by the Hon'ble High Court of Delhi vide its order dated December 12, 2012 and the provisions of Section 81(1A), and all other applicable provisions, if any, of the

Companies Act, 1956, and the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "ESOS Guidelines"), for adoption of the IBFSL Employees Stock Option Plans in the Company.

- (iii) Special resolution, pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and other statutes, to create, offer, issue and allot, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of domestic/international offerings, for a value of upto USD equivalent to INR 10,000 crores (US Dollars equivalent to Indian Rupees Ten Thousand Crores), Equity Shares and other securities, which are convertible into or exchangeable with Equity Shares of the Company.

C. Postal Ballot during the FY 2013-14

During the year 2013-14, no resolution was passed by the Company through Postal Ballot.



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5. DISCLOSURES

(i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the year 2013-14, 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.

Since the establishment of the Company as a listed entity on July 23, 2013, there has been no instance of any non-compliance by the Company on any matter related to capital markets and hence, of any penalties being imposed on the Company or strictures being passed against it, by SEBI or the Stock Exchanges or any other statutory authorities on any such matters.

(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 organisation 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. Further, in order to encourage the employees

to freely air their views and voice their concerns on various matters and to prevent any victimisation 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 in letter as well as in spirit. 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 (English) and Nav Bharat Times (Hindi).

(ii) News, Release etc. : The Company has its own website <http://financial.indiabulls.com/> 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) Investors' Relation : The Company's website contains a separate dedicated section "Investor Relations" where Shareholders' information is available.



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(iv) 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) Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65922DL2005PLC136029.

(B) 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.

(C) Profile of Directors seeking appointment/re-appointment

(i) Mr. Gagan Banga – Vice Chairman and Managing Director

Mr. Gagan Banga, holds a Masters degree in Business Administration and has 15 years of industry experience. He has been in the financial segment of Indiabulls Group for more

than 14 years and was one of the founding members of the lending business. Gagan has been instrumental in growing the company to one of the largest HFCs in the country. Under Gagan's leadership the company today is a lender of considerable size, repute and presence in asset classes such as Home Loans, loans against home for small businesses and Corporate Loans. The company, under his aegis, has a net worth of over Rs. 5,600 Crore and is a AA+ (long-term rating) rated company. For FY 2013-14 the company had total revenues of Rs. 5,961.31 Crore and clocked a Profit after Tax of Rs.1,568.54 Crore. As at the end of March 31 2014, IBHFL, at a consolidated level, has an asset book of over Rs. 41,000 Crore.

Mr. Gagan Banga is also on the board of Indiabulls Insurance Advisors Limited, Indiabulls Commodities Limited, Indiabulls Capital Services Limited, Nilgiri Financial Consultants Limited, Indiabulls Life Insurance Company Limited and Cloacina Insurance Agents Private Limited.

Membership/Chairmanship of Mr. Gagan Banga in committees of various companies is as under:

Name of Company	Name of Committee	Chairman/Member
Indiabulls Capital Services Limited	Audit Committee	Member
Indiabulls Infrastructure Credit Limited	Nomination Committee	Member
Indiabulls Housing Finance Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Member
	Compensation Committee	Member
	Risk Management Committee	Member
	Investment Committee	Member
	Corporate Social Responsibility Committee	Member
	Borrowing Committee	Member

Mr. Gagan Banga holds 1,902,025 Equity Shares of face value of Rs. 2/- each in the Company.



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(ii) Mr. Ajit Kumar Mittal –Executive Director

Mr. Ajit Kumar Mittal has rich and varied experience by virtue of his close involvement with the growth and evolution of India's financial sector. A Master's in Economics and an MBA with Academic Excellence from University of Illinois, U.S.A., Mr. Mittal worked for more than twenty years at the Reserve Bank of India (RBI) in middle and senior management positions and has been at the forefront of macroeconomic and financial sector issues. As General Manager of the Banking Supervision in RBI, he was responsible for monitoring and surveillance of country's banking system for five years. Mr. Mittal was closely involved in coordination with various financial markets, e.g. debt, money, forex and capital market. Mr. Mittal also worked as Financial Sector Advisor

to Qatar Central Bank during the 2006-07.

From September 2007 till now, Mr. Mittal has been working as a Director with Indiabulls flagship company in the financial services segment. Mr. Mittal is responsible for risk management, regulatory, governance and compliance issues in the financial services business, besides being involved in the overall business strategy. He has been instrumental in expanding Indiabulls' international footprint by setting up group's real estate and home loan businesses in the GCC & UK.

Mr. Ajit Kumar Mittal is also on the board of Indian Commodity Exchange Limited, Indiabulls Venture Capital Trustee Company Limited, Indiabulls Trustee Company Limited and Indiabulls Infrastructure Credit Limited.

Membership/Chairmanship of Mr. Ajit Kumar Mittal in committees of various companies is as under:

Name of Company	Name of Committee	Chairman/ Member
Indiabulls Infrastructure Credit Limited	Audit Committee	Member
	Corporate Social Responsibility Committee	Member
Indiabulls Housing Finance Limited	Asset Liability Management Committee	Chairman
	Risk Management Committee	Chairman
	Allotment Committee	Member
	Borrowing Committee	Chairman

Mr. Ajit Kumar Mittal does not hold any shares in the Company.

(iii) Dr. Kamallesh Shailesh Chandra Chakrabarty, Independent Director

Dr. K.C. Chakrabarty, a seasoned and accomplished banker with a distinguished career spanning more than three decades during which he handled a wide range of

subjects pertaining to commercial banks in various high level capacities culminating as the Deputy Governor of Reserve Bank of India, from where he finally demitted his office in April, 2014. Born on June 27 1952, Dr. K. C. Chakrabarty holds a Doctorate in Statistics



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from Banaras Hindu University (BHU). He started his career as a teacher and researcher at BHU and went on to have an illustrious professional innings spanning over 26 years at the Bank of Baroda. He was the Chief Executive looking after the Bank's UK operations before being elevated as Executive Director of Punjab National Bank. Dr. Chakrabarty also served as first the Chairman and Managing Director (CMD) of Indian Bank and then as CMD of Punjab National Bank, two of the more prominent public sector banks in India. He also briefly served as Chairman of the Indian Banks' Association (IBA) before assuming charge as the Deputy Governor of Reserve Bank of India in June, 2009.

Dr. Chakrabarty's assignments at Reserve Bank of India included guiding and overseeing the areas pertaining to Supervision of Banks, Currency Management, Financial Stability, Customer Service, Rural Credit and Human Resource Management. He was the Bank's nominee on the Financial Stability Board. Dr. Chakrabarty also served as the Vice-Chairman of the International Network of Financial Education, a multilateral agency set up under the aegis of OECD for promoting financial literacy and financial inclusion across the globe. Dr. Chakrabarty was also Chairman of the Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL) and Chairman of the Advisory Committee of College of Agricultural Banking (CAB).

During his illustrious career spanning over 30 years with various banks, Dr. Chakrabarty handled diverse portfolios like banking operations and administration, planning, economic research, investment banking, integrated treasury operations, risk management and corporate accounts,

international banking, global syndication, etc. He has also been closely connected with various institutes/organisations like National Housing Bank, Oriental Insurance Co. Ltd., United Insurance Co. Ltd., Confederation of Indian Industry (CII), Central Depository Services Ltd. (CDSL), Exim Bank, National Institute of Bank Management (NIBM), Agricultural Finance Corporation Ltd., Indian Institute of Banking & Finance, PNB Gilts Ltd., PNB Housing Finance Ltd. etc. and has also been associated with many Committees/Working Groups, besides being associated at an academic level as a regular visiting faculty in various training institutions in India.

Dr. Chakrabarty does not hold any share in the Company and he is not related to any other director of the Company.

(iv) Mr. Rajender Mohan Malla, Independent Director

Mr. Rajender Mohan Malla, a top quality Management Professional has had a long illustrious career spanning over thirty eight years during which time he held top level and significant decision making positions in various premier Banks and Financial Institutions viz. Industrial Development Bank of India (IDBI) as a Development Financial Institution, IFCI, SIDBI and IDBI Bank. He has dealt extensively with various sectors of the economy and has had extensive interactions with various domestic and international funding organizations, government bodies and agencies. He has also been a member of different committees constituted by the Government of India, RBI and SEBI.

Mr. Malla, armed with Masters in Business Administration from the prestigious Faculty of Management Studies, University of Delhi, during his distinguished career has handled



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various important assignments in the areas of resource mobilization, treasury, HR, IT and accounts besides specializing in lending to sectors such as infrastructure, MSME, retail, housing, etc. He took the challenging task of joining IFCI in the year 2001 and brought about its turnaround by restructuring its liabilities, increasing recoveries and reducing costs, eventually resulting in IFCI managing to post healthy post - tax profits, as at the end of the fiscal 2006-07. The subsequent years saw him handling several position of eminence such as the Chairman and Managing Director of Small Industries Development Bank of India (SIDBI) and the Chairman and Managing Director of IDBI Bank Limited (an entity he had been earlier associated with as a development financial institution) with such important accomplishments as sizeable increase in business operations, several innovations and

quantum jump in the post - tax profits. Currently Mr. Malla is working as the Managing Director of PTC India Financial Services Limited, a subsidiary of PTC India Limited which is a public private partnership entity and the largest power trading company of the country.

Mr. Malla does not hold any share in the Company and he is not related to any other director of the Company.

(D) Financial Year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

(E) 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.

(F) (i) Distribution of shareholding as on March 31, 2014

Sl. No.	Category of Shares	No of holders	% to total holders	Value in Rs.	% to nominal value
1	upto 1 - 5000	68611	98.51	14,643,402	2.19
2	5001 - 10000	381	0.55	2,785,188	0.42
3	10001 - 20000	209	0.30	3,116,162	0.47
4	20001 - 30000	70	0.10	1,795,116	0.27
5	30001 - 40000	48	0.07	1,711,312	0.26
6	40001 - 50000	33	0.05	1,507,822	0.23
7	50001 - 100000	73	0.10	5,320,884	0.80
8	100001 & ABOVE	223	0.33	637,205,000	95.38
	Total:	69648	100.00	668,084,886	100.00



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(ii) Shareholding Pattern as on March 31, 2014

Sr. no.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	139,647,394	41.81
2.	Mutual Funds/Indian Financial Institutions	11,328,117	3.39
3.	Banks	115,839	0.03
4.	FIs	127,770,368	38.25
5.	Private Bodies Corporate	22,386,309	6.70
6.	Indian Public (Employees/HUF/Public/Trusts)	22,917,990	6.86
7.	NRIs / OCBs	6,068,409	1.82
8.	GDRs (Shares underlying)	3,100,273	0.93
9.	Other foreign entities (Foreign National)	179,356	0.05
10.	Others (Clearing Members)	528,388	0.16
	Total	334,042,443	100.00

(G) Dematerialisation of shares and liquidity

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

As on March 31, 2014, 99.91% Equity shares of the Company representing 333,747,317 out of a total of 334,042,443 Equity shares were held in dematerialised form and the balance 295,126 shares representing 0.09% of the total equity capital of the Company were held in physical form.

(H) Outstanding GDRs/Convertible Instruments

As on 31st March, 2014, an aggregate of 3,409,521 Stock options and 27,500,000 warrants are in force. As and when these stock options are exercised or warrants are converted into equity, the paid-up share capital of the Company shall accordingly stand increased.

The number of outstanding GDRs as on March 31, 2014 was 3,100,273. 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, 2014:

Equity Shares

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

Global Depository Receipts (GDRs)

Luxembourg Stock Exchange

Societe de la Bourse
de Luxembourg,
Il av de la Porte – Neuve,
L-2227, Luxembourg.

(J) Stock Code

BSE Ltd. – 535789

National Stock Exchange of India Ltd- IBULHSGFIN/
EQ

ISIN for Dematerialisation – INE148I01020



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(K) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

The monthly high and low market prices of equity shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2014 are as under:

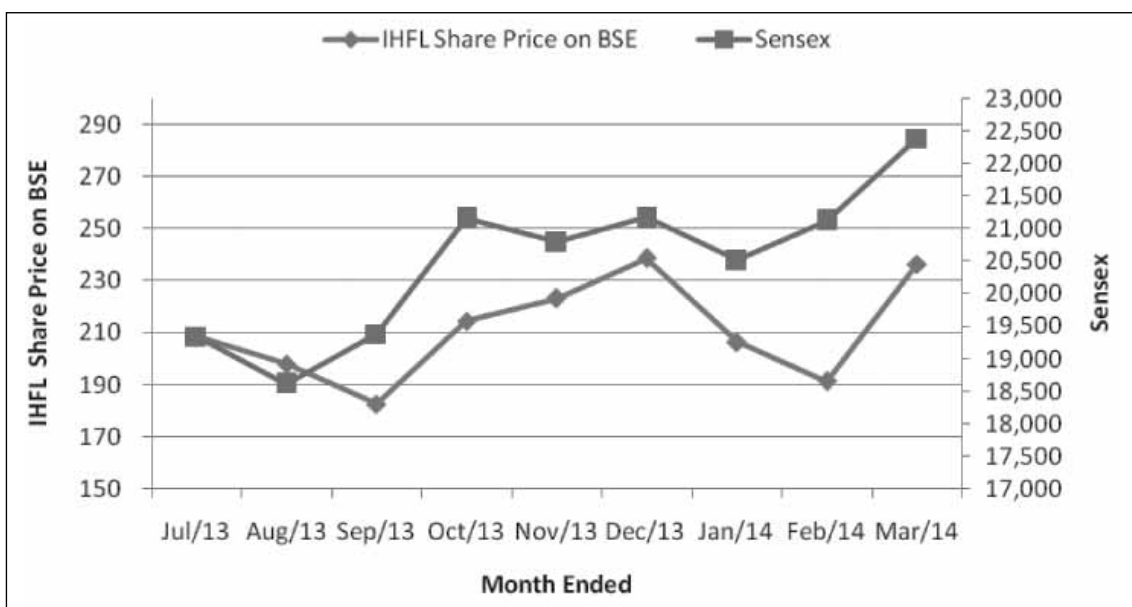
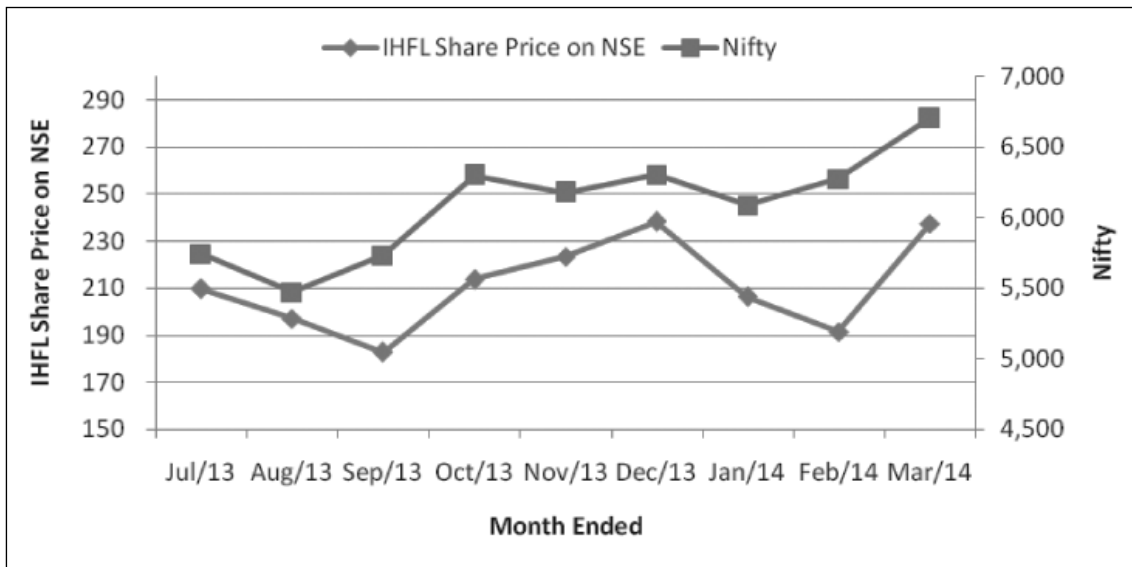
Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
July 2013*	285.25	209.80	283.40	208.45
August 2013	209.75	186.05	209.65	186.30
September 2013	225.45	180.55	225.35	180.75
October 2013	222.15	188.55	222.45	189.55
November 2013	226.65	210.80	225.90	211.55
December 2013	244.80	216.45	245.25	216.20
January 2014	245.25	205.8	245.80	205.55
February 2014	203.25	188.95	203.20	189.60
March 2014	237.55	192.2	236.40	191.85

*The Equity shares of the Company got listed on NSE and BSE on July 23, 2013.



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(L) Performance of the Company in comparison to broad – based indices





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(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 Private Limited

Unit: Indiabulls Housing Finance Limited
Plot No.17-24 Vittal Rao Nagar
Madhapur Hyderabad - 500081
Contact Person: Ms. Shobha Anand, AGM,
Corporate Registry
Tel : 040-44655000/23420815-23420825
Fax: 040-23420814
E-mail: einward.ris@karvy.com

(N) Share Transfer System

The Share transfer system in the Company comprises of two components viz the Share transfer cum Shareholders'/Investors' grievance and the Registrar and Transfer Agent of the Company (RTA) which will work hand in hand to process and approve the requests received for transfer or transmission of the shares in the physical segment. Share transfer/transmission requests would be processed within the stipulated time, with the RTA sending the requests which have already been scrutinized by it and found to be in order, to the Committee for its approval and the Committee approving the same and communicating the approval to the RTA. The Committee would also be receiving from the RTA, the details and documents pertaining to the requests which have not been found to be in order, for its information and examination.

The certificates pertaining to the transferred shares shall be mailed to the concerned investors by the RTA immediately upon approval of transfers, so as to reach such investors well within the time stipulated under the Listing agreements.

(O) Address for Correspondence

(i) Registered Office:

M-62 & 63, First Floor, Connaught Place,
New Delhi - 110 001
Email: helpdesk@indiabulls.com,
Tel: 0124-6681199, Fax: 0124-6681240,
Website: <http://financial.indiabulls.com/>

(ii) Corporate Office:

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

"Indiabulls House", Indiabulls Finance Centre,
Tower 1, Elphinstone Mills,
Senapati Bapat Marg
Mumbai 400 013, Maharashtra.

8. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a 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.

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) Nomination & Remuneration Committee (Formerly known as 'Remuneration Committee')

The Company has a duly constituted Nomination & Remuneration Committee. For details as to the constitution of the 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 would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information pertaining to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company



Report on Corporate Governance (Contd...)

in particular, through communications sent to the stock exchanges where the shares of the Company would get listed, through press releases in leading newspapers and through regular uploads made on the Company 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.

Except as set out above, 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.



Report on Corporate Governance (Contd...)

ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49(1)(D)(ii) OF LISTING AGREEMENT

As the Chief Executive Officer of Indiabulls Housing Finance 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 FY 2013-14.

Date: June 26, 2014
Place: New Delhi

Sd/-
Gagan Banga
Chief Executive Officer



Report on Corporate Governance (Contd...)

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Indiabulls Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by Indiabulls Housing Finance Limited ("the Company"), for the year ended March 31, 2014, 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, 2014 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. K. Hota & Associates
Company Secretaries

Sd/-

S. K. Hota
Proprietor

Date: June 30, 2014
Place: New Delhi

Membership No: ACS 16165
CP No. 6425



Independent Auditors' Report

To The Board of Directors of Indiabulls Housing Finance Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INDIABULLS HOUSING FINANCE LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the

accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid 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 the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of fifteen subsidiaries, whose financial statements reflect total assets (net) of Rs.14,323,902,513 as at 31st March, 2014, total revenues of Rs.1,997,991,671 and net cash flows amounting to Rs.172,044,750 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 031467)
MUMBAI, 23rd April, 2014



Consolidated Balance Sheet

of Indiabulls Housing Finance Limited Group as at March 31, 2014

Particulars	Note No.	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	3	668,084,886	625,022,334
Reserves and surplus	4	56,401,730,710	50,056,582,607
Money received against share warrants	5	—	1,128,150,000
(2) Minority Interest	3(viii)	19,124,474	1,448,711,226
(3) Non-current liabilities			
Long-term borrowings	6	201,655,197,316	182,344,598,867
Other long-term liabilities	7	2,236,144	78,379,523
Long-term provisions	8	3,683,897,773	3,699,898,484
(4) Current liabilities			
Short-term borrowings	9	91,473,960,535	65,810,139,094
Trade payables	10	23,311,782	28,529,227
Other current liabilities	11	81,437,689,381	77,943,471,270
Short-term provisions	12	8,818,854,242	8,248,667,870
Total		444,184,087,243	391,412,150,502
II. ASSETS			
(1) Non-current assets			
Fixed assets	13		
(i) Tangible assets		462,614,248	444,342,423
(ii) Intangible assets		6,493,848	11,333,882
(iii) Capital work-in-progress		—	400,000
Goodwill on Consolidation	4(1)	700,360,191	123,975,982
Non-current investments	14	246,469,825	151,555,854
Deferred tax assets (net)	15	1,847,680,648	1,641,286,277
Long-term loans and advances	16	310,302,279,746	271,547,548,721
Other non-current assets	17	8,152,872,071	5,178,620,517
(2) Current assets			
Current investments	18	29,223,416,849	22,927,339,063
Trade receivables	19	6,251,308	22,447,293
Cash and bank balances	20	44,190,371,811	48,881,806,215
Short-term loans and advances	21	45,497,671,299	37,260,459,122
Other current assets	22	3,547,605,399	3,221,035,153
Total		444,184,087,243	391,412,150,502

Notes forming part of the financial statements 1 - 37

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Sameer Gehlaut
Chairman/ Whole
Time Director

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary

Mumbai: April 23, 2014

Mumbai: April 23, 2014



Consolidated Statement of Profit and Loss

of Indiabulls Housing Finance Limited Group for the Year ended March 31, 2014

Particulars	Note No.	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
(1) Revenue from operations	23	54,193,909,140	45,031,080,713
(2) Other income	24	5,419,169,200	2,748,430,471
(3) Total revenue (1+2)		59,613,078,340	47,779,511,184
(4) Expenses			
Employee benefits expense	25	2,637,308,194	2,245,472,772
Finance costs	26	32,823,761,039	25,990,879,085
Depreciation and amortisation expense	13	78,852,923	93,845,876
Other expenses	27	4,255,247,357	2,897,941,515
Total expenses		39,795,169,513	31,228,139,248
(5) Profit before tax (3-4)		19,817,908,827	16,551,371,936
(6) Tax expense			
Current tax expense		4,505,368,624	3,752,934,475
Less: MAT Credit Entitlement		170,665,831	—
Net Current Tax expense		4,334,702,793	3,752,934,475
Current tax expense relating to prior years		12,301	1,655,042
Deferred tax (credit) / charge (Net)	15	(202,181,234)	136,133,548
Total Tax Expense		4,132,533,860	3,890,723,065
(7) Profit after tax before share of Minority Interest (5-6)		15,685,374,967	12,660,648,871
(8) Minority Interest		43,771,408	76,242,468
(9) Profit for the year (7-8)		15,641,603,559	12,584,406,403
(10) Earnings Per Equity share:			
Basic	33	47.96	40.19
Diluted		47.47	38.94
Face value per Equity share		2.00	2.00
Notes forming part of the financial statements	1 - 37		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Sameer Gehlaut
Chairman/ Whole
Time Director

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary

Mumbai: April 23, 2014

Mumbai: April 23, 2014



Consolidated Cash Flow Statement

of Indiabulls Housing Finance Limited Group for the Year ended March 31, 2014

	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
A Cash flows from operating activities :		
Profit before tax	19,817,908,827	16,551,371,936
Adjustments for :		
Share of (Profit) in Associate	—	(777,845)
Employee Stock Compensation	5,819,132	7,563,100
Provision for Gratuity	13,428,128	12,850,578
Provision for Compensated Absences	3,544,034	6,076,184
Provision for Superannuation	113,119,687	97,972,503
Provision for Loan Assets	1,312,305,172	323,512,490
Contingent Provisions against Standard Assets	29,792,853	239,588,041
Depreciation / Amortisation	78,852,923	93,845,876
Bad Loans / Advances written off	1,522,189,954	669,007,097
Loss on sale on Fixed Assets	8,888,384	4,158,906
(Unrealised) gains on appreciation of Mutual Fund Investments (Current Investments)	(188,289,056)	(1,058,801)
Operating Profit before working capital changes	22,717,560,038	18,004,110,065
Adjustments for:		
Trade and Other Receivables	(1,838,855,926)	905,375,180
Loans and Advances	(49,072,014,505)	(56,286,590,971)
Trade Payables and other liabilities (Refer Note No. 2 below)	5,845,057,492	4,371,726,098
Cash used in operations	(22,348,252,901)	(33,005,379,628)
Income taxes paid (Net)	(2,175,198,252)	(3,082,117,434)
Net cash (used in) operating activities	(24,523,451,153)	(36,087,497,062)
B Cash flows from investing activities :		
Purchase of Fixed Assets	(106,810,285)	(114,125,143)
Sale of Fixed Assets	5,637,187	5,170,554
Capital Advances	(403,014,274)	244,677
Net receipts from Investment in deposit accounts	(1,752,314,466)	(2,470,351,811)
Proceeds from Investments in Mutual Funds / Other Current Investments (Net)	(1,639,431,715)	1,918,121,441
Aggregate cash flows consequent to conversion of Associate to Subsidiary (Net)	—	42,369,007
Investment in Subsidiary	(2,616,891,255)	—
Net cash (used in) investing activities	(6,512,824,808)	(618,571,275)
C Cash flows from financing activities :		
Proceeds from Issue of Equity Share through ESOPs (Including Securities Premium)	77,862,675	68,187,021
Proceeds from Issue of Share Warrants	—	1,128,150,000
Proceeds from Conversion of Share Warrants (Including Securities Premium)	3,384,450,000	—
Distribution of Equity Dividends (including Corporate Dividend Tax thereon)	(10,151,973,191)	(7,431,026,841)
Debenture issue expenses	(223,538,811)	(962,962,366)
Net Proceeds from Term loans-(Net)	14,105,499,290	17,147,690,906



Consolidated Cash Flow Statement

of Indiabulls Housing Finance Limited Group for the Year ended March 31, 2014 (Contd...)

	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Proceeds from / (Repayment of) issue of Commercial Papers (Net)	4,490,000,000	(965,000,000)
Net proceeds from issue of Secured Redeemable Non-Convertible Debentures	4,241,032,180	23,453,918,000
Net proceeds from issue of Subordinated Debt	2,200,000,000	5,333,800,000
Net proceeds from issue of Perpetual Debt	—	1,000,000,000
Net proceeds from Working capital loans	12,776,344,917	13,500,000,000
Net cash flows from financing activities	30,899,677,060	52,272,756,720
D Exchange difference on translation of balances denominated in foreign currency	—	(64,341)
E Net Increase in cash and cash equivalents (A+B+C+D)	(136,598,901)	15,566,624,042
F Cash and cash equivalents at the beginning of the year	66,708,296,874	—
G Cash and cash equivalents received under Scheme of Arrangement	—	51,141,672,832
H Cash and cash equivalents at the end of the year (E + F + G) (Refer Note 5 below)	66,571,697,973	66,708,296,874

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 under the Companies (Accounting Standards) Rules, 2006, as amended.
- Trade payables and other liabilities include Rs. 2,929,375,820 (Previous Year Rs. 2,063,568,150) being amount payable (net) on assigned loans.
- Margin Deposits of Rs. 6,469,487,125 (Previous Year Rs. 4,725,608,142) have been placed as collateral for Assignment deals on which assignees have a paramount lien.
- Deposits of Rs. 12,412,688 (Previous Year Rs. 3,977,205) are under lien with Bank.
- Cash and cash equivalents at the end of the year include:

Cash and Bank Balances ^(Refer Note 20)	44,190,371,811	48,881,806,215
Current Investments in Units of Mutual Funds / Other Current Investments considered as temporary deployment of funds ^(Refer Note 18)	22,583,899,105	17,832,339,063
	66,774,270,916	66,714,145,278
Less: In deposit accounts held as margin money (under lien)	12,412,688	3,977,205
Less : Unrealised gains on appreciation of Mutual Fund Investments (Current Investments)	190,160,255	1,871,199
Cash and cash equivalents as restated	66,571,697,973	66,708,296,874
- Unclaimed Dividend account balances in designated bank accounts are not available for use by the Company. ^(Refer Note 20)
- Previous Year's figures are regrouped wherever considered necessary to confirm with Current Year's groupings and classification.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Sameer Gehlaut
Chairman/ Whole
Time Director

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary

Mumbai: April 23, 2014

Mumbai: April 23, 2014



Notes forming part of the Consolidated Financial Statements

of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014

(1) Significant Accounting Policies

i) Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

ii) Principles of Consolidation:

The Consolidated Financial Statements relate to Indiabulls Housing Finance Limited (the 'Company' 'Parent') and its direct and indirect subsidiaries and associate company (collectively referred to as 'the Group'). The consolidated financial statements have been prepared using uniform accounting policies and on the following basis:

- (i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group transactions and intra-group balances and resultant unrealised profits/ losses.
- (ii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the shareholders of the Company.
- (iii) Investments of the Group in associate companies is accounted as per the Equity

Method under Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'.

- (iv) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2014. These have been consolidated based on latest available financial statements.

iii) Goodwill /Capital Reserve on consolidation:

Goodwill / Capital Reserve 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 the respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill on consolidation, if any. The Goodwill on consolidation is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may have been 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 Statement of Profit and Loss includes the investor's share of results of the operations of the investee.



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

The particulars of investment in associate companies as at March 31, 2014 are as under:

Name of Associates	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.)	Statutory Auditor
Indiabulls Asset Reconstruction Company Limited*	India	01-April 2012 to 10-January 2013	24.02%	12,250,000	4,171,968	—	A Sardana & Co.

*Refer Note 14(2)

v) Companies included in consolidation:

Name of subsidiaries	Country of Incorporation	Year/Period ended included In consolidation	Proportion of Ownership Interest	Statutory Auditor
Indiabulls Collection Agency Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Ibolls Sales Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Indiabulls Insurance Advisors Limited	India	01-April-2013 to 31-March-2014	100%	Sumit Mohit & Company
		01-April-2012 to 31-March-2013		
Indiabulls Finance Company Private Limited	India	07-August-2013 to 31-March-2014	100%	Deloitte Haskins & Sells LLP
		01-April-2013 to 06-August-2013	57.50%	
		01-April-2012 to 31-March-2013		
Indiabulls Capital Services Limited	India	01-April-2013 to 31-March-2014	100%	Sumit Mohit & Company
		01-April-2012 to 31-March-2013		
Nilgiri Financial Consultants Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Indiabulls Infrastructure Credit Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Indiabulls Advisory Services Limited	India	01-April-2013 to 31-March-2014	100%	Sumit Mohit & Company
		01-April-2012 to 31-March-2013		
Indiabulls Asset Holding Company Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Indiabulls Life Insurance Company Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Indiabulls Asset Management Company Limited	India	01-April-2013 to 31-March-2014	100%	A Sardana & Co.
		01-April-2012 to 31-March-2013		
Indiabulls Trustee Company Limited	India	01-April-2013 to 31-March-2014	100%	Sharma Goel & Co. LLP
		01-April-2012 to 31-March-2013		
Indiabulls Holdings Limited	India	01-April-2013 to 31-March-2014	100%	Sharma Goel & Co. LLP
		01-April-2012 to 31-March-2013		
Indiabulls Venture Capital Management Company Limited	India	01-April-2013 to 31-March-2014	100%	Sharma Goel & Co. LLP
		01-April-2012 to 31-March-2013		
Indiabulls Venture Capital Trustee Company Limited	India	01-April-2013 to 31-March-2014	100%	Sharma Goel & Co. LLP
		01-April-2012 to 31-March-2013		
Indiabulls Asset Reconstruction Company Limited*	India	01-April-2013 to 31-March-2014	75.00%	A Sardana & Co.
		11-January-2013 to 31-March-2013		
Indiabulls Alternative Asset Management Private Limited**	Singapore	01-April-2012 to 07-February-2013	100%	

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.

*Refer Note 14(2)

** Struck off from the records of Accounting and Corporate Regulatory Authority of Singapore on February 7, 2013 (Refer Note 14(3)).



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

vi) Information relating to Subsidiaries including subsidiaries of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011:

Name of the Subsidiary Companies	Year	Currency	Share Capital	Reserves and Surplus (Surplus / Deficit)	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend (Including Corporate Dividend Tax)
1. Indiabulls Collection Agency Limited	2013-14	Rs.	1,500,000	161,422,010	95,918,920	2,555,548	69,558,638	16,456,835	15,891,395	2,562,034	13,329,361	-
	2012-13		1,500,000	148,092,649	14,155,835	2,563,186	138,000,000	15,586,947	14,670,187	2,470,848	12,199,339	-
2. Ibulls Sales Limited	2013-14	Rs.	500,000	13,967,252	32,163,846	17,696,594	-	172,591,136	13,240,898	4,051,088	9,189,810	-
	2012-13		500,000	4,777,442	28,841,501	23,564,059	-	130,604,128	2,600,221	(376,694)	2,976,915	-
3. Indiabulls Insurance Advisors Limited	2013-14	Rs.	500,000	1,039,940,929	6,623,095	1,077,095,401	31,031,377	5,580,626	5,277,246	856,681	4,420,565	-
	2012-13		500,000	1,044,361,494	31,689,874	1,076,051,368	500,000	3,434,191	2,966,468	542,410	2,424,058	-
4. Nilgiri Financial Consultants Limited	2013-14	Rs.	500,000	64,051,820	35,607,722	1,374,214	30,318,312	9,840,600	9,515,927	1,644,333	7,871,594	-
	2012-13		500,000	56,180,226	39,266,962	1,586,736	19,000,000	7,494,971	7,233,280	1,572,752	5,660,528	-
5. Indiabulls Finance Company Private Limited	2013-14	Rs.	76,086,960	3,617,477,924	8,341,577,234	4,648,012,350	-	779,349,018	462,253,216	134,816,445	327,436,771	-
	2012-13		76,086,960	3,290,041,153	4,098,221,341	1,453,754,721	721,661,493	436,350,220	373,432,780	101,415,125	272,017,655	-
6. Indiabulls Capital Services Limited	2013-14	Rs.	50,000,000	(154,627,061)	53,767,107	199,323,384	40,929,216	4,632,043	2,644,780	144,937	2,496,843	-
	2012-13		50,000,000	(157,123,904)	91,945,845	199,069,749	-	10,376,898	4,802,662	265,788	4,536,874	-
7. Indiabulls Infrastructure Credit Limited	2013-14	Rs.	325,000,000	2,844,344,408	14,041,682,690	10,872,338,282	-	1,740,554,056	342,984,547	98,272,736	244,711,811	22,500,000
	2012-13		325,000,000	2,622,132,597	4,815,503,644	2,028,371,047	160,000,000	116,913,368	93,298,551	18,560,997	74,737,554	-
8. Indiabulls Advisory Services Limited	2013-14	Rs.	25,500,000	30,617,398	30,339,207	221,809	26,000,000	4,695,290	4,363,557	180,834	4,182,723	-
	2012-13		25,500,000	26,434,675	4,524,226	4,589,551	52,000,000	5,148,795	1,231,863	27,284	1,204,579	-
9. Indiabulls Asset Holding Company Limited	2013-14	Rs.	500,000	(929,312)	49,763	479,075	-	-	(84,098)	-	(84,098)	-
	2012-13		500,000	(945,214)	22,793	368,007	-	-	(127,090)	-	(127,090)	-
10. Indiabulls Life Insurance Company Limited	2013-14	Rs.	500,000	(47,888,915)	2,153,381	49,542,296	-	-	(3,564,510)	-	(3,564,510)	-
	2012-13		500,000	(44,324,405)	2,156,709	45,981,114	-	-	(4,691,905)	1,414,349	(6,106,254)	-
11. Indiabulls Asset Management Company Limited	2013-14	Rs.	210,000,000	(40,514,366)	48,175,537	3,317,981	124,628,078	43,434,600	(47,793,484)	(18,867,413)	(28,926,071)	-
	2012-13		150,000,000	(15,802,419)	43,345,465	16,646,884	107,500,000	80,385,136	(184,768)	1,079,045	(1,263,813)	-
12. Indiabulls Trustee Company Limited	2013-14	Rs.	5,000,000	1,125,815	6,375,513	249,698	-	1,433,690	656,960	203,000	453,960	-
	2012-13		5,000,000	677,855	5,741,945	70,090	-	1,315,070	626,602	200,953	425,649	-
13. Indiabulls Holdings Limited	2013-14	Rs.	1,500,000	(354,367)	201,813	56,180	1,000,000	-	(64,569)	-	(64,569)	-
	2012-13		1,500,000	(289,798)	267,506	57,304	1,000,000	14,534	(81,804)	-	(81,804)	-
14. Indiabulls Venture Capital Management Company Limited	2013-14	Rs.	500,000	(368,398)	187,782	56,180	-	-	(61,996)	-	(61,996)	-
	2012-13		500,000	(306,402)	250,902	57,304	-	14,536	(80,601)	-	(80,601)	-
15. Indiabulls Venture Capital Trustee Company Limited	2013-14	Rs.	500,000	(386,075)	170,305	56,380	-	-	(69,862)	-	(69,862)	-
	2012-13		500,000	(316,213)	241,291	57,504	-	973	(89,495)	-	(89,495)	-
16. Indiabulls Asset Reconstruction Company Limited	2013-14	Rs.	51,000,000	25,497,896	43,448,096	972,318	34,022,118	5,344,572	4,847,857	777,076	4,070,781	-
	2012-13		51,000,000	21,427,115	5,010,011	1,582,896	69,000,000	5,615,866	5,511,322	1,453,213	4,058,109	-
17. Indiabulls Alternative Asset Management Private Limited	2013-14	Rs.	-	-	-	-	-	903,816	595,907	-	595,907	-
	2012-13		-	-	-	-	-	-	-	-	-	-

Note: For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR (Rs.), following exchange rates are used for 1 INR / (Rs.)

Currency	Balance Sheet (Closing Rate)	Statement of Profit and Loss (Average Rate)
SGD	2012-13	2012-13
	42.92	43.77



Notes forming part of the Consolidated Financial Statements

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vii) Prudential Norms:

The Company follows The Housing Finance Companies (NHB) Directions, 2010 ("NHB Directions, 2010") as amended from time to time, in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the Balance Sheet and provisioning. The Non Banking Financial Companies in the Group follows 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 dated February 22, 2007 and as amended from time to time ("RBI Directions, 2007"), in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the Balance Sheet and provisioning. Accounting Standards (AS) as notified by the Companies (Accounting Standards) Rules, 2006, as amended and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the NHB Directions, 2010 / RBI Directions, 2007 .

viii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

ix) Revenue Recognition:

Interest Income from financing and investing activities and others is recognised on an accrual

basis. In terms of the NHB Directions, 2010 / RBI Directions, 2007 interest income on Non-performing assets ('NPAs') is recognised only when it is actually realised.

Processing Fees in respect of loans given is recognised on sanction / disbursement as per the terms of the contract.

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.

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 EMI's, 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 Housing Finance Companies (NHB) Directions 2010/ RBI Directions, 2007 wherever applicable, Dividend Income on units of Mutual Fund(s) held by the Company are recognised on cash basis as per the NHB Directions, 2010 / RBI Directions, 2007.

Interest Income on Inter Corporate Deposits and Deposit Accounts are recognised on accrual basis.

Income from management fees are recognised on an accrual basis in accordance with the SEBI regulations.

The net gain/loss on account of Investments in Debentures/Bonds/Certificate of Deposit/ Commercial papers and Government Securities is recognised on trade date basis. Interest Income is recognised on accrual basis.



Notes forming part of the Consolidated Financial Statements

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- Trusteeship Income is recognised on accrual basis.
- x) Securitisation / Assignment of Loan portfolio:**
Derecognition of loans assigned/secured in the books of the Company, recognition of gain / loss arising on securitisation /assignment and accounting for credit enhancements provided by the Company is based on the guidelines issued by Institute of Chartered Accountants of India.
Derecognition of loans assigned / secured in the books of the Company is based on the principle of surrender of control over the loans resulting in a “true sale” of loans.
Residual income on Assignment/ Securitisation of Loans is recognised over the life of the underlying loans and not on an upfront basis.
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.
- xi) Fixed Assets:**
(a) **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.
(b) **Intangible Assets:**
Intangible assets are stated at cost, net of tax / duty credits availed, less accumulated amortisation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.
- xii) Depreciation and Amortisation:**
Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date the asset is put to use. Leasehold improvements are amortised over the period of Lease. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale/ deduction, as the case may be. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation. 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. The recoverable amount is the higher of an asset’s net selling price and its value in use. 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 Statement of Profit and Loss. 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) 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.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.
Deferred tax resulting from timing differences between accounting income and taxable income is accounted for at the tax rates and the tax laws substantively enacted as at the Balance Sheet date, to the extent that the timing differences are



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

expected to crystallise / capable of reversal in one or more subsequent periods.

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 virtual certainty of realisation backed by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

xv) Share/Debenture Issue Expenses and Premium/Discount on Issue:

Share/Debenture issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 78(2) of the Companies Act, 1956, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

Premium/Discount on Issue of debentures, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 78(2) of the Companies Act, 1956, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

xvi) Investments:

Investments are classified as long term and current investments. Long term investments are carried individually at cost less provision, if any, for diminution other than temporary in the value of such investments. In terms of NHB Directions, 2010, quoted Current investments are valued at lower of cost or market value. Unquoted current investments in units of Mutual Funds are valued as per Net Asset Value of the Plan. Provision for diminution in value of investments is made in accordance with the NHB Directions, 2010/RBI Directions, 2007 and Accounting Standard (AS) - 13 'Accounting for Investments' as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

xvii) Employee benefits:

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has unfunded defined benefit plans as Compensated Absences and Gratuity for all eligible 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'. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses, as applicable. Superannuation (Pension & Medical coverage) payable to a Director 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 the Statement of Profit and Loss as income or expenses as applicable.

xviii) Commercial Papers:

The liability is recognised at the face value of the Commercial Paper at the time of its issue. The discount on issue of Commercial Papers is amortised over the tenure of the instrument.

xix) 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 the Statement of Profit and Loss.

xx) 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 intrinsic value of the Company's shares of stock options at the 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



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the basis of a valuation certified by an independent firm of Chartered Accountants in respect of stock options granted.

xxi) Leases:

In case of assets taken on operating lease, the lease rentals are charged to the Statement of Profit and Loss on a straight line basis in accordance with Accounting Standard (AS) 19 – Leases as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

xxii) Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities.

xxiii) Derivative Transactions:

The Company has entered into Interest Rate Swap (IRS) and Foreign Currency Options (FCO). All outstanding IRS contracts and FCO contracts are marked-to-market as at the year end. Losses are recognised in the Statement of Profit and Loss based on category of contracts and gains towards category of contracts are ignored, in line with the Announcement made by the ICAI dated March 29, 2008. Any profit/loss arising on cancellation/unwinding of IRS contracts and FCO contract are recognised as income or expenses for the period. Premium / discount on IRS / FCO contract which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date, except in case where they relate to the acquisition or construction of fixed assets, in

which case, they are adjusted to the carrying cost of such assets.

xxiv) Foreign Currency Transactions and Translations:

- i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii. Monetary items denominated in foreign currencies at the year end are translated at year end rates. In case of Forward Foreign Exchange Contract (FEC), the difference between the year-end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. Any profit/loss arising on cancellation or renewal of forward contract is recognised as income or expense for the period.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- v. The exchange differences arising on settlement / restatement of long-term monetary items which do not relate to acquisition of depreciable fixed assets are amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange differences are carried in the Balance Sheet as “Foreign Currency Monetary Item Translation Difference Account” net of the tax effect thereon, where applicable.

xxv) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.



Notes forming part of the Consolidated Financial Statements

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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 neither recognised nor disclosed.

xxvi) Stock of Securities:

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

xxvii) 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 Statement of Profit and Loss.
- Debit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the Statement of Profit and Loss.

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 Statement of Profit and Loss. 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.

(2) Corporate Information:

The Board of Directors of Indiabulls Housing Finance Limited (100% subsidiary of "IBFSL") and Indiabulls Financial Services Limited ("IBFSL", "Erstwhile Holding Company") at their meeting held on April 27, 2012 had approved the Scheme of Arrangement involving the reverse merger of IBFSL with the Company in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 (the "Scheme of Arrangement"). The Appointed Date of the proposed merger fixed under the Scheme of Arrangement was April 1, 2012. The Hon'ble High Court of Delhi, vide its Order dated December 12, 2012, received by the Company on February 8, 2013, approved the Scheme of Arrangement. In terms of the Court approved Scheme of Arrangement, with the filing of the copy of the Order, on March 8, 2013, with the office of ROC, NCT of Delhi & Haryana (the Effective Date), IBFSL, as a going concern, stands amalgamated with IBHFL with effect from the Appointed Date, being April 1, 2012. Accordingly, Earnings Per Share and previous year figures are not comparable.

Indiabulls Financial Services Limited ("IBFSL") was incorporated on January 10, 2000 as a Private Limited Company. 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-



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Banking Financial Company. The Company was converted into a public limited Company pursuant to Section 44 of the Companies Act, 1956 on February 03, 2004.

Indiabulls Housing Finance Limited ("the Company") ("IBHFL") was incorporated on May 10, 2005. On December 28, 2005 the Company was registered under Section 29A of the National Housing Bank Act, 1987 to commence / carry on the business of a Housing Finance Institution without accepting public deposits. The Company is required to comply with provisions of the National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and other guidelines / instructions / circulars issued by the National Housing Bank from time to time.

The Company is engaged in the business to provide finance and to undertake all lending and finance to

any person or persons, co-operative society, association of persons, body of individuals, companies, institutions, firms, builders, developers, contractors, tenants and others either at interest or without and/or with or without any security for construction, erection, building, repair, remodeling, development, improvement, purchase of houses, apartments, flats, bungalows, rooms, huts, townships and/or other buildings and real estate of all descriptions or convenience there on and to equip the same or part thereof with all or any amenities or conveniences, drainage facility, electric, telephonic, television, and other installations, either in total or part thereof and / or to purchase any free hold or lease hold lands, estate or interest in any property and such other activities as may be permitted under the Main Objects of the Memorandum of Association of the Company.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(3) Share Capital		
Authorised		
3,000,000,000 (Previous Year 3,000,000,000) Equity Shares of face value Rs. 2 each	6,000,000,000	6,000,000,000
1,000,000,000 (Previous Year 1,000,000,000) Preference Shares of face value Rs.10 each	10,000,000,000	10,000,000,000
Issued, subscribed and fully paid up^{(i) to (viii)}		
334,042,443 (Previous Year 312,511,167) Equity Shares of Face Value Rs. 2 (Previous Year Rs. 2) each fully paid up	668,084,886	625,022,334
The Company has only one class of Equity Shares of face value Rs. 2 each fully paid up. Each holder of Equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, if applicable.		
In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.		
	<u>668,084,886</u>	<u>625,022,334</u>



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

- (i) Indiabulls Financial Services Limited (“Erstwhile Holding Company”) had issued Global Depository Receipts (GDR’s) which were transferred under the Scheme of Arrangement. As at March 31, 2014 3,100,273 (Previous Year 5,608,131) GDR’s were outstanding and were eligible for conversion into Equity Shares. The Company does not have information with respect to holders of these GDR’s. Holders of Global Depository Receipts (GDRs) will be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares, less the fees and expenses payable under such Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDRs will not have voting rights with respect to the Deposited Shares. The GDRs may not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.
- (ii) 312,511,167(Previous Year 312,511,167) Equity Shares were allotted by the Company, for consideration other than cash to the shareholders of Erstwhile Holding Company pursuant to and in terms of the Scheme of Arrangement, approved by the Hon’ble High Court of Delhi vide its Order dated December 12, 2012, which came into effect on March 8, 2013 from the Appointed Date April 1, 2012. ^(Refer Note 36)

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of financial year:-

Particulars	March 31, 2014		March 31, 2013	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Opening Balance	312,511,167	625,022,334	—	—
Less: Equity Shares of Rs. 10 each cancelled under the Scheme of Arrangement	—	—	—	—
Add: Equity Shares of Rs. 2 each issued during the year under the Scheme of Arrangement*	—	—	312,511,167	625,022,334
Add: Equity Shares of Rs. 2 each issued during the year**	21,531,276	43,062,552	—	—
Closing Balance	334,042,443	668,084,886	312,511,167	625,022,334

*Includes 706,596 Equity Shares of Rs. 2 each issued during the year ended March 31, 2013, under various ESOP Schemes by the Erstwhile Holding Company aggregating to Rs. 1,413,192.

**Includes 831,276 Equity Shares of Rs. 2 each issued during the year ended March 31, 2014, under various ESOP Schemes aggregating to Rs. 1,662,552 and 20,700,000 Equity Shares of Rs. 2 each issued during the year to certain promotor entities and Key Management Personnels against outstanding Share warrants aggregating to Rs. 41,400,000.



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

(iv) Shares held by Shareholders holding more than 5% shares:-

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Promoters and promoter group company				
Mr. Sameer Gehlaut	37,601,278	11.26%	37,601,278	12.03%
Mr. Saurabh Kumar Mittal	18,987,083	5.68%	18,987,083	6.08%
Mr. Rajiv Rattan	18,780,253	5.62%	18,780,253	6.01%
Orthia Land Development Private Limited	15,817,165	4.74%	15,717,165	5.03%
Non - Promoters				
Copthall Mauritius Investment Limited	20,599,094	6.17%	19,931,538	6.38%
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	18,828,838	5.64%	18,962,353	6.07%
Morgan Stanley Asia (Singapore) PTE	17,000,531	5.09%	7,742,820	2.48%

(v) Employees Stock Options Schemes:

Indiabulls Financial Services Limited ("Erstwhile Holding Company") (Refer Note 36) and its erstwhile subsidiary, Indiabulls Credit Services Limited ("ICSL") had announced ESOS / ESOP schemes for its employees and the employees of its group companies wherein each option represents one Equity Share of the Company. The Company has adopted the ESOS / ESOP schemes in respect of its employees. A Compensation Committee constituted by the Board of Directors administers each of the plans.

(a) Stock option schemes of the erstwhile Holding Company including schemes in lieu of stock options schemes of erstwhile fellow subsidiary Indiabulls Credit Services Limited transferred under the Court approved Scheme of Arrangement^(Refer Note 36) :

S. No.	ERSTWHILE PLANS	NEW PLANS*
1	IBFSL – ICSL Employees Stock Option Plan – 2006	IHFL- IBFSL Employees Stock Option Plan – 2006
2	IBFSL – ICSL Employees Stock Option Plan II – 2006	IHFL - IBFSL Employees Stock Option Plan II – 2006
3	IBFSL – Employees Stock Option – 2008	IHFL - IBFSL Employees Stock Option – 2008

*The name of the schemes have been revised by the approval of the Shareholders of the Company in the 8th Annual General Meeting held on July 1, 2013.

(b) IHFL ESOS - 2013

The members of the Company at their Meeting dated March 6, 2013 approved the IHFL ESOS - 2013 scheme consisting of 39,000,000 stock options representing 39,000,000 fully paid up Equity Shares of Rs. 2 each of the Company to be issued in one or more tranches to eligible employees of the Company or to eligible employees of the subsidiaries / step down subsidiaries of the Company. The same has not yet been granted till March 31, 2014.



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

(c) The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

Particulars	IHFL-IBFSL Employees Stock Option Plan 2006	IHFL-IBFSL Employees Stock Option Plan II - 2006	IHFL-IBFSL Employees Stock Option Plan - 2008	IHFL-IBFSL Employees Stock Option Plan - 2008 -Regrant	IHFL-IBFSL Employees Stock Option Plan - 2008 -Regrant	IHFL-IBFSL Employees Stock Option Plan - 2006 -Regrant	IHFL-IBFSL Employees Stock Option Plan - 2008 -Regrant	IHFL-IBFSL Employees Stock Option Plan - 2006 -Regrant	IHFL-IBFSL Employees Stock Option Plan - 2008 -Regrant
Total Options under the Scheme	1,440,000	720,000	7,500,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Options issued	1,440,000	720,000	7,500,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	Four years, 25% each year	Ten years, 15% First year, 10% for next eight years and 5% in last year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Date	1st April	1st November	8th December	31st December	16th July	27th August	11th January	27th August	27th August
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	N.A.	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	41.67	100.00	95.95	125.90	158.50	95.95	153.65	100.00	100.00
Exercisable Period	4 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	296,910	132,762	3,043,559	87,915	171,720	316,000	163,000	175,200	175,200
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	31-Dec-09	16-Jul-10	27-Aug-09	11-Jan-11	27-Aug-09	27-Aug-09
Options vested during the year (Nos.)	63,558	25,581	480,588	9,840	20,440	39,500	20,000	21,900	21,900
Exercised during the year (Nos.)	78,570	27,693	626,693	2,250	20,170	39,500	14,500	21,900	21,900
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-
Lapsed during the year	12,672	5,118	92,864	27,615	8,000	-	-	-	-
Re-granted during the year	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	205,668	99,951	2,324,002	58,050	143,550	276,500	148,500	153,300	153,300
Exercisable at the end of the year (Nos.)	3,888	21,489	186,803	17,010	470	39,500	8,500	21,900	21,900
Remaining contractual Life (Weighted Months)	60	72	87	82	99	89	103	89	89

N.A - Not Applicable



Notes forming part of the Consolidated Financial Statements

of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

The Fair value of the options as determined by an Independent firm of Chartered Accountants, which has been regranted by the Erstwhile Holding Company under the respective plans using the Black-Scholes Merton Option Pricing Model based on the following parameters are as under:-

Particulars	IHFL- IBFSL ESOP – 2008 Regrant	IHFL- IBFSL ESOP – 2008 Regrant	IHFL - IBFSL Employees Stock Option Plan 2006- Regrant	IHFL - IBFSL Employees Stock Option Plan II 2006- Regrant	IHFL- IBFSL ESOP – 2008 Regrant
Exercise price	Rs. 125.90	Rs. 158.50	Rs. 95.95	Rs. 100.00	Rs. 153.65
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%
Weighted Average Fair Value (Rs.)	83.48	90.24	106.30	108.06	84.93
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%

*The expected volatility was determined based on historical volatility data.

Fair Value Methodology:

As all the other plans were issued based on the fair value of the options on the date of the grant, there is no impact of the same on the net profit and earnings per share. The IHFL - IBFSL Employees Stock Option Plan – 2008 (including re-grant) were issued at the Intrinsic value of the options on the date of the grant. Had the compensation cost for the stock options granted under IHFL - IBFSL Employees Stock Option Plan – 2008 (including re-grant) been determined based on the fair value approach, the Company's net profit and earnings per share would have been as per the pro forma amounts indicated below:-

Particulars	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
Net Profit After Tax	15,685,374,967	12,660,648,871
Less: Share of Minority (including share of Reserve Fund)	43,771,408	116,622,031
Net Profit available to Equity Share holders (as reported)	15,641,603,559	12,544,026,840
Less : Stock-based compensation expense determined under fair value based method: [Gross Rs. 383,939,285 (Previous Year Rs. 390,850,276)] (Pro forma)	29,348,073	40,985,070
Net Profit available to Equity Shareholders (as per Pro forma)	15,612,255,486	12,503,041,770
Basic earnings per share (as reported)	47.96	40.19
Basic earnings per share (Pro forma)	47.87	40.06
Diluted earnings per share (as reported)	47.47	38.94
Diluted earnings per share (Pro forma)	47.38	38.82



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- (vi) During the year ended March 31, 2013, pursuant to the Scheme of Arrangement the Authorised Capital of the Company has been rearranged to Rs.16,000,000,000 divided into 3,000,000,000 Equity Shares of Rs. 2 each and 1,000,000,000 Preference Shares of Rs. 10 each.
- (vii) 30,909,521 Equity Shares of Rs. 2 each (Previous year 52,587,066) are reserved for issuance as follows:-
- 3,409,521 shares of Rs. 2 each (Previous Year 4,387,066) towards Employees Stock options as granted.
 - 27,500,000 shares of Rs. 2 each (Previous Year 48,200,000) towards outstanding share warrants.
- (viii) **Minority Interest includes:**
- As at March 31, 2014, Nil (Previous Year 3,233,696) Equity Shares of Face Value Rs.10 each fully paid up issued by subsidiary company Indiabulls Finance Company Private Limited.
 - As at March 31, 2014, 1,275,000 (Previous Year 1,275,000) Equity Shares of Face Value Rs.10 each fully paid up issued by subsidiary company Indiabulls Asset Reconstruction Company Limited.
 - Proportionate share in the movement in Reserves & Surplus of the said subsidiary.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(4) Reserves and Surplus		
Capital Reserve:		
Opening Balance	139,196,727	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.36)	—	139,196,727
Closing Balance	139,196,727	139,196,727
Capital Reserve on consolidation		
Opening Balance	581,869,039	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.36)	—	573,014,251
Add: Addition during the year	—	8,854,788
Less : Adjusted Against Goodwill ⁽¹⁾	567,148,885	—
Closing Balance	14,720,154	581,869,039
Capital Redemption Reserve		
Opening Balance	63,627,392	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.36)	—	63,627,392
Closing Balance	63,627,392	63,627,392
Securities Premium Account		
Opening Balance	29,783,950,841	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.36)	—	32,218,192,509
Add: Additions during the year on account of shares issued under ESOPs	76,200,123	66,773,829



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Add: Additions during the year on account of shares issued against Share Warrants	4,471,200,000	—
Add: Transfer from Stock Compensation Adjustment Account	6,140,335	—
	<u>34,337,491,299</u>	<u>32,284,966,338</u>
Less: Debenture issue expenses (Net of tax effect of Rs. 47,753,427 (Previous Year Rs. 227,618,812))	175,785,384	682,930,943
Less: Premium on Redemption of Non Convertible Debentures (Including Discount) (Net of tax effect of Rs. 500,076,502 (Previous Year Rs. 605,962,066))	1,840,834,157	1,818,084,554
Closing Balance	<u>32,320,871,758</u>	<u>29,783,950,841</u>
Stock Compensation Adjustment ^(Refer Note 36)		
Employee Stock options outstanding	61,403,350	61,403,350
Less: Deferred Employee Stock Compensation expense	12,975,233	18,794,365
Less: Transferred to Securities Premium account	18,421,005	12,280,670
Closing Balance	<u>30,007,112</u>	<u>30,328,315</u>
General Reserve		
Opening Balance	3,624,232,769	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note.36)	—	2,396,232,769
Add: Amount transferred during the year from Surplus in the Consolidated Statement of Profit and Loss	1,510,000,000	1,228,000,000
Closing Balance	<u>5,134,232,769</u>	<u>3,624,232,769</u>
Foreign Currency Monetary Item Translation Difference Account ⁽²⁾		
Opening Balance	(27,523,476)	—
Add: Transfer during the Year	—	(27,523,476)
Less: Adjusted during the Year	27,523,476	—
Closing Balance	<u>—</u>	<u>(27,523,476)</u>
Other Reserves:-		
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	920,790,142	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note.36)	—	890,000,000
Add: Amount transferred during the year from Surplus in the Consolidated Statement of Profit and Loss ⁽³⁾	95,257,644	48,048,204
Less: Transferred to Minority Interest	—	17,258,062
Closing Balance	<u>1,016,047,786</u>	<u>920,790,142</u>



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Statutory Reserve		
Reserve (I) as per Section 29C of the Housing Finance Act, 1987⁽⁴⁾		
Opening Balance	3,419,622,833	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note.36)	—	963,808,922
Add: Amount transferred during the year from Surplus in the Consolidated Statement of Profit and Loss	3,019,996,370	2,455,813,911
Closing Balance	<u>6,439,619,203</u>	<u>3,419,622,833</u>
Reserve (II) as per Section 45-IC of the RBI Act, 1934⁽⁵⁾		
Opening Balance	5,374,040,262	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note.36)	—	5,327,810,721
Add: Amount transferred during the year from Surplus in the Consolidated Statement of Profit and Loss	114,429,716	69,351,042
Less: Amount transferred to Minority Interest	—	23,121,501
Closing Balance	<u>5,488,469,978</u>	<u>5,374,040,262</u>
Additional Reserve Fund (U/s 29C of the National Housing Bank Act, 1987)⁽⁴⁾		
Opening Balance	2,749,352,909	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note.36)	—	2,069,552,909
Add: Amount transferred during the year from Surplus in the Statement of Profit and Loss	1,000,000,000	2,000,000,000
Less: Amount utilised during the year ⁽⁶⁾	—	1,320,200,000
Closing Balance	<u>3,749,352,909</u>	<u>2,749,352,909</u>
Surplus in the Consolidated Statement of Profit and Loss		
Opening Balance	3,397,094,854	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note.36)	—	3,890,750,316
Add: Adjustment on account of Deferred Tax ⁽⁷⁾	4,213,124	—
Profit for the year	15,641,603,559	12,584,406,403
Amount available for appropriation (A)	<u>19,042,911,537</u>	<u>16,475,156,719</u>
Appropriations:		
Interim Dividend paid on Equity Shares (Rs. 20.00 Per Share (Previous Year Rs. 13.50))	6,650,135,713	4,215,019,939



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Interim Dividend payable on Equity Shares (Rs. 9.00 Per Share (Previous Year Rs. 6.50))	3,006,381,987	2,031,322,586
Dividend for the previous year on Equity Shares issued by the Erstwhile Holding Company after the year end pursuant to ESOPs Allotment	—	1,291,745
Corporate Dividend Tax on Interim Dividend paid on Equity Shares	1,130,190,566	683,781,610
Corporate Dividend Tax on Interim Dividend payable on Equity Shares	510,934,619	345,223,274
Corporate Dividend Tax on Dividend for the previous year on Equity Shares issued by the Erstwhile Holding Company after the year end pursuant to ESOPs Allotment	—	209,554
Transferred to General Reserve	1,510,000,000	1,228,000,000
Transferred to Special Reserve (U/s 36(1)(viii) of the Income Tax Act, 1961)	95,257,644	48,048,204
Transferred to Special Reserve (1) (U/s 29C of the National Housing Bank Act, 1987)	3,019,996,370	2,455,813,911
Transferred to Additional Reserve (U/s 29C of the National Housing Bank Act, 1987)	1,000,000,000	2,000,000,000
Transferred to Reserve (2) (U/s 45-IC of the RBI Act, 1934)	114,429,716	69,351,042
Total Appropriations (B)	17,037,326,615	13,078,061,865
Balance of Profit Carried Forward (A)-(B)	2,005,584,922	3,397,094,854
	<u>56,401,730,710</u>	<u>50,056,582,607</u>

(1) Goodwill / Capital Reserve:

As at the beginning of the current financial year, the Company had recorded Capital Reserve arising on Consolidation amounting to Rs. 581,869,039 and Goodwill arising on Consolidation amounting to Rs.123,975,982. During the Current financial year, the Company had purchased the remaining 42.50% stake (i.e. 3,233,696 Equity Shares) in Indiabulls Finance Company Private Limited (IFCPL), which was earlier held by Amaprop Limited, at a total consideration of Rs. 2,616,891,255. Post this transaction IFCPL is now a wholly owned subsidiary of the Company. Goodwill arising due to this transaction was Rs. 1,143,533,095. Capital Reserve recognised earlier in IFCPL of Rs. 567,148,885 is adjusted against Goodwill stated above. After the above adjustment the Capital Reserve arising on Consolidation as at the end of the current financial year is Rs. 14,720,154 and Goodwill arising on Consolidation is Rs.700,360,191.

(2) Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates, as notified by the Companies (Accounting Standards) Rules, 2006, as amended, the Company has exercised the option as per para 46A inserted in the said Standard for all long term monetary assets and liabilities. Consequently an amount of Rs. Nil (Previous Year Rs. 27,523,476) representing translation difference on foreign currency loans is carried forward in the Foreign Currency Monetary Item Translation Difference Account as on March 31, 2014.

(3) In terms of Section 36(1)(viii) of the Income-tax Act, 1961, a deduction is allowed for income from eligible business viz, Income from providing long-term infrastructure finance, long-term finance for the construction or purchase of houses in India for residential purposes and the business of providing long-term finance for industrial or agricultural development etc. The Company claims the deduction as it falls under some of the categories of eligible business as defined under Section 36 (1)(viii) of the Income-tax Act, 1961. Consequently the Company



Notes forming part of the Consolidated Financial Statements

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has, as at the year end, transferred an amount of Rs. 95,257,644 (Previous Year Rs. 48,048,204) to the Special Reserve created to claim deduction in respect of eligible business under the said section.

(4) In terms of Section 29C of the National Housing Bank (NHB) Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Such a Reserve Fund is also considered as an eligible transfer in terms of Section 36(1)(viii) of the Income Tax Act, 1961. The Company has transferred an amount of Rs. 3,019,996,370 (Previous Year Rs. 2,455,813,911) to the Reserve Fund as at the year end. Further an additional amount of Rs. 1,000,000,000 (Previous Year Rs. 2,000,000,000) has been set apart by way of transfer to Additional Reserve Fund in excess of the statutory minimum requirement as specified under Section 29C pursuant to Circular no. NHB(ND)/DRS/Pol-No. 03/2004-05 dated August 26, 2004 issued by the National Housing Bank. The additional amount so transferred may be utilised in the future for any business purpose.

(5) This pertains to reserve created under section 45-IC of the RBI Act 1934, by the Erstwhile Holding Company Indiabulls Financial Services Limited and its subsidiaries transferred under the Scheme of Arrangement. In terms of Section 45-IC of the RBI Act, 1934, the Subsidiary Non Banking Finance Companies ("NBFC") Companies in the Group are required to transfer at least 20% of its Net Profits to a reserve before any dividend is declared. As at the year end, the NBFC has transferred an amount of Rs. 114,429,716 (Previous Year Rs. 69,351,042) to the Reserve Fund during the year.

(6) During the year, in addition to the provision for loan assets and standard assets charged of Rs. 1,342,098,025 (Previous Year Rs. 2,563,100,531) to the Consolidated Statement of Profit and Loss, an amount of Rs. Nil (net of Deferred Tax of Rs. Nil) [(Previous Year Rs. 1,320,200,000) (net of Deferred Tax of Rs. 679,800,000)] being one time charge of provision for standard assets and other contingencies due to merger between the Company and the Erstwhile Holding Company (Refer Note 36) and changes in the provisioning requirements by the National Housing Bank vide Circulars no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 has been transferred from Additional Reserve created as per Section 29C of the National Housing Bank Act, 1987 pursuant to Circular NHB(ND)/DRS/Pol-No. 03/2004-05 dated August 26, 2004 as under;

Particulars	As at	As at
	March 31, 2014	March 31, 2013
	Amount (Rs.)	Amount (Rs.)
Provisions for Contingencies	29,792,853	2,239,588,041
Provision for Loan assets	1,312,305,172	323,512,490
Total	1,342,098,025	2,563,100,531

(7) One of the subsidiary company namely Indiabulls Asset Management Company Limited (IAMCL) has reviewed its deferred tax assets and liabilities as at March 31, 2014 and has recognised deferred tax assets arising from timing differences as a result of carry forward of tax losses as at March 31, 2014. Consequently, opening reserves have been adjusted by Rs. 4,213,124 on account of re-assessment of deferred tax assets arising from timing differences as a result of carry forward of tax losses as at March 31, 2013. The Board of Directors of IAMCL believe that the Company would be able to realise the carrying value of such deferred tax assets of Rs. 23,235,939 as at March 31, 2014 through generation of sufficient taxable profits in the future years based on the profits arising from the Company's business.

- (5) In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the erstwhile Holding Company during the financial year 2012-13, upon receipt of Shareholders approval, has on June 9, 2012, issued and allotted an aggregate of 20,700,000 warrants, to certain Promoter group entities and Key Management Personnel, at a conversion price of Rs. 218 per Equity Share, 25% of which amounting to Rs. 1,128,150,000 has already been received by the Erstwhile Holding Company from the respective allottees as upfront amount as at the Year ended March 31, 2013. These warrants were convertible into an equivalent number of Equity Shares of face value Rs. 2 each, in the Company, upon receipt of balance conversion price, within a period of eighteen months from the date of allotment. In the event the warrants are not converted into shares within the said period, the Company was eligible to forfeit



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of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

the amount received towards the warrants. During the Current financial year the Company has received the balance amount of 75% amounting to Rs. 4,512,600,000 upon exercise of the rights to convert the warrants into equity shares by the Warrant holders. ^(Refer Note 36)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(6) Long-term borrowings		
Secured		
Redeemable, Non Convertible Debentures ^{(Refer Note 28 (i))**}	65,754,000,000	58,071,000,000
Term Loans ^{(Refer Note 28 (ii))*}		
– from banks	122,629,397,317	111,821,798,868
– from others	2,624,999,999	4,004,999,999
Unsecured		
Loans and Advances from Others		
– 10.60% Redeemable Non convertible Perpetual Debentures***	1,000,000,000	1,000,000,000
– Subordinated Debt ^{(Refer Note 28 (iii))}	9,646,800,000	7,446,800,000
	201,655,197,316	182,344,598,867

* Secured by hypothecation of Loan Receivables/Current Assets/Cash and Cash Equivalents of the Company.

**Redeemable Non-Convertible Debentures are secured against Immovable Property / Current Assets and pool of Current and Future Loan Receivables of the Company.

***No Put Option, Call Option exercisable at the end of 10 years from the date of allotment (exercisable only with the prior approval of the concerned regulatory authority).

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(7) Other Long term liabilities		
Other Liabilities	2,236,144	2,759,578
Interest Accrued but not due on Secured Redeemable Non Convertible Debentures	—	75,619,945
	2,236,144	78,379,523

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(8) Long term provisions		
Provision for Contingencies ⁽¹⁾	2,671,303,176	2,671,818,448
Provision for Gratuity ^{(Refer Note 25(1))}	90,649,239	79,073,199
Provision for Compensated Absences ^{(Refer Note 25(1))}	38,551,927	35,462,489
Provision for Superannuation ^{(Refer Note 25(1))}	405,345,046	292,225,359
Premium on Redemption on Secured Non Convertible Debentures (Accrued but not due)(Sinking fund)	478,048,385	621,318,989
	3,683,897,773	3,699,898,484



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

- (1) Provision for Contingencies includes Contingent provision against standard assets and other contingencies. As per National Housing Bank Circular No. NHB/HFC/DIR.3/CMD/2011 dated August 5, 2011 and NHB/HFC/DIR.4/CMD/ 2012 dated January 19, 2012, in addition to provision for non performing assets, all housing finance companies are required to carry a general provision. (i) at the rate of 2% on housing loans disbursed at comparatively lower rate of interest in the initial few years, after which rates are reset at higher rates; (ii) at the rate of 1% of Standard Assets in respect of Commercial Real Estates and (iii) at the rate of 0.40% of the total outstanding amount of loans which are Standard Assets other than (i) & (ii) above. Also in terms of RBI Notification No. RBI/2010-11/370 DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated January 17, 2011, every Non-Banking Financial Company is required to make an additional provision for Standard Assets at 0.25% of the outstanding standard assets. Accordingly, the Company and its subsidiaries is carrying a provision of Rs. 2,550,979,450 (Previous Year Rs. 2,521,186,596) towards standard assets (included in Provisions for Contingencies), which is well over the required minimum provision as per the NHB Guidelines in case of the Company and on outstanding balance of Standard Assets as per RBI Directions in case of subsidiary companies.

Movement in Provision for Contingencies Account during the year is as under :

Particulars	As at	As at
	March 31, 2014 Amount (Rs.)	March 31, 2013 Amount (Rs.)
Opening Balance	3,051,182,061	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note. 36)	—	811,594,020
Add: Addition during the Year ^{(Refer Note 4(6))}	29,792,853	2,239,588,041
Closing Balance*	3,080,974,914	3,051,182,061
*Includes Contingent Provision Against Standard Assets	2,550,979,450	2,521,186,596

(9) Short-term borrowings

Secured

(a) Loans Repayable on Demand

From banks- Working Capital Demand Loan*	31,000,000,000	28,500,000,000
From Banks - Cash Credit Facility*	15,708,960,535	5,432,615,618

(b) Other Loans and Advances

From Banks *	9,725,000,000	7,277,523,476
From others	600,000,000	—
Redeemable, Non Convertible Debentures** & #	6,000,000,000	650,000,000

Unsecured

Other Loans and Advances

Commercial Papers ***	28,440,000,000	23,950,000,000
	91,473,960,535	65,810,139,094



Notes forming part of the Consolidated Financial Statements

of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

*Secured by hypothecation of Loan Receivables (Current and Future) / Current Assets / Cash and Cash Equivalents of the Company.

**Redeemable Non-Convertible Debentures are secured against Immovable Property / Current Assets and pool of Current and Future Loan Receivables of the Company.

***Maximum balance outstanding during the year Rs. 66,390,000,000 (Previous Year Rs. 31,880,000,000).

As at the year end, the Company was in the process of creating the charge / security on assets against Redeemable, Non Convertible Debentures of Rs. 6,000,000,000 (Previous Year Rs. Nil).

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(10) Trade payables		
(a) Dues to Micro and Small Enterprises*	—	—
(b) Dues to others	23,311,782	28,529,227
	23,311,782	28,529,227

* 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 regarding to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(11) Other current liabilities		
Current maturities of long term debt ⁽¹⁾	62,266,000,629	64,703,099,788
Interest accrued but not due ⁽²⁾	4,461,131,197	3,549,005,814
Temporary overdrawn balance as per books	11,041,794,629	6,957,697,476
Amount payable on assigned loans (net) ⁽³⁾	2,929,375,820	2,063,568,150
Other Current Liabilities for Statutory Dues and Expense Provisions	700,601,157	650,812,546
Unclaimed Dividends ⁽³⁾	24,186,444	19,287,496
Other liabilities	14,599,505	—
	81,437,689,381	77,943,471,270

*Secured by hypothecation of Loan Receivables/Current Assets/Cash and Cash Equivalents of the Company.



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(1) Current maturities of long term debt		
Redeemable, Non Convertible Debentures ^{(Refer Note 28 (i))}	22,850,000,000	26,890,000,000
Term Loans		
From Banks ^{(Refer Note 28 (iii))}	38,036,000,629	37,183,099,788
From Others ^{(Refer Note 28 (ii))}	1,380,000,000	630,000,000
	62,266,000,629	64,703,099,788
(2) Interest accrued but not due		
On Term Loans and Working Capital Demand Loans	79,719,924	42,196,097
On Secured Redeemable Non Convertible Debentures	3,827,128,799	3,106,859,914
On Subordinated Debt and Perpetual Debt	554,282,474	399,949,803
	4,461,131,197	3,549,005,814
(3) Amount payable on assigned loans is net of amount receivable from related parties amounting to Rs. Nil (Previous Year Rs 18,460,081).		
(4) 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, 2014.		
	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(12) Short-term provisions		
Provision for Taxation (net of Advance Tax Rs. 3,689,008,603 (Previous Year Rs. 4,943,752,305))	3,267,245,908	1,602,658,535
Provision for Fringe Benefits Tax (net of Advance Tax Rs.78,998,036 (Previous Year Rs. Rs.78,998,036))	185,628	185,628
Provision for Contingencies ^(Refer Note. 8)	409,671,738	379,363,613
Provision for Gratuity ^{(Refer Note 25(1))}	6,672,561	4,820,473
Provision for Compensated Absences ^{(Refer Note 25(1))}	3,035,479	2,580,883
Premium on Redemption on Secured Non Convertible Debentures (Accrued but not due)(Sinking fund)	1,614,726,322	3,882,512,878
Interim Dividend payable on Equity Shares (Rs. 9.00 per Equity share (Previous Year Rs. 6.50 per Equity share))	3,006,381,987	2,031,322,586
Corporate Dividend Tax payable on Interim Dividend on Equity Shares	510,934,619	345,223,274
	8,818,854,242	8,248,667,870



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2013	Additions during the year	Adjustments/Sales during the year	As at March 31, 2014	As at April 01, 2013	Addition on account of Scheme of Arrangement (Refer Note 36)	Provided during the year	Adjustments during the year	As at March 31, 2014	As at March 31, 2013
(i) Tangible Assets										
Land*	3,218,270	-	-	3,218,270	-	-	-	-	3,218,270	3,218,270
Buildings	10,255,100	-	-	10,255,100	386,982	167,158	-	-	9,700,960	9,868,118
Furniture & Fixtures	114,388,263	14,457,656	730,669	128,115,250	63,246,196	30,574,953	471,698	93,349,451	34,765,799	51,142,067
Vehicles	166,151,644	34,495,089	14,343,465	186,303,268	41,132,492	17,174,979	3,374,358	54,933,113	131,370,155	125,019,152
Office Equipment	104,916,768	13,169,522	881,618	117,204,672	25,161,930	5,414,020	317,393	30,258,557	86,946,115	79,754,838
Computers	193,063,369	18,794,064	4,705,415	207,152,018	151,284,743	15,707,664	4,582,586	162,404,821	44,747,197	41,778,626
Leasehold Improvements	202,895,166	23,780,972	9,509,547	217,166,541	69,333,814	2,866,083	6,899,108	65,300,789	151,865,752	133,561,352
TOTAL (i)	794,888,580	104,697,253	30,170,714	869,415,119	350,546,157	71,899,857	15,645,143	406,800,871	462,614,248	444,342,423
PREVIOUS YEAR (a)	-	701,597,497	16,784,805	794,888,580	-	285,039,578	72,961,924	7,455,345	444,342,423	-
(ii) Intangible Assets										
Software	194,570,127	2,113,032	-	196,683,159	183,236,245	6,953,066	-	190,189,311	6,493,848	11,333,882
TOTAL (ii)	194,570,127	2,113,032	-	196,683,159	183,236,245	6,953,066	-	190,189,311	6,493,848	11,333,882
PREVIOUS YEAR (b)	-	190,520,872	4,049,255	194,570,127	-	162,352,293	20,883,952	183,236,245	11,333,882	-
CURRENT YEAR TOTAL [(i)+(ii)]	989,458,707	106,810,285	30,170,714	1,066,098,278	533,782,402	78,852,923	15,645,143	596,990,182	469,108,096	455,676,305
PREVIOUS YEAR [(a)+(b)]	-	892,118,369	14,125,143	989,458,707	-	447,391,871	93,845,876	533,782,402	455,676,305	-
(iii) Capital Work in Progress (at cost)										
PREVIOUS YEAR										400,000

*Mortgaged as Security against Secured Non Convertible Debentures (Refer Note 6, 9 & 11)



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(14) Non-current investments^(Refer Note 36)		
Other Long Term Investments (Unquoted):		
— 28,000,000 (Previous Year 28,000,000) Fully paid up Equity Shares of face value Rs 5 each in Indian Commodity Exchange Limited ^{(1) & (4)}	101,555,854	101,555,854
Long Term - Non Trade - Unquoted		
— 50 (Previous Year 50) 9.25% Unsecured Redeemable Non-Convertible Subordinated Bonds of Dena Bank of Face Value of Rs. 1,000,000 each ⁽⁴⁾	50,000,000	50,000,000
— Investments in Pass Through Certificates ^{(Refer Note 28(iv(d)))}	94,913,971	—
Total	246,469,825	151,555,854
Aggregate market value of quoted Investments	—	—
Aggregate book value of quoted Investments	—	—
Aggregate book value of unquoted Investments	246,469,825	151,555,854
Aggregate provision for diminution in value of Investments	—	—

- (1) On December 13, 2010 the Erstwhile Holding Company (IBFSL) had sold 26% shares held by it in Indian Commodity Exchange Limited (ICEX) to Reliance Exchange Next Limited (R-Next) for a total consideration of Rs. 473,500,000 against a proportionate cost of Rs. 260,000,000. As a result thereof, the stake of IBFSL in ICEX has been reduced from 40% to 14% and the same has been reclassified as a long term investment from the earlier classification of being an Associate. MMTC filed a petition before the Company Law Board (CLB) against ICEX, R-Next and IBFSL alleging that the transfer is null and void in terms of the Shareholders Agreement in view of the Forward Markets Commission (FMC) guidelines. IBFSL contends that such view of MMTC is based on the old FMC guidelines and without considering the amended FMC Guidelines dated June 17, 2010 wherein the transfer norms were relaxed. IBFSL had filed its objections on maintainability of the petition which is pending adjudication before the CLB.
- (2) During the financial year 2012-13, Indiabulls Advisory Services Limited (IASL), a wholly owned subsidiary of the Company had invested Rs. 26,000,000 by purchasing 2,600,000 Equity Shares of face value Rs. 10 each per Equity Share from the earlier shareholders of Indiabulls Asset Reconstruction Company Limited (IARCL), an associate of the Company. After this purchase, the stake in IARCL had increased from 24.02% to 75.00% (together with IASL) and then IARCL had become a subsidiary of the Company from the earlier classification of being an Associate.
- (3) During the financial year 2012-13, the Company has written off its investment in Indiabulls Alternative Asset Management Private Limited, as the Company was struck off from the records of Accounting And Corporate Regulatory Authority of Singapore, on February 7, 2013.
- (4) During the year ended March 31, 2013, transferred from Erstwhile Holding Company (IBFSL) under the Scheme of Arrangement^(Refer Note 36).

(15) Deferred tax Assets (Net)

Pursuant to Accounting Standard (AS) – 22 'Accounting for Taxes on Income' as notified by the Companies (Accounting Standards) Rules, 2006, as amended, the Company has credited an amount of Rs. 202,181,234 (Previous Year debited an amount of Rs. 136,133,548) as deferred tax credit / charge (net) to the Consolidated Statement of Profit and Loss



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

arising on account of timing differences. Further Deferred Tax Asset of Rs. Nil (Previous Year Rs. 679,800,000) (Included in provision for loan assets and contingent provision against standard assets below) has been recognised against the utilisation from Additional Reserve u/s 29C (Refer Note. 4(6)). The breakup of deferred tax into major components as at March 31, 2014 is as under:

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Deferred Tax Liabilities		
On difference between book balance and tax balance of fixed assets/other assets	781,469	2,390,256
On Long Term Capital Gain	697,528,146	—
Deferred Tax Assets		
On carry forward of Capital loss (restricted on account of virtual certainty)	697,528,146	—
Provision for loan assets and contingent provision against standard assets	1,643,361,720	1,503,152,749
On difference between book balance and tax balance of fixed assets/other assets	859,441	—
Carry forward of tax losses	23,235,939	—
Disallowance under Section 40A(7) of the Income-Tax Act, 1961	30,562,436	28,345,559
Disallowance under Section 43B of the Income Tax Act, 1961	150,442,581	112,178,225
Deferred Tax Assets (Net)	1,847,680,648	1,641,286,277

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(16) Long-term loans and advances (Unsecured unless otherwise stated)		
(i) Loans and Other Credit Facilities		
(a) Secured Loans ⁽¹⁾		
— Considered Good	357,133,668,658	299,903,010,103
— Considered Doubtful	457,286,281	970,780,847
Less: Loans Assigned	50,474,169,350	30,380,506,765
	<u>307,116,785,589</u>	<u>270,493,284,185</u>
(b) Unsecured Loans		
— Considered Good	2,423,050,131	756,107,049
— Considered Doubtful	220,041,176	216,222,936
	<u>2,643,091,307</u>	<u>972,329,985</u>
Total (a) +(b)	309,759,876,896	271,465,614,170
Less: Provision for Loan Assets ⁽²⁾ (Including additional provision made by the Company)	1,771,727,314	1,471,584,657
	<u>307,988,149,582</u>	<u>269,994,029,513</u>



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(ii) Other Unsecured Loans and Advances		
Capital Advances	1,167,235,613	763,821,339
Security Deposit for Rented Premises	178,162,838	43,618,536
Security Deposit with others	9,396,102	8,173,651
Advance Fringe Benefits tax (FBT) (Net of Provision for FBT Rs. 2,471,281 (Previous Year Rs. 2,471,281))	68,776	68,775
Advance Tax /Tax deducted at source (Net of Provision for Tax of Rs. 2,307,783,736 (Previous Year Rs. 6,097,801,665))	774,587,274	721,686,815
Others including Prepaid Expenses and Employee advances	14,013,730	16,150,092
MAT Credit	170,665,831	—
	310,302,279,746	271,547,548,721

(1) Secured Loans and Other Credit Facilities given to customers amounting to Rs. 307,116,785,589 (Previous Year Rs. 270,493,284,185) are secured / partly secured by :

- (a) Equitable mortgage of property and / or
- (b) Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or
- (c) Hypothecation of assets and / or
- (d) Company guarantees or personal guarantees and / or
- (e) Negative lien and / or Undertaking to create a security.

(2) **Movement in Provision for Loan Assets is as under :**

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Opening Balance	1,561,603,213	—
Add: Transfer from Indiabulls Financial Services Limited Group pursuant to Scheme of Arrangement ^(Refer Note 36)	—	2,486,709,537
Add: Transfer from Consolidated Statement of Profit and Loss	1,312,305,170	323,512,490
Less: Utilised during the year - towards Loans written off	929,597,372	1,248,618,814
Closing Balance	1,944,311,011	1,561,603,213



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(17) Other non-current assets		
Margin Money Accounts having maturity greater than one year	6,469,487,125	4,725,608,142
Interest Accrued on Deposit accounts / Margin Money	368,091,356	111,679,402
Interest accrued but not due on loans	1,315,293,590	341,332,973
	8,152,872,071	5,178,620,517
	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(18) Current investments		
Quoted		
Investment in Mutual Funds	100,000,000	1,265,000,000
Investments in Bonds(Quoted) ^{(Refer Note 28(iv)(a))}	220,000,000	3,880,000,000
Investments in Certificate of Deposits(Quoted) ^{(Refer Note 28(iv)(b))*}	7,893,472,800	16,728,935,250
Investments in Government Securities(Quoted) ^{(Refer Note 28(iv)(c))}	—	505,432,614
	8,213,472,800	22,379,367,864
Unquoted		
Investment in Mutual Funds**	21,009,944,049	547,971,199
	21,009,944,049	547,971,199
	29,223,416,849	22,927,339,063
*Considered as Cash and Cash equivalents for Cash Flow Statement		
**Includes Rs. 14,690,426,305 (Previous Year Rs. 547,971,199) considered as Cash and Cash equivalents for Cash Flow Statement		
Aggregate market value of quoted Investments	8,262,546,476	22,678,049,248
Aggregate book value of quoted Investments	8,213,472,800	22,379,367,864
Aggregate book value of unquoted Investments	21,009,944,049	547,971,199
Aggregate provision for diminution in value of Investments	—	—
	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(19) Trade receivables		
Debts Outstanding for a period more than six months from its due date		
– Secured, Considered Good	—	—
– Unsecured, Considered Good	180,892	74,214
Debts Outstanding for a period less than six months from its due date		
– Secured, Considered Good	8,978	—
– Unsecured, Considered Good	6,061,438	22,373,079
	6,251,308	22,447,293



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(20) Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	183,528,198	157,897,921
Cheques / Drafts on hand	820,348,616	38,296,365
Balances with banks		
– in current accounts [#]	31,972,326,967	48,307,454,722
– in demand deposits accounts	11,201,755,342	374,180,002
Other bank balances		
– in deposit accounts held as margin money (under lien) ⁽¹⁾	12,412,688	3,977,205
	44,190,371,811	48,881,806,215

- (1) Deposits accounts with bank of Rs.12,412,688 (Previous Year Rs. 3,977,205) are under lien. The Company has the complete beneficial interest on the income earned from these deposits.
Includes Rs. 24,186,444 (Previous Year Rs. 19,287,496) in designated unclaimed dividend accounts.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(21) Short-term loans and advances (Unsecured unless otherwise stated)		
Loans and Other Credit Facilities		
(a) Secured Loans ⁽¹⁾		
– Considered Good	50,412,800,290	40,404,385,210
– Considered Doubtful	—	—
Less: Loans assigned	6,770,280,163	6,046,356,790
	43,642,520,127	34,358,028,420
(b) Unsecured Loans		
– Considered Good	1,047,134,921	2,005,662,177
	1,047,134,921	2,005,662,177
Total (a) +(b)	44,689,655,048	36,363,690,597
Less: Provision for Loan Assets (Including additional provision made by the Company) ^{(Refer Note.16(2))}	172,583,697	90,018,556
	44,517,071,351	36,273,672,041
Advance Interest on Short term borrowings	497,842,737	393,867,622
Security Deposit for Rented Premises	13,164,386	141,228,217
Security Deposit with Others	90,002,000	30,000,000
Application Money for Bonds / Investments	—	250,000,000
Others including Prepaid Expenses/ Cenvat Credit and Employee advances	379,590,825	171,691,242
	45,497,671,299	37,260,459,122



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

- (1) Secured Loans and Other Credit Facilities given to customers amounting to Rs. 43,642,520,127 (Previous Year Rs. 34,358,028,420) are secured / partly secured by :
- Equitable mortgage of property and / or
 - Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or
 - Hypothecation of assets and / or
 - Company guarantees or personal guarantees and / or
 - Negative lien and / or Undertaking to create a security.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(22) Other current assets		
FCNR Hedge Premium	—	82,542,460
Interest Accrued on Loans	3,377,551,393	2,976,566,704
Interest accrued but not due on loans	129,231,731	—
Interest Accrued on Deposit accounts / Margin Money / Bonds	39,475,859	161,925,989
Others	1,346,416	—
	3,547,605,399	3,221,035,153
	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
(23) Revenue from Operations		
(a) Income from Financing and Investing Activities		
Interest on Financing Activities ⁽¹⁾	51,865,078,018	42,634,103,020
(b) Income from other Financial Services		
Income from Service Fees/Advisory Services	305,498,936	271,847,554
Commission on Insurance	12,545,865	84,208,441
Management fees	26,409,825	19,008,116
Other Operating Income ⁽²⁾	1,984,376,496	2,021,913,582
	54,193,909,140	45,031,080,713
(1) Interest from Financing Activities Includes:		
Interest on Loan Financing / Income from Securitisation / Assignment	49,663,554,001	41,587,924,288
Interest on Deposit Accounts	1,218,839,187	273,465,252
Interest on Bonds / Commercial Papers / Certificate of Deposits / Pass Through Certificates	982,684,830	772,713,480
	51,865,078,018	42,634,103,020
(2) Other Operating Income includes:		
Loan processing fees	1,346,690,671	1,426,813,167
Foreclosure fees and other related income	946,122,202	824,820,944
Less: Direct Selling Agents Commission	308,436,377	229,720,529
	1,984,376,496	2,021,913,582



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
(24) Other Income		
Sundry Balances written back	18,603,314	62,075,663
Dividend on Units of Mutual Funds	1,292,732,269	1,890,048,501
Profit on appreciation of Mutual Fund Investments (Current Investments)	190,160,255	1,871,199
Profit on sale of Current Investments	3,220,269,511	371,157,229
Bad debts recovered	566,938,960	391,951,789
Miscellaneous Income	129,124,177	29,673,357
Interest on Income Tax Refund	1,340,714	874,888
Share in Profit of Associate	—	777,845
	5,419,169,200	2,748,430,471
(25) Employee benefits expense		
Salaries	2,454,570,682	2,081,448,214
Contribution to Provident Funds and Other Funds ⁽¹⁾	14,184,916	12,129,383
Employee Stock Compensation Expense	5,819,132	7,563,100
Provision for Gratuity, Compensated Absences and Superannuation Expense ⁽¹⁾	142,370,971	120,505,148
Staff Welfare Expenses	20,362,493	23,826,927
	2,637,308,194	2,245,472,772

(1) Note on AS - 15 disclosure:

Employee Benefits – Provident Fund, ESIC, Gratuity and Compensated Absences disclosures as per Accounting Standard (AS) 15 (Revised) – Employee Benefits as notified by the Companies (Accounting Standards) Rules, 2006, as amended:

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees 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. 12,129,383 in the Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Accounting Standard (AS) 15 (Revised) on 'Employee Benefits', as notified by the, Companies (Accounting Standards) Rules, 2006, as amended, commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

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

Particulars	Amount (Rs.)					
	Gratuity		Compensated Absences		Superannuation	
	(Unfunded) 2013-2014	(Unfunded) 2012-2013	(Unfunded) 2013-2014	(Unfunded) 2012-2013	(Unfunded) 2013-2014	(Unfunded) 2012-2013
Reconciliation of liability recognised in the Balance Sheet:						
Present Value of commitments (as per Actuarial valuation)	97,321,800	83,893,672	41,587,406	38,043,372	405,345,046	292,225,359
Fair value of plan assets						
Net liability in the Balance sheet (as per Actuarial valuation)	97,321,800	83,893,672	41,587,406	38,043,372	405,345,046	292,225,359
Movement in net liability recognised in the Balance Sheet:						
Net liability as at the beginning of the year	83,893,672	—	38,043,372	—	292,225,359	—
Net liability as at the beginning of the year as transferred from IBFSL	—	71,043,094	—	31,967,188	—	194,252,856
Amount paid during the year	(12,177,766)	(3,605,883)	(101,356)	—	—	—
Net expenses recognised/ (reversed) in the Statement of Profit and Loss	25,605,894	16,456,461	3,645,390	6,076,184	113,119,687	97,972,503
Net liability as at the end of the year	97,321,800	83,893,672	41,587,406	38,043,372	405,345,046	292,225,359
Expenses recognised in the Statement of Profit and Loss:						
Current service cost	22,746,073	22,344,055	12,139,720	13,292,312	33,636,701	26,499,538
Past service cost	—	—	—	—	—	—
Interest Cost	7,157,401	6,060,060	3,228,692	2,883,900	27,822,195	19,355,217
Expected return on plan assets	—	—	—	—	—	—
Actuarial (gains) / Losses	(4,297,580)	(11,947,654)	(11,723,022)	(10,100,028)	51,660,791	52,117,748
Expenses charged / (reversal) to the Statement of Profit and Loss	25,605,894	16,456,461	3,645,390	6,076,184	113,119,687	97,972,503
Return on Plan assets:						
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial (gains) / losses	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reconciliation of defined-benefit commitments:						
Commitments as at the beginning of the year	83,893,672	71,043,094	38,043,372	31,967,188	292,225,359	194,252,856
Current service cost	22,746,073	22,344,055	12,139,720	13,292,312	33,636,701	26,499,538
Past service cost	—	—	—	—	—	—
Interest cost	7,157,401	6,060,060	3,228,692	2,883,900	27,822,195	19,355,217
(Paid benefits)	(12,177,766)	(3,605,883)	(101,356)	—	—	—
Actuarial (gains) / losses	(4,297,580)	(11,947,654)	(11,723,022)	(10,100,028)	51,660,791	52,117,748
Commitments as at the end of the year	97,321,800	83,893,672	41,587,406	38,043,372	405,345,046	292,225,359



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	Amount (Rs.)					
	Gratuity		Compensated Absences		Superannuation	
	(Unfunded) 2013-2014	(Unfunded) 2012-2013	(Unfunded) 2013-2014	(Unfunded) 2012-2013	(Unfunded) 2013-2014	(Unfunded) 2012-2013
Reconciliation of Plan assets:						
Plan assets as at the beginning of the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Contributions during the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Paid benefits	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial (gains) / losses	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Plan assets as at the end of the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustment						
On plan liabilities	(3,034,720)	11,959,879	8,390,466	10,107,849	(81,179,750)	(52,033,314)
On plan assets	—	—	—	—	—	—
Present value of benefit obligation	97,321,800	83,893,672	41,587,406	38,043,372	405,345,046	292,225,359
Fair value of plan assets	—	—	—	—	—	—
Excess of (obligation over plan assets) / plan assets over obligation	97,321,800	83,893,672	41,587,406	38,043,372	405,345,046	292,225,359

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	8.5%	8%	8.5%	8%	8.5%	8%
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected rate of salary increase	5%	5%	5%	5%	5%	5%
Mortality	IALM (2006-08)	IALM (1994-96)	IALM (2006-08)	IALM (1994-96)	IALM (2006-08)	IALM (1994-96)
Retirement Age	60	60	60	60	60	60

(N.A. - not applicable)

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity, Compensated Absences and Superannuation is Rs. 35,105,781 (Previous Year Rs. 33,264,451), Rs. 15,088,575 (Previous Year Rs. 11,734,060) and Rs. 92,101,824 (Previous Year Rs. 55,346,782) respectively.



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
(26) Finance costs		
Interest on Loans ⁽¹⁾	21,523,008,921	17,519,531,696
Interest on Non Convertible Debentures	7,134,713,159	5,481,777,232
Interest on Commercial Papers	3,023,156,955	2,353,163,362
Interest on Subordinate Debt	940,620,368	546,006,544
Interest on Taxes	2,852,949	1,678,657
Bank Charges towards Borrowings	21,552,362	16,365,310
Processing fees	177,856,325	72,356,284
	32,823,761,039	25,990,879,085

(1) During the year, the Company has recognised Premium on Options Contracts amounting to Rs. 121,398,049 (Previous Year Rs. 20,085,000) included in Interest on Loans and unrealised marked to market loss towards derivatives (Interest Rate Swaps) amounting to Rs. Nil (Previous Year Rs. 439,933) which has been included under Bank / Finance Charges. Derivative instruments that are outstanding as at March 31, 2014 is as given below:-

- I. Forward Options contracts entered for hedging purposes as at March 31, 2014 for USD Nil (Previous Year USD 37,277,984 (Buy)) against cross currency of Rs. Nil (Previous Year Rs. 2,000,000,000).
- II. Interest Rate Swaps for Notional Principal of Rs. 750,000,000 (Previous Year Rs. 4,000,000,000) for a total of 3 contracts (Previous Year 8 contracts) against fluctuations in interest rate changes.

	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
(27) Other Expenses		
Collection Charges	11,528,704	6,979,947
Client Verification Charges	116,537,455	110,702,196
Demat Charges	1,007,040	1,475,842
Stamp Papers/Stamp Duty charges	39,185,289	33,200,952
CERSAI Charges	13,339,605	9,326,200
Rates and Taxes	7,833,267	8,862,262
Communication Expenses	59,560,683	61,834,131
Legal and Professional Charges	235,598,852	462,551,235
Rent and Other charges ⁽¹⁾	366,820,272	386,486,514
Electricity Expenses	53,889,823	46,150,463
Repairs & Maintenance - Others	105,001,106	110,069,962
Recruitment and Training	7,273,985	5,453,758
Printing and Stationery	24,224,193	29,271,523
Traveling and Conveyance Expenses	98,981,460	117,626,192
Business Promotion	27,527,515	127,884,171



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
Payment to Auditors comprises (net of service tax input credit Rs. 1,027,426 (Previous Year Rs. 1,379,451))		
As Auditors	9,670,525	12,971,309
For Certification	1,672,335	2,123,600
Other Services	4,061,385	5,521,360
Reimbursement of Expenses	1,672,336	2,229,780
Provision for Loan Assets / Bad Debts Written Off ⁽²⁾	2,834,495,126	992,519,587
Contingent Provisions against Standard Assets (Net) ⁽²⁾	29,792,853	239,588,041
Advertisement	112,282,278	92,898,974
Loss on sale of fixed assets	8,888,384	4,158,906
Trusteeship Fees	2,763,839	1,756,621
Donation Expenses	30,500,000	3,005,000
Insurance Premium	12,930	29,336
Miscellaneous Expenses	51,126,117	23,263,653
	4,255,247,357	2,897,941,515

- (1) The Company has taken office premises on Lease and Leave & License basis at various locations in India. Lease rent / License fees aggregating to Rs. 332,014,782 (Previous Year Rs. 349,980,322) in respect of the same have been charged to the Statement of Profit and Loss. The agreements are executed for periods ranging from 11 months to 9 years with a renewable clause. In many cases, the agreements also provide for termination at will by either party by giving a prior notice period between 30 to 90 days. The minimum lease rentals outstanding as at March 31, 2014, are as under:

	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
Minimum Lease Rentals		
Within one year	321,605,342	354,372,631
One to Five years	520,482,279	708,694,390
Above Five Years	170,230,518	164,989,300
	1,012,318,139	1,228,056,321

- (2) During the year, in addition to the charge of Rs. 1,342,098,025 (Previous Year Rs. 563,100,531) towards provision for loan assets and standard assets to the Statement of Profit and Loss, an amount of Rs. Nil (net of Deferred Tax of Rs. Nil) [Previous Year Rs. 1,320,200,000 (net of Deferred Tax of Rs. 679,800,000)], being one time charge of provision for standard assets and other contingencies due to merger between the Company and the Erstwhile Holding Company (Refer Note 36) and changes in the provisioning requirements by the National Housing Bank vide Circulars no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 has been transferred from Additional Reserve created as per Section 29C of the National Housing Bank Act, 1987 pursuant to Circular No. NHB(ND)/DRS/Pol- 03/2004-05 dated August 26, 2004 as under;



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
Contingent Provisions against Standard Assets	29,792,853	239,588,041
Provision for Loan Assets	1,312,305,172	323,512,490
Total	1,342,098,025	563,100,531

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
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(28) Explanatory Notes

(i) Secured Redeemable Non Convertible Debentures (payable at par unless otherwise stated) include:*

10.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 24, 2023**	250,000,000	—
10.55 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 21, 2023	4,000,000,000	—
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 8, 2023	250,000,000	—
11.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 29, 2023	10,000,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2023	50,000,000	50,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 19, 2023	1,000,000,000	1,000,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 26, 2023	250,000,000	250,000,000
10.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on January 16, 2023	350,000,000	350,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 31, 2022	500,000,000	500,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 18, 2022	150,000,000	150,000,000



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 19, 2022	150,000,000	150,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 6, 2022	150,000,000	150,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 6, 2022	200,000,000	200,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 28, 2022	8,000,000,000	8,000,000,000
10.75 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 3, 2022	1,250,000,000	1,250,000,000
10.15 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 27, 2022	5,000,000,000	5,000,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 22, 2021	1,000,000,000	1,000,000,000
10.65 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 7, 2021	5,000,000,000	5,000,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 18, 2021**	200,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2018	150,000,000	150,000,000
10.10 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 19, 2018	1,000,000,000	1,000,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on January 16, 2018	400,000,000	400,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 28, 2017	1,500,000,000	1,500,000,000



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 17, 2017	401,000,000	401,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 17, 2017 ^{** & (3)}	150,000,000	—
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 30, 2017	5,000,000,000	5,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 6, 2017 ^{** & (3)}	30,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2017 ^{** & (3)}	50,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 23, 2017 ^{** & (3)}	85,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 7, 2016 ^{** & (3)}	65,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 3, 2016 ^{** & (3)}	650,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 17, 2016 ^{** & (3)}	500,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 3, 2016 ^{** & (3)}	600,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 5, 2016 ⁽³⁾	230,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 4, 2016 ^{** & (3)}	180,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 26, 2016	1,000,000,000	1,000,000,000



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 12, 2016**	500,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 4, 2016	1,000,000,000	1,000,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 10, 2015	2,000,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 27, 2015 ⁽³⁾	1,500,000,000	—
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 25, 2015	500,000,000	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 24, 2015 ⁽³⁾	1,150,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 27, 2015	5,500,000,000	5,500,000,000
10.65 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 16, 2015	200,000,000	200,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 9, 2015	700,000,000	700,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 24, 2015 ⁽³⁾	750,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 19, 2015 ** & ⁽³⁾	50,000,000	—
4.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 8, 2015 ⁽³⁾	2,000,000,000	2,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 30, 2015 ** & ⁽³⁾	93,000,000	—



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 24, 2015 ⁽³⁾	70,000,000	70,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2015 ^{(1) & (3)}	5,000,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 20, 2015 ^{** (1) & (3)}	250,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 2, 2015 ^{(1) & (3)}	270,000,000	270,000,000
10.60 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 13, 2015 ⁽¹⁾	800,000,000	800,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on January 9, 2015 ⁽¹⁾	650,000,000	650,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 24, 2014 ^{(1) & (3)}	500,000,000	-
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 18, 2014 ^{(1) & (3)}	330,000,000	330,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 5, 2014 ^{(1) & (3)}	1,500,000,000	-
9.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 1, 2014 ^{(1) & (3)}	1,000,000,000	1,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 25, 2014 ^{(1) & (3)}	600,000,000	600,000,000
9.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 21, 2014 ^{(1) & (3)}	2,500,000,000	2,500,000,000
4.65 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 18, 2014 ^{(1) & (3)}	3,000,000,000	3,000,000,000



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.85 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 31, 2014 ⁽¹⁾	500,000,000	500,000,000
10.60 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 10, 2014 ⁽¹⁾	2,000,000,000	2,000,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 26, 2014 ⁽¹⁾	100,000,000	100,000,000
10.75 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 22, 2014 ⁽¹⁾	450,000,000	450,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 22, 2014 ⁽¹⁾	150,000,000	150,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 9, 2014 ⁽¹⁾	650,000,000	650,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 8, 2014 ⁽¹⁾	350,000,000	350,000,000
11.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 28, 2014 ⁽¹⁾	1,250,000,000	1,250,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 26, 2014 ⁽¹⁾	500,000,000	500,000,000
11.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 15, 2014 ⁽¹⁾	500,000,000	500,000,000
10.10 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 28, 2014 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 14, 2014 ^{(2) & (3)}	—	2,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 20, 2014 ^{(2) & (3)}	—	2,000,000,000
10.40 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 14, 2014 ⁽²⁾	—	2,500,000,000



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.60 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 13, 2014 ⁽²⁾	—	600,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 10, 2014 ⁽²⁾	—	250,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 7, 2014 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 9, 2013 ^{(2) & (3)}	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 16, 2013 ^{(2) & (3)}	—	350,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 7, 2013 ⁽²⁾	—	250,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 9, 2013 ⁽²⁾	—	1,500,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 6, 2013 ⁽²⁾	—	150,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 12, 2013 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 10, 2013 ^{(2) & (3)}	—	2,500,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 8, 2013 ^{(2) & (3)}	—	750,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 19, 2013 ⁽²⁾	—	300,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 5, 2013 ^{(2) & (3)}	—	10,600,000,000



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.15 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 19, 2013 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 12, 2013 ^{(2) & (3)}	—	340,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 13, 2013 ^{(2) & (3)}	—	220,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 16, 2013 ^{(2) & (3)}	—	80,000,000
10.70% Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 22, 2021	—	—
9.00% Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 01, 2014	—	—
9.50% Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 21, 2014	—	—
	88,604,000,000	84,961,000,000

(1) Current Maturity of Long Term Non Convertible Debentures as at March 31, 2014

(2) Current Maturity of Long Term Non Convertible Debentures as at March 31, 2013

(3) Redeemable at premium

Short Term Non Convertible Debentures

*Redeemable Non-Convertible Debentures are secured against Immovable Property / Current Assets and pool of Current and Future Loan Receivables of the Company.

** As at the year end, the Company was in the process of creating the charge / security on assets.

Particulars	As at March 31, 2014 Amount (Rs.)
(ii) (a) Term Loan from banks includes as at March 31, 2014*:	
These loans are repayable in quarterly installment with moratorium period of 6 month from the date of disbursement. The balance tenure for these loans is 84 months (average) from the Balance Sheet date.	9,778,395,059
This loan is repayable in half yearly installment after the moratorium of 3 years from the date of disbursement. The balance tenure for this loan is 30 months from the Balance Sheet date.	2,000,000,000



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)
These loans are repayable in quarterly installment with moratorium period of 1 year from the date of isbursement. The balance tenure for these loans is 46 months (avearge) from the Balance Sheet date.	4,250,000,220
These loans are repayable in yearly installemt from the date of disbursement. The balance tenure for these loans is 25 months (average) from the Balance Sheet date.	15,125,000,000
These loans are repayable in yearly installment with moratorium period of 2 years from the date of disbursement. The balance tenure for these loans is 41 months (average) from the Balance Sheet date.	80,083,299,333
These loans are repayable in bullet at the end of the tenure from the date of disbursement. The balance tenure for these loans is 21 months (average) from the Balance Sheet date.	12,500,000,000
These loans are repayable in yearly installement after the moratorium period of 1 year from the date of disbursement. The balance tenure for these loans is 32 months (average) from the Balance Sheet date.	13,800,000,000
This loan is repayable in monthly installement from the date of disbursement. The balance tenure for this loan is 19 months from the Balance Sheet date. ⁽¹⁾	1,005,000,000
These loans are repayable in quarterly installement from the date of disbursement. The balance tenure for these loans is 29 months (average) from the Balance Sheet date.	8,145,570,000
These loans are repayable in quarterly installment after the moratorium of 2 years from the date of disbursement. The balance tenure for these loans is 29 months (average) from the Balance Sheet date.	6,833,133,333
This loan is repayable in quarterly installment after the moratorium of 1 years from the date of disbursement. The balance tenure for this loan is 1 month from the Balance Sheet date.	150,000,000
These loans are repayable in quarterly Installment with moratorium of 18 months from the date of disbursement. The balance tenure for these loans is 46 months (average) from the Balance Sheet date. ⁽²⁾	7,500,000,000
These loans are repayable in quarterly installments with a moratorium period of 6 month from the date of disbursement. The balance tenure for these loans is 54 months (average) from the Balance Sheet date.	2,500,000,000
These loans are repayable in yearly installments from the date of disbursement. The balance tenure for these loans is 36 months (average) from the Balance Sheet date.	1,000,000,000
	<u>164,670,397,945</u>

(1) Loan taken other than from banks.

(2) Includes Loan taken other than from banks for Rs. 2,999,999,999.

*Secured by hypothecation of Loan Receivables(Current and Future) / Current Assets / Cash and Cash Equivalents of the Company.



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2013 Amount (Rs.)
(ii) (b) Term Loan from banks includes as at March 31, 2013*:	
These loans are repayable in yearly installments with a moratorium period of 2 years from the date of disbursement. The balance tenure for these loans is 50 months (average) from the Balance Sheet date.	57,183,333,332
These loans are repayable in bullet at the end of the tenure from the date of disbursement. The balance tenure for these loans is 11 months (average) from the Balance Sheet date.	25,250,000,000
This loan is repayable in quarterly installments after a moratorium period of 1 year from the date of first disbursement. The balance tenure for this loan is 51 months from the Balance Sheet date.	5,972,222,220
These loans are repayable in quarterly installments after a moratorium period of 24 months from the date of first disbursement. The balance tenure for these loans is 76 months from the Balance Sheet date.	12,916,600,000
This loan is repayable in 4 half yearly installments after moratorium period of 3 years from the date of first disbursement. The balance tenure for this loans is 43 months from the Balance Sheet date.	2,000,000,000
These loans are repayable in 18 quarterly installments with a moratorium period of 6 months from the date of first disbursement. The balance tenure for these loans is 126 months from the Balance Sheet date.	23,401,493,103
These loans are repayable in yearly installment after the moratorium period of 1 year from the date of disbursement. The balance tenure for these loans is 35 months from the Balance Sheet date.	15,150,000,000
This loan is repayable in monthly installment from the date of disbursement. The balance tenure for this loan is 31 months from the Balance Sheet date. ⁽¹⁾	1,635,000,000
These loans are repayable in quarterly installment from the date of disbursement. The balance tenure for these loans is 25 months from the Balance Sheet date.	1,731,250,000
This loan is repayable in quarterly installment after the moratorium of 1 year from the date of disbursement. The balance tenure for this loans is 13 months from the Balance Sheet date.	700,000,000
These loans are repayable in half yearly installment after the moratorium of 1 years from the date of disbursement. The balance tenure for this loans is 7 months from the Balance Sheet date.	200,000,000
Quarterly Installment with moratorium of 18 months from the date of disbursement. The balance tenure for this loans is 58 months from the Balance Sheet date. ⁽²⁾	7,500,000,000
	<u>153,639,898,655</u>

(1) Loan taken other than from banks for Rs. 1,635,000,000.

(2) Includes Loan taken other than from banks for Rs. 2,999,999,999.

*Secured by hypothecation of Loan Receivables(Current and Future) / Current Assets / Cash and Cash Equivalents of the Company.



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(iii) Subordinate Debt:-		
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on November 15, 2027	326,000,000	326,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 30, 2027	496,500,000	496,500,000
10.25% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 28, 2027	1,000,000,000	1,000,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 05, 2027	1,100,300,000	1,100,300,000
10.80 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on December 23, 2023	200,000,000	—
10.85 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 24, 2023	50,000,000	—
10.85 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on September 27, 2023	250,000,000	—
10.10 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on September 23, 2023	250,000,000	—
9.90 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 3, 2023	1,250,000,000	—
9.80 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on May 23, 2023	200,000,000	—
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 28, 2023	250,000,000	250,000,000
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 06, 2023	200,000,000	200,000,000
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on February 18, 2023	250,000,000	250,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 30, 2023	100,000,000	100,000,000
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 14, 2023	250,000,000	250,000,000
10.20% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on December 04, 2022	200,000,000	200,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on November 15, 2022	11,000,000	11,000,000
10.30% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 31, 2022	250,000,000	250,000,000
10.30% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 22, 2022	400,000,000	400,000,000



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.30% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 09, 2022	350,000,000	350,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 05, 2022	150,000,000	150,000,000
11.00% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 30, 2022	150,000,000	150,000,000
11.85% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on February 22, 2022	200,000,000	200,000,000
11.85% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 31, 2022	362,000,000	362,000,000
10.50% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 26, 2018	1,250,000,000	1,250,000,000
11.60% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 22, 2017	1,000,000	1,000,000
11.60% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on May 31, 2017	150,000,000	150,000,000
	9,646,800,000	7,446,800,000

(iv) Current Investments

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2014 Amount (Rs.)
(a) Investment in Bonds (Quoted)			
Yes Bank Ltd. 10.25 BD 29JU27 FVR 10 Lacs	220	220,000,000	220,000,000
		Total (A)	220,000,000

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2013 Amount (Rs.)
Yes Bank Ltd. 10.5 BD Perpetual FVR 10 Lacs	1,500	1,500,000,000	1,500,000,000
Yes Bank Ltd. 10.5 BD Perpetual FVR 10 Lacs	1,400	1,400,000,000	1,400,000,000
Yes Bank Ltd. 10.25 BD 29JU27 FVR 10 Lacs	320	320,000,000	320,000,000
Indian Railway Finance Corporation Limited	660,000	1,000	660,000,000
		Total (A)	3,880,000,000



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2014 Amount (Rs.)
(b) Investment in Certificate of Deposits (Quoted)			
Bank of India CD 13MR15	5,000	500,000,000	455,902,333
Bank of Maharashtra CD 03MR15	7,500	750,000,000	691,657,500
Canara Bank CD 27FB15	2,500	250,000,000	230,418,500
Corporation Bank CD 05MR15	10,000	1,000,000,000	920,982,000
Dena Bank CD 02AP14	10,000	1,000,000,000	998,359,000
Indian Overseas Bank CD 26FB15	5,000	500,000,000	461,630,500
Oriental Bank of Commerce CD 05MR15	7,500	750,000,000	691,342,500
Punjab and Sind Bank CD 02MR15	2,500	250,000,000	230,605,000
Punjab National Bank CD 02MR15	20,000	2,000,000,000	1,832,141,467
Punjab National Bank CD 11MR15	10,000	1,000,000,000	919,329,000
Syndicate Bank CD 03MR15	5,000	500,000,000	461,105,000
		Total (B)	7,893,472,800

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2013 Amount (Rs.)
IDBI Bank Limited CD 19MR14	2,500	250,000,000	230,115,500
IDBI Bank Limited CD 14FB14	2,500	250,000,000	229,006,250
IDBI Bank Limited CD 28AG13	5,000	500,000,000	481,767,000
IDBI Bank Limited CD 10JU13	2,500	250,000,000	245,190,250
IDBI Bank Limited CD 07JU13	5,000	500,000,000	490,328,000
Punjab National Bank CD 25MR14	2,500	250,000,000	229,074,250
Punjab National Bank CD 20MAR14	2,500	250,000,000	230,270,500
Punjab National Bank CD 10MR14	2,500	250,000,000	229,417,750
Punjab National Bank 23DEC13	2,500	250,000,000	234,395,000
Punjab National Bank CD 17SP13	5,000	500,000,000	479,493,500
Punjab National Bank CD 10SP13	7,500	750,000,000	720,494,000
Punjab National Bank CD14JU13	12,500	1,250,000,000	1,227,107,500
Punjab National Bank 10MAY13	5,000	500,000,000	494,552,500
Allahabad Bank CD 26JU13	10,000	1,000,000,000	978,668,000
Allahabad Bank 17JU13	2,500	250,000,000	245,104,500
Allahabad Bank 31MAY13	7,500	750,000,000	738,220,500
IDBI Bank 12SEP13	5,000	500,000,000	480,111,500
IDBI Bank 21JU13	2,500	250,000,000	244,867,750
IDBI Bank 29MAY13	10,000	1,000,000,000	984,572,000
IDBI Bank Limited CD 27MY13	5,000	500,000,000	492,265,500



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2013 Amount (Rs.)
Central Bank of India 25MAR14	5,000	500,000,000	459,655,000
Central Bank of India CD 07MY13	5,000	500,000,000	494,790,500
Vijaya Bank 19JU13	10,000	1,000,000,000	979,945,000
Vijaya Bank CD 13JU13	2,500	250,000,000	244,820,000
Vijaya Bank CD 27MAY13	5,000	500,000,000	492,431,500
State Bank of Patiala CD 18SP13	2,500	250,000,000	239,768,250
State Bank of Patiala 27MAY13	5,000	500,000,000	492,391,500
State Bank of Patiala 24MAY13	2,500	250,000,000	246,440,000
Canara Bank 24MAR14	2,500	250,000,000	229,461,250
Canara Bank 14MAY13	5,000	500,000,000	494,272,000
Canara Bank 22APR-13	2,000	200,000,000	198,768,000
Punjab and Sind Bank 14JU13	2,500	250,000,000	245,282,500
Punjab and Sind Bank 10JU13	2,500	250,000,000	245,471,250
UCO Bank 13JU13	2,500	250,000,000	245,341,750
Oriental Bank of Commerce 7JU13	2,500	250,000,000	245,698,500
Andhra Bank 10AP13	10,000	1,000,000,000	996,610,000
ING Vysya Bank 24MAY13	5,000	500,000,000	492,766,500
		Total (B)	16,728,935,250

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2014 Amount (Rs.)
8.15% GOVT.STOCK 2022	4,500,000	450,000,000	454,079,659
8.33% GOVT.STOCK 2026	500,000	50,000,000	51,352,955
		Total (C)	505,432,614

(d) Investments in Pass Through Certificates

Particulars	Quantity	Face Value (Rs.)	As at March 31, 2014 Amount (Rs.)
INNOVATION TRUST XVI DEC 13	159	100,006	15,900,879
INNOVATION TRUST XX MAR 14	40	1,000,213	40,008,519
INNOVATION TRUST XIX MAR 14	39	1,000,117	39,004,573
		Total (D)	94,913,971
		Total (A)+(B)+(C)+(D)	8,208,386,771
			As at March 31, 2013
		Total (A)+(B)+(C)+(D)	21,114,367,864



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

(29) Contingent liability not provided for in respect of:-

- (a) Contingent Liabilities not provided for in respect of Capital commitments for acquisition of fixed assets at various branches as at the year end (net of capital advances paid) Rs. 2,052,845,184 (Previous Year Rs. 3,004,174,116).
- (b) Demand pending u/s 143(3) of the Income Tax Act, 1961 in relation to the merged company Indiabulls Financial Services Limited ("IBFSL")
 - (i) For Rs. Nil (Previous Year Rs. 1,612,574) with respect to FY 2006-07 against disallowance U/s 14A of the Income Tax Act 1961, against which appeal is pending before CIT (Appeals).
 - (ii) For Rs. 2,672,534 (Previous Year Rs. 2,672,534) with respect to FY 2007-08 against disallowance U/s 14A, against which appeal is pending before ITAT.
 - (iii) For Rs. 31,012,297 (Previous Year Rs. 35,492,935) with respect to FY 2007-08 against disallowance U/s 14A of the Income Tax Act 1961, against which appeal is pending before CIT (Appeals).
 - (iv) For Rs. Nil (Previous Year Rs. 406,116) with respect to FY 2008-09 against disallowance U/s 14A of the Income Tax Act 1961, against which appeal is pending before CIT (Appeals).
 - (v) For Rs. 17,807,253 (Previous Year Rs. 17,807,253) with respect to FY 2009-10 against disallowance U/s 14A, against which appeal is pending before CIT (Appeals).
- (c) Demand pending u/s of 25, 55, 56 & 61 of Rajasthan Value Added Tax Act, 2003 in relation to the merged company IBFSL for Rs. 14,505,873 (Including interest & Penalty) with respect to FY 2007-08 to FY 2012-13 (Previous Year Rs. 14,505,873) against which appeal is pending before Rajasthan Tax Board, Ajmer. The company has paid tax alongwith interest for Rs. 6,231,069 (Previous Year Rs. 6,231,069) under protest.
- (d) Arbitration award passed by the international arbitrator against IBFSL for Rs. Nil (Previous Year Rs. 1,920,007,000) for purchase of 42.50% stake in Indiabulls Finance Company Private Limited (IFCPL), which is disputed by the Company. (Refer Note 14(2))
- (e) Corporate counter guarantees outstanding in respect of securitisation/ assignment agreements entered by the Company with different assignees as at March 31, 2014 is Rs. 3,044,792,269 (Previous Year Rs. 3,044,792,269) against which collateral deposit of Rs 172,908,806 (Previous Year Rs. 172,908,806) for the year ended March 31, 2014 is being provided to the assignees by the Company in the form of Fixed Deposit Receipts. 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.

(30) The Company holds 57.50% of the capital of Indiabulls Finance Company Private Limited (IFCPL), which has become a subsidiary of the Company pursuant to the Scheme of Arrangement. The balance 42.50% or 3,233,696 Equity Shares was held by Amaprop Limited (Amaprop), vide a Share Subscription and Shareholders Agreement (SHA) entered into between the erstwhile Holding Company [Indiabulls Financial Services Limited (IBFSL)], IFCPL and Amaprop.

During the Current financial year, the Company has purchased the remaining 42.50% or 3,233,696 Equity Shares, which were earlier held by Amaprop Limited at a consideration of Rs. 2,616,891,255. Post this transaction IFCPL is a wholly owned subsidiary of the Company.



Notes forming part of the Consolidated Financial Statements of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

(31) Segment Reporting:

Segment information for the Year ended March 31, 2014, as per Accounting Standard AS-17, Segment Reporting, as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(a) Primary segment information (by business segments)

Particulars	Amount (Rs.)		
	Investing and financing related activities	Fee Income	Total
Segment Revenue#	58,552,616,549 46,919,093,531	344,454,626 375,064,111	58,897,071,175 47,294,157,642
Segment Result	19,820,501,051 16,619,838,066	90,333,178 13,835,492	19,910,834,229 16,633,673,558
Less: Unallocated expenditure net of other unallocated income			92,925,402 82,301,622
Less: Income taxes and Deferred tax (credit)			4,132,533,860 3,890,723,065
Profit after tax			15,685,374,967 12,660,648,871
Segment Assets*	440,162,810,816 388,247,619,949	18,247,937 104,197,644	440,181,058,753 388,351,817,593
Unallocated Corporate Assets			3,302,668,299 2,936,356,927
Total Assets			443,483,727,052 391,288,174,520
Segment Liabilities	379,820,297,710 333,689,145,701	213,398,648 199,188,522	380,033,696,358 333,888,334,223
Unallocated Corporate Liabilities			7,061,450,815 4,265,350,112
Total Liabilities			387,095,147,173 338,153,684,335
Capital Expenditure	474,344,590 61,719,219	984,880 1,404,366	475,329,470 63,123,585
Unallocated Capital Expenditure			34,495,089 50,756,881
Total Capital Expenditure			509,824,559 113,880,466
Depreciation / Amortisation	59,592,563 77,020,427	1,905,137 1,613,501	61,497,700 78,633,928



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	Amount (Rs.)		
	Investing and financing related activities	Fee Income	Total
Unallocated Depreciation			17,355,223
			<i>15,211,948</i>
Total Depreciation / Amortisation			78,852,923
			<i>93,845,876</i>
Non-Cash expenditure other than depreciation	3,009,747,546	(660,202)	3,009,087,344
	<i>1,359,470,139</i>	<i>1,390,789</i>	<i>1,360,860,928</i>
Unallocated Non-Cash expenditure other than depreciation			6,040,085
			<i>3,473,853</i>
Total Non-Cash Expenditure other than depreciation			3,015,127,429
			<i>1,364,334,781</i>

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

- # Includes Dividend Income on units of Mutual Fund, Profit on Appreciation of Mutual Fund Investments and Profit on sale of current investments included in other income.
- * Excluding Goodwill on Consolidation amounting to Rs. 700,360,191 (Previous Year Rs. 123,975,982).
- 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 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.
- 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 (1) above.

(32) Disclosures in respect of Related Parties as per Accounting Standard, AS-18, 'Related Parties Disclosures' as notified by the Companies (Accounting Standards) Rules, 2006, as amended:

Nature of relationship	Related party
a) Related Party where significant influence exists:	
Associate Company	Indiabulls Asset Reconstruction Company Limited (Associate till January 10, 2013)
b) Other related parties:	
Key Management Personnel	Mr. Sameer Gehlaut, Chairman & Executive Director Mr. Gagan Banga, CEO & Managing Director Mr. Ashwini Omprakash Kumar, Deputy Managing Director



Notes forming part of the Consolidated Financial Statements
of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Mr. Sachin Chaudhary (CEO-Executive Director upto
March 19, 2013)
Mr. Ajit Kumar Mittal, Executive Director
Mr. Rajiv Rattan, Non -Executive Director
Mr. Saurabh Kumar Mittal, Non -Executive Director

c) Significant transactions with related parties during the year ended March 31, 2014:		Amount (Rs.)
Nature of Transaction	Key Management Personnel	Total
Finance		
Issue of Equity Shares Under ESOP Schemes / Share Warrants (Based on the Exercise price)	186,634,845	186,634,845
	—	—
Other receipts and payments		
Salary / Remuneration (including perquisite and retirement benefits)	402,163,390	402,163,390
	<i>322,318,746</i>	<i>322,318,746</i>
Issue of Equity Shares Under ESOPS Schemes	23,134,845	23,134,845
	—	—
Money received against Share Warrants	122,625,000	122,625,000
	<i>40,875,000</i>	<i>40,875,000</i>
Issue of Equity Shares against Share Warrants	163,500,000	163,500,000
	—	—

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

d) Statement of Material transactions during the Year:-		Amount (Rs.)
Particulars	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Salary / Remuneration		
Remuneration to Directors		
Mr. Sameer Gehlaut	296,054,173	8,275,997
Mr. Gagan Banga	60,003,226	1,543,641
Mr. Ajit Kumar Mittal	18,001,590	531,165
Mr. Ashwini Omprakash Kumar	28,104,401	19,114,066
Mr. Sachin Chaudhary	—	12,585,979
Salary		
Mr. Sameer Gehlaut	—	224,088,545
Mr. Gagan Banga	—	41,797,040
Mr. Ajit Kumar Mittal	—	14,382,313



Notes forming part of the Consolidated Financial Statements

of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Issue of Equity Shares Under ESOPS Schemes		
– Mr. Gagan Banga	21,945,065	—
– Mr. Ajit Kumar Mittal	1,189,780	—
Money received against Share Warrants		
– Mr. Gagan Banga	89,925,000	29,975,000
– Mr. Ashwini Omprakash Kumar	32,700,000	10,900,000
Issue of Equity Shares against Share Warrants		
– Mr. Gagan Banga	119,900,000	—
– Mr. Ashwini Omprakash Kumar	43,600,000	—

Related Party relationships as given above are as identified by the Company.

(33) Earnings Per Equity Share (EPS):

Earnings Per Equity Share (EPS) as per Accounting Standard (AS)-20 "Earnings Per Share", as notified by the Companies (Accounting Standards) Rules, 2006, as amended:

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 potential dilutive effect of Employee Stock Option Plan as appropriate. Potential dilutive Equity Shares on account of Share warrants are not adjusted being anti dilutive in nature.

Particulars	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
Profit After Tax and prior period adjustments (Rs.)	15,685,374,967	12,660,648,871
Less: Share of Minority (including share of Reserve Fund) (Rs.)	43,771,408	116,622,031
Profit available for Equity Shareholders (For Basic / Dilutive EPS) (Rs.)	15,641,603,559	12,544,026,840
Weighted average number of Shares used in computing Basic earnings per share (Nos.)	326,135,028	312,118,479
Add: Potential number of Equity Share that could arise on exercise of Share Warrants and Employee Stock Options (Nos.)	3,349,619	9,999,303
Weighted average number of Shares used in computing Diluted earnings per share (Nos.)	329,484,647	322,117,782
Face Value of Equity Shares (Rs.)	2.00	2.00
Basic Earnings Per Equity Share (Rs.)	47.96	40.19
Diluted Earnings Per Equity Share (Rs.)	47.47	38.94



Notes forming part of the Consolidated Financial Statements

of Indiabulls Housing Finance Limited Group for the year ended March 31, 2014 (Contd...)

(34) In respect of amounts as mentioned under Section 205C of the Indian Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2014.

(35) Note relating to Assignment:

The Company has entered into various agreements for the assignment/securitisation of loans with assignees, wherein it has assigned/secured a part of its secured loan portfolio amounting to Rs. 88,830,745,337 upto March 31, 2014 (Rs. 53,109,282,699 upto March 31, 2013), being the principal value outstanding as on the date of the deals that are outstanding as on the Balance Sheet date.

The Company assigned/secured 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 in Significant Accounting policies in Note 1 (xi) above and residual income on these Loans is being recognised over the life of the underlying loans and not on an upfront basis.

(36) The Board of Directors at their meeting held on April 27, 2012 had approved the Scheme of Arrangement involving the merger of Indiabulls Financial Services Limited (IBFSL, the Holding Company) with the Company in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 (the "Scheme of Arrangement"). The Appointed Date of the proposed merger fixed under the Scheme of Arrangement was April 1, 2012. The Hon'ble High Court of Delhi, vide its Order dated December 12, 2012, received by the Company on February 8, 2013, approved the Scheme of Arrangement (Order). In terms of the Court approved Scheme of Arrangement, with the filing of the copy of the Order, on March 8, 2013 with the office of ROC, NCT of Delhi & Haryana (the Effective Date), IBFSL, as a going concern, stands amalgamated with IBHFL with effect from the Appointed Date, being April 1, 2012 (Under the Accounting Standard 14 - Pooling of interest method). Consequent to the Scheme of Arrangement becoming effective, the Board of Directors of the Company, at their meeting held on March 25, 2013, issued and allotted –

- i) 312,511,167 Equity Shares of Rs. 2 each of the Company,
- ii) 27,500,000 Warrants of the Company (against the listed warrants of IBFSL), and
- iii) 20,700,000 Warrants of the Company (against the unlisted warrants of IBFSL held by certain promoter group entities and Key Management Personnel of IBFSL) to the Equity Shareholders / Warrants holders of IBFSL, against their holdings in such Equity Shares / Warrants, as on March 20, 2013 i.e. the record date fixed by IBFSL in this regard. The issue of Equity Shares / warrants by the Company was in terms of the share exchange ratio as mentioned in the Court approved Scheme of Arrangement. The Company is in the process of getting its Shares and Warrants (issued in lieu of listed warrants of IBFSL) listed with National Stock Exchange of India Limited and BSE Limited, for which the necessary applications are being finalised to be filed with the Stock Exchanges.

(37) Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

Sameer Gehlaut

Chairman
/Whole Time Director

Mumbai, April 23, 2014

Gagan Banga

Managing Director/CEO

Mukesh Garg

CFO

Amit Jain

Company Secretary



Independent Auditors' Report

To The Members of Indiabulls Housing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **INDIABULLS HOUSING FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



Independent Auditors' Report

To The Members of Indiabulls Housing Finance Limited (Contd...)

- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being

appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 031467)
MUMBAI, 23rd April, 2014



Annexure to The Independent Auditors' Report

To The Members of Indiabulls Housing Finance Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business / activities / results, during the year, clauses (ii), (viii) and (xiii) of paragraph 4 of the Order are not applicable to the Company.
- ii. 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 fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. In respect of loans, secured or unsecured, granted by the Company to 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 two companies. At the year-end, the outstanding balance of such loans granted aggregated to Rs. 49,400,000 from one company and the maximum amount involved during the year was Rs. 1,434,000,000 from two companies.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular / as per stipulations.
- (d) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year-end.
The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. There were no transactions in respect of purchase of inventory and sale of goods during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. 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 in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction 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, other than certain purchases and sale of services, which are of a special nature for which comparable quotations are not available.
- vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- vii. In our opinion, the internal audit functions carried



Annexure to The Independent Auditors' Report

To The Members of Indiabulls Housing Finance Limited (Contd...)

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.

viii. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax (VAT), Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. During the year there were no dues payable in respect of Customs Duty and Excise Duty.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax (VAT), Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax and Sales Tax (VAT) which have not been deposited as on 31st March, 2014 on account of disputes are given below.

Name of Statute	Nature of Dues	Forum where Dispute is pending relates	Period to to which the amount	Amount involved (Rs.)
The Income-Tax Act, 1961	Income-Tax	Commissioner of Income tax (Appeals)	Year ended 31 st March, 2008	2,414,210
The Income-Tax Act, 1961	Income-Tax	Commissioner of Income tax (Appeals)	Year ended 31 st March, 2010	17,807,253
The Rajasthan Value Added Tax Act, 2003	Sales Tax (VAT)	Rajasthan Tax Board, Ajmer	Years ended 31 st March, 2008 to 31 st March, 2013	14,505,873

There are no dues of Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes.

ix. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.

x. 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 debenture holders.

xi. 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 and debentures. The Company has not granted loans and advances on the basis of security by way of pledge of any other securities.

xii. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in 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. The Company has not dealt in Shares during the year.

xiii. In our opinion and according to the information and explanations given to us, during the year, the Company has not provided guarantees for loans taken by others from banks and financial institutions.

xiv. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

xv. According to the information and explanations give to us and on the basis of the maturity profile of assets and liabilities with a maturity profile of one year, as given in the Asset Liability Management Report, liabilities maturing in the next one year are not in excess of the assets of similar maturity.

xvi. According to the information and explanations given to us, the Company has not made any preferential



Annexure to The Independent Auditors' Report

To The Members of Indiabulls Housing Finance Limited (Contd...)

allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

- xvii. According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 37,033 Secured Redeemable Non-Convertible Debentures (NCDs) of Face Value Rs.1,000,000 each. The Company has created security in respect of the debentures issued except, as at the year-end, the Company is in the process of creating the charge / security on assets for 9,653 NCDs of Face Value Rs. 1,000,000 each.
- xviii. The Company has not raised any money by way of public issues during the year.
- xix. To the best of our knowledge 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, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. Siddharth
Partner
(Membership No. 031467)
MUMBAI, 23rd April, 2014



Balance Sheet as at March 31, 2014

Particulars	Note No.	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	3	668,084,886	625,022,334
Reserves and surplus	4	54,003,652,489	47,637,190,332
Money received against share warrants	5	—	1,128,150,000
(2) Non-current liabilities			
Long-term borrowings	6	199,044,086,205	182,344,598,867
Other long-term liabilities	7	2,236,144	78,379,523
Long-term provisions	8	3,619,202,532	3,669,533,718
(3) Current liabilities			
Short-term borrowings	9	84,473,960,535	63,810,139,094
Trade payables	10	23,311,781	28,529,227
Other current liabilities	11	80,313,635,366	77,947,055,331
Short-term provisions	12	8,633,410,396	8,215,269,504
Total		430,781,580,334	385,483,867,930
II. ASSETS			
(1) Non-current assets			
Fixed assets	13		
(i) Tangible assets		456,024,617	440,740,721
(ii) Intangible assets		4,234,050	8,519,726
Non-current investments	14	6,021,055,226	3,249,250,000
Deferred tax assets (net)	15	1,793,960,296	1,631,688,292
Long-term loans and advances	16	294,343,272,209	263,169,892,344
Other non-current assets	17	7,704,482,892	5,178,620,517
(2) Current assets			
Current investments	18	28,893,429,109	21,686,177,570
Trade receivables	19	5,572,037	18,072,196
Cash and bank balances	20	42,997,054,206	48,455,268,974
Short-term loans and advances	21	45,205,849,570	38,466,466,458
Other current assets	22	3,356,646,122	3,179,171,132
Total		430,781,580,334	385,483,867,930

Notes forming part of the financial statements 1 - 41

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Sameer Gehlaut
Chairman/ Whole
Time Director

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary

Mumbai: April 23, 2014

Mumbai: April 23, 2014



Statement of Profit and Loss for the Year ended March 31, 2014

Particulars	Note No.	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
(1) Revenue from operations	23	52,241,058,946	44,389,544,340
(2) Other income	24	5,313,501,146	2,672,459,120
(3) Total revenue (1+2)		57,554,560,092	47,062,003,460
(4) Expenses			
Employee benefits expense	25	2,205,701,146	2,036,224,930
Finance costs	26	32,322,498,711	26,035,824,918
Depreciation and amortisation expense	13	76,526,559	92,110,194
Other expenses	27	3,941,959,729	2,856,676,868
Total expenses		38,546,686,145	31,020,836,910
(5) Profit before tax (3-4)		19,007,873,947	16,041,166,550
(6) Tax expense			
Current tax expense		4,240,829,930	3,619,480,524
Less: MAT Credit Entitlement		170,665,831	—
Net Current Tax expense		4,070,164,099	3,619,480,524
Deferred tax (credit) / charge (Net)	15	(162,272,004)	142,616,472
Total Tax expense		3,907,892,095	3,762,096,996
(7) Profit for the Year(5-6)		15,099,981,852	12,279,069,554
(8) Earnings per Equity share :	33		
Basic		46.30	39.34
Diluted		45.83	38.12
Face value per Equity share		2.00	2.00
Notes forming part of the financial statements	1 - 41		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Sameer Gehlaut
Chairman/ Whole
Time Director

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary

Mumbai: April 23, 2014

Mumbai: April 23, 2014



Cash Flow Statement for the Year ended March 31, 2014

	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
A Cash flows from operating activities :		
Profit before tax	19,007,873,947	16,041,166,550
Adjustments for:		
Employee Stock Compensation	5,819,132	7,563,100
Provision for Gratuity	2,688,757	8,401,930
Provision for Compensated Absences	(876,052)	3,140,745
Provision for Superannuation	113,119,687	97,972,503
Provision for Loan Assets	1,284,555,172	323,512,490
Contingent Provisions against Standard Assets	—	223,668,551
Depreciation and Amortisation	76,526,559	92,110,194
Bad debts /Advances written off	1,425,277,115	668,154,038
Investment written off (Net)	—	7,394,643
Loss on sale of Fixed Assets	8,888,384	4,158,906
(Unrealised) gains on appreciation of Mutual Fund Investments (Current Investments) (Net)	(188,350,549)	(1,513,896)
Operating Profit before working capital changes	21,735,522,152	17,475,729,754
Adjustments for:		
Trade and Other Receivables	(1,496,662,291)	1,182,977,653
Loans and Advances	(37,257,260,050)	(49,917,257,844)
Trade Payables and other liabilities <small>(Refer Note 2 below)</small>	5,606,308,311	4,396,073,556
Cash (used in) operations	(11,412,091,878)	(26,862,476,881)
Income taxes paid (Net)	(2,210,416,822)	(2,921,127,383)
Net cash (used in) operating activities	(13,622,508,700)	(29,783,604,264)
B Cash flows from investing activities		
Purchase of Fixed Assets	(102,050,351)	(112,720,777)
Sale of Fixed Assets	5,637,185	5,170,553
Capital Advances	(400,384,762)	244,677
Investment in deposit accounts	(1,445,414,466)	(2,470,351,812)
Investments in Subsidiaries / Long term Investments	(2,771,805,226)	(2,025,000,000)
Proceeds from long term Investment written off <small>(Refer Note 14(8))</small>	—	296,157
Proceeds from Investments in Mutual Funds / Other Current Investments (Net)	(2,159,517,744)	2,328,121,441
Net cash (used in) investing activities	(6,873,535,364)	(2,274,239,761)



Cash Flow Statement for the Year ended March 31, 2014 (Contd...)

	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
C Cash flows from financing activities		
Proceeds from Issue of Equity Share through ESOPs (Including Securities Premium)	77,862,675	68,187,021
Proceeds from Issue of Share Warrants	—	1,128,150,000
Proceeds from Conversion of Share Warrants (Including Securities Premium)	3,384,450,000	—
Distribution of Equity Dividends (including Corporate Dividend Tax thereon)	(10,151,973,191)	(7,431,026,841)
Debenture issue expenses	(223,538,811)	(962,962,366)
Short term Loans to Subsidiary Companies	(2,760,900,000)	(1,400,000,000)
Proceeds from Term loans (Net)	19,381,844,207	17,147,690,906
Proceeds from / (Repayment of) issue of Commercial Papers (Net)	990,000,000	(2,965,000,000)
Net proceeds from Issue of Secured Redeemable Non-Convertible Debentures	4,241,032,180	23,453,918,000
Net proceeds from issue of Subordinated Debt	2,200,000,000	5,333,800,000
Proceeds from issue of Perpetual Debt	—	1,000,000,000
Net proceeds from Working capital loans	2,500,000,000	13,500,000,000
Net cash flows from financing activities	<u>19,638,777,060</u>	<u>48,872,756,720</u>
D Net Increase in cash and cash equivalents (A+B+C)	(857,267,004)	16,814,912,695
E Cash and cash equivalents at the beginning of the year	66,005,659,633	350,818,383
Cash and cash equivalents received under Scheme of Arrangement	—	48,839,928,555
F Cash and cash equivalents at the end of the year (D + E) (Refer Note 5 below)	<u>65,148,392,629</u>	<u>66,005,659,633</u>

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 under the Companies (Accounting Standards) Rules, 2006, as amended.
- Trade payables and other liabilities include Rs. 2,874,639,901 (Previous Year Rs. 2,108,402,244) being amount payable (net) on assigned loans.
- Margin Deposits of Rs. 6,162,587,125 (Previous Year Rs. 4,725,608,142) have been placed as collateral for Assignment deals on which assignees have a paramount lien.
- Deposits of Rs. 12,412,688 (Previous Year Rs. 3,977,205) are under lien with Bank.



Cash Flow Statement for the Year ended March 31, 2014 (Contd...)

5. Cash and cash equivalents at the end of the year include:

	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Cash and Bank Balances ^(Refer Note 20)	42,997,054,206	48,455,268,974
Current Investments in Units of Mutual Funds / Other Current Investments considered as temporary deployment of funds ^(Refer Note 18)	22,353,911,366	17,556,177,570
	<u>65,350,965,572</u>	<u>66,011,446,544</u>
Less: In deposit accounts held as margin money (under lien)	12,412,688	3,977,205
Less: Unrealised gains on appreciation of Mutual Fund Investments (Current Investments)	190,160,255	1,809,706
Cash and cash equivalents as restated	<u><u>65,148,392,629</u></u>	<u><u>66,005,659,633</u></u>

6. Unclaimed Dividend account balances in designated bank accounts are not available for use by the Company. ^(Refer Note 20)
7. Previous Year's figures are regrouped wherever considered necessary to confirm with Current Year's groupings and classification.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Mumbai: April 23, 2014

Sameer Gehlaut
Chairman/ Whole
Time Director

Mumbai: April 23, 2014

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary



Notes forming part of the Financial Statements

for the year ended March 31, 2014

(1) Significant Accounting Policies

(i) Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Prudential Norms:

The Company follows The Housing Finance Companies (NHB) Directions, 2010 ("NHB Directions, 2010") as amended from time to time, in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the Balance Sheet and provisioning. Accounting Standards (AS) as notified by the Companies (Accounting Standards) Rules, 2006, as amended and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the NHB Directions, 2010.

(iii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and

reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iv) Revenue Recognition:

Interest Income from financing and investing activities and others is recognised on an accrual basis. In terms of the NHB Directions, 2010, interest income on Non-performing assets ('NPAs') is recognised only when it is actually realised.

Processing Fees in respect of loans given is recognised on sanction / disbursement as per the terms of the contract.

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.

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 EMI's, 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 Housing Finance Companies (NHB) Directions 2010, Dividend Income on units of Mutual Fund(s) held by the Company are recognised on cash basis as per the NHB Directions, 2010.

The net gain/loss on account of Investments in Debentures/Bonds/Certificate of Deposit/ Commercial papers and Government Securities is recognised on trade date basis. Interest Income is recognised on accrual basis.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(v) Securitisation / Assignment of Loan portfolio:

Derecognition of loans assigned/secured in the books of the Company, recognition of gain / loss arising on securitisation /assignment and accounting for credit enhancements provided by the Company is based on the guidelines issued by The Institute of Chartered Accountants of India.

Derecognition of loans assigned / securitised in the books of the Company is based on the principle of surrender of control over the loans resulting in a “true sale” of loans.

Residual income on Assignment / Securitisation of Loans is recognised over the life of the underlying loans and not on an upfront basis.

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.

(vi) Fixed Assets:

(a) 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.

(b) Intangible Assets:

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

(vii) Depreciation and Amortisation:

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date the asset is put to use. Leasehold improvements are amortised over the period of Lease.

Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction, as the case may be. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

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.

(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. The recoverable amount is the higher of an asset’s net selling price and its value in use. 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 Statement of Profit and Loss. 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) 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax resulting from timing differences



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

between accounting income and taxable income is accounted for at the tax rates and the tax laws substantively enacted as at the Balance Sheet date, to the extent that the timing differences are expected to crystallise / capable of reversal in one or more subsequent periods.

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 virtual certainty of realisation backed by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

(x) Share/Debenture Issue Expenses and Premium/Discount on Issue:

Share / Debenture issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 78(2) of the Companies Act, 1956, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

Premium / Discount on Issue of debentures, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 78(2) of the Companies Act, 1956, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

(xi) Investments:

Investments are classified as long term and current investments. Long term investments are carried individually at cost less provision, if any, for diminution other than temporary in the value of such investments. In terms of NHB Directions, 2010, quoted Current investments are valued at lower of cost or market value. Unquoted current investments in units of Mutual Funds are valued as per Net Asset Value of the Plan. Provision for diminution in value of

investments is made in accordance with the NHB Directions, 2010 and Accounting Standard (AS) - 13 'Accounting for Investments' as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(xii) Employee benefits:

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has unfunded defined benefit plans as Compensated Absences and Gratuity for all eligible 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'. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses, as applicable. Superannuation (Pension & Medical coverage) payable to a Director 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 the Statement of Profit and Loss as income or expenses as applicable.

(xiii) Commercial Papers:

The liability is recognised at the face value of the Commercial Paper at the time of its issue. The discount on issue of Commercial Papers is amortised over the tenure of the instrument.

(xiv) Borrowing Costs:

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 the Statement of Profit and Loss.

(xv) Deferred Employee Stock Compensation Cost:

Deferred employee stock compensation cost



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

for stock options are recognised on the basis of generally accepted accounting principles and are measured by the difference between the intrinsic value of the Company's shares of stock options at the 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 certified by an independent firm of Chartered Accountants in respect of stock options granted.

(xvi) Leases:

In case of assets taken on operating lease, the lease rentals are charged to the Statement of Profit and Loss on a straight line basis in accordance with Accounting Standard (AS) 19 – Leases as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(xvii) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

(xviii) Derivative Transactions:

The Company has entered into Interest Rate Swap (IRS) and Foreign Currency Options(FCO). All outstanding IRS contracts and FCO contracts are marked-to-market as at the year end. Losses are recognised in the Statement of Profit and Loss based on category of contracts and gains towards category of contracts are ignored, in

line with the Announcement made by the ICAI dated March 29, 2008. Any profit/loss arising on cancellation/unwinding of IRS contracts and FCO contract are recognised as income or expenses for the period. Premium / discount on IRS / FCO contract which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date, except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

(xix) Foreign Currency Transactions and Translations:

- i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii. Monetary items denominated in foreign currencies at the year end are translated at year end rates. In case of Forward Foreign Exchange Contract (FEC), the difference between the year-end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. Any profit/loss arising on cancellation or renewal of forward contract is recognised as income or expense for the period.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- v. The exchange differences arising on settlement / restatement of long-term monetary items which do not relate to acquisition of depreciable fixed assets are amortised over the maturity period / upto



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange differences are carried in the Balance Sheet as "Foreign Currency Monetary Item Translation Difference Account" net of the tax effect thereon, where applicable.

(xx) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate 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 neither recognised nor disclosed.

(2) Corporate Information:

The Board of Directors of Indiabulls Housing Finance Limited (100% subsidiary of "IBFSL") and Indiabulls Financial Services Limited ("IBFSL", "Erstwhile Holding Company") at their meeting held on April 27, 2012 had approved the Scheme of Arrangement involving the reverse merger of IBFSL with the Company in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 (the "Scheme of Arrangement"). The Appointed Date of the proposed merger fixed under the Scheme of Arrangement was April 1, 2012. The Hon'ble High Court of Delhi, vide its Order dated December 12, 2012, received by the Company on February 8, 2013, approved the Scheme of Arrangement. In terms of the Court approved Scheme of Arrangement, with the filing of the copy of the Order, on March 8, 2013, with the office of ROC, NCT of Delhi & Haryana (the Effective Date), IBFSL, as a going concern, stands amalgamated with IBHFL with

effect from the Appointed Date, being April 1, 2012. Accordingly, Earnings Per Share and previous year figures are not comparable.

Indiabulls Financial Services Limited ("IBFSL") was incorporated on January 10, 2000 as a Private Limited Company. 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. The Company was converted into a public limited Company pursuant to Section 44 of the Companies Act, 1956 on February 03, 2004.

Indiabulls Housing Finance Limited ("the Company") ("IBHFL") was incorporated on May 10, 2005. On December 28, 2005 the Company was registered under Section 29A of the National Housing Bank Act, 1987 to commence / carry on the business of a Housing Finance Institution without accepting public deposits. The Company is required to comply with provisions of the National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and other guidelines / instructions / circulars issued by the National Housing Bank from time to time.

The Company is engaged in the business to provide finance and to undertake all lending and finance to any person or persons, co-operative society, association of persons, body of individuals, companies, institutions, firms, builders, developers, contractors, tenants and others either at interest or without and/or with or without any security for construction, erection, building, repair, remodeling, development, improvement, purchase of houses, apartments, flats, bungalows, rooms, huts, townships and/or other buildings and real estate of all descriptions or convenience there on and to equip the same or part thereof with all or any amenities or conveniences, drainage facility, electric, telephonic, television, and other installations, either in total or part thereof and/or to purchase any free hold or lease hold lands, estate or interest in any property and such other activities as may be permitted under the Main Objects of the Memorandum of Association of the Company.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(3) Share capital		
Authorised:		
3,000,000,000 (Previous Year 3,000,000,000) Equity Shares of face value Rs. 2 each	6,000,000,000	6,000,000,000
1,000,000,000 (Previous Year 1,000,000,000) Preference Shares of face value Rs.10 each	10,000,000,000	10,000,000,000
Issued, subscribed and fully paid up ^(I to VII)		
334,042,443 (Previous Year 312,511,167) Equity Shares of face value Rs. 2 each	668,084,886	625,022,334
The Company has only one class of Equity Shares of face value Rs. 2 each (Previous Year Rs. 2) each fully paid up. Each holder of Equity Shares is entitled to one vote per share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, if applicable.		
In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.		
	668,084,886	625,022,334

- (I) Indiabulls Financial Services Limited ("Erstwhile Holding Company") had issued Global Depository Receipts (GDR's) which were transferred under the Scheme of Arrangement in financial year 2012-13. As at March 31, 2014 3,100,273 (Previous Year 5,608,131) GDR's were outstanding and were eligible for conversion into Equity Shares. The Company does not have information with respect to holders of these GDR's. Holders of Global Depository Receipts (GDRs) will be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares, less the fees and expenses payable under such Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDRs will not have voting rights with respect to the Deposited Shares. The GDRs may not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.
- (II) 312,511,167(Previous Year 312,511,167) Equity Shares were allotted by the Company, for consideration other than cash to the shareholders of Erstwhile Holding Company pursuant to and in terms of the Scheme of Arrangement, approved by the Hon'ble High Court of Delhi vide its Order dated December 12, 2012, which came into effect on March 8, 2013 from the Appointed Date April 1, 2012. ^(Refer Note 39)



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(III) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:-

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Opening Balance	312,511,167	625,022,334	155,689,656	311,379,312
Less: Equity Shares of Rs. 10 each cancelled under the Scheme of Arrangement	—	—	155,689,656	311,379,312
Add: Equity Shares of Rs. 2 each issued during the year under the Scheme of Arrangement*	—	—	312,511,167	625,022,334
Add: Equity Shares of Rs. 2 each issued during the year**	21,531,276	43,062,552	—	—
Closing Balance	334,042,443	668,084,886	312,511,167	625,022,334

*Includes 706,596 Equity Shares of Rs. 2 each issued during the year, under various ESOP Schemes by the Erstwhile Holding Company aggregating to Rs. 1,413,192.

**Includes 831,276 Equity Shares of Rs. 2 each issued during the year, under various ESOP Schemes aggregating to Rs. 1,662,552 and 20,700,000 Equity Shares of Rs. 2 each issued during the year to certain promoter entities and Key Management Personnel's against outstanding Share warrants aggregating to Rs. 41,400,000.

(IV) Shares held by Shareholders holding more than 5% shares

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Promoters and promoter group company				
Mr. Sameer Gehlaut	37,601,278	11.26%	37,601,278	12.03%
Mr. Saurabh Kumar Mittal	18,987,083	5.68%	18,987,083	6.08%
Mr. Rajiv Rattan	18,780,253	5.62%	18,780,253	6.01%
Orthia Land Development Private Limited	15,817,165	4.74%	15,717,165	5.03%
Non - Promoters				
Copthall Mauritius Investment Limited	20,599,094	6.17%	19,931,538	6.38%
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	18,828,838	5.64%	18,962,353	6.07%
Morgan Stanley Asia (Singapore) PTE	17,000,531	5.09%	7,742,820	2.48%



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(V) Employees Stock Options Schemes:

Indiabulls Financial Services Limited (“Erstwhile Holding Company”) (Refer Note 39) and its erstwhile subsidiary, Indiabulls Credit Services Limited (“ICSL”) had announced ESOS / ESOP schemes for its employees and the employees of its group companies wherein each option represents one Equity Share of the Company. The Company has adopted the ESOS / ESOP schemes in respect of its employees. A Compensation Committee constituted by the Board of Directors administers each of the plans.

(a) Stock option schemes of the erstwhile Holding Company including schemes in lieu of stock options schemes of erstwhile fellow subsidiary Indiabulls Credit Services Limited transferred under the Court approved Scheme of Arrangement ^(Refer Note 39) :

S. No.	ERSTWHILE PLANS	NEW PLANS*
1	IBFSL – ICSL Employees Stock Option Plan – 2006	IHFL- IBFSL Employees Stock Option Plan – 2006
2	IBFSL – ICSL Employees Stock Option Plan II – 2006	IHFL - IBFSL Employees Stock Option Plan II – 2006
3	IBFSL – Employees Stock Option – 2008	IHFL - IBFSL Employees Stock Option – 2008

*The name of the schemes have been revised by the approval of the Shareholders of the Company in the 8th Annual General Meeting held on July 1, 2013.

(b) IHFL ESOS - 2013

The members of the Company at their Meeting dated March 6, 2013 approved the IHFL ESOS - 2013 scheme consisting of 39,000,000 stock options representing 39,000,000 fully paid up Equity Shares of Rs. 2 each of the Company to be issued in one or more tranches to eligible employees of the Company or to eligible employees of the subsidiaries / step down subsidiaries of the Company. The same has not yet been granted till March 31, 2014.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(c) The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

Particulars	IHFL-IBFSL Employees Stock Option Plan – 2006	IHFL-IBFSL Employees Stock Option Plan II – 2006	IHFL-IBFSL Employees Stock Option – 2008	IHFL-IBFSL Employees Stock Option – 2008 -Regrant	IHFL-IBFSL Employees Stock Option – 2008 -Regrant	IHFL-IBFSL Employees Stock Option Plan – 2006 -Regrant	IHFL-IBFSL Employees Stock Option – 2008 -Regrant	IHFL-IBFSL Employees Stock Option – 2006 -Regrant
Total Options under the Scheme	1,440,000	720,000	7,500,000	N.A.	N.A.	N.A.	N.A.	N.A.
Options issued	1,440,000	720,000	7,500,000	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	Four years, 25% each year	Ten years, 15% First year, 10% for next eight years and 5% in last year	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Date	1st April	1st November	8th December	31st December	16th July	27th August	11th January	27th August
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	N.A.	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	41.67	100.00	95.95	125.90	158.50	95.95	153.65	100.00
Exercisable Period	4 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year (Nos.)	296,910	132,762	3,043,559	87,915	171,720	316,000	163,000	175,200
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	63,558	25,581	480,588	9,840	20,440	39,500	20,000	21,900
Exercised during the year (Nos.)	78,570	27,693	626,693	2,250	20,170	39,500	14,500	21,900
Expired during the year (Nos.)	—	—	—	—	—	—	—	—
Cancelled during the year	—	—	—	—	—	—	—	—
Lapsed during the year	12,672	5,118	92,864	27,615	8,000	—	—	—
Re-granted during the year	—	—	—	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	205,668	99,951	2,324,002	58,050	143,550	276,500	148,500	153,300
Exercisable at the end of the year (Nos.)	3,888	21,489	186,803	17,010	470	39,500	8,500	21,900
Remaining contractual Life (Weighted Months)	60	72	87	82	99	89	103	89

N.A. - Not Applicable



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

The Fair value of the options as determined by an Independent firm of Chartered Accountants, which has been regranted by the Erstwhile Holding Company under the respective plans using the Black-Scholes Merton Option Pricing Model based on the following parameters are as under:-

Particulars	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant	IHFL - IBFSL Employees Stock Option – 2006 Regrant	IHFL - IBFSL Employees Stock Option – 2006 Regrant	IHFL - IBFSL Employees Stock Option – 2008 Regrant
Exercise price (Rs.)	125.90	158.50	95.95	100.00	153.65
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%
Weighted Average Fair Value (Rs.)	83.48	90.24	106.3	108.06	84.93
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%

*The expected volatility was determined based on historical volatility data.

Fair Value Methodology:

As all the other plans were issued based on the fair value of the options on the date of the grant, there is no impact of the same on the net profit and earnings per share. The IHFL - IBFSL Employees Stock Option Plan – 2008 (including re-grant) were issued at the Intrinsic value of the options on the date of the grant. Had the compensation cost for the stock options granted under IHFL - IBFSL Employees Stock Option Plan – 2008 (including re-grant) been determined based on the fair value approach, the Company's net profit and earnings per share would have been as per the pro forma amounts indicated below:-

Particulars	Year ended March 31, 2014 Amount (Rs.)	Year ended March 31, 2013 Amount (Rs.)
Net Profit available to Equity Share holders (as reported)	15,099,981,852	12,279,069,554
Less : Stock-based compensation expense determined under fair value based method: [Gross Rs. 383,939,285 (Previous Year Rs. 390,850,276)] (Pro forma)	29,348,073	40,985,070
Net Profit available to Equity Share holders (as per Pro forma)	15,070,633,779	12,238,084,484
Basic earnings per share (as reported)	46.30	39.34
Basic earnings per share (Pro forma)	46.21	39.21
Diluted earnings per share (as reported)	45.83	38.12
Diluted earnings per share (Pro forma)	45.74	37.99

(VI) During the year ended March 31, 2013, pursuant to the Scheme of Arrangement the Authorised Capital of the Company has been rearranged to Rs.16,000,000,000 divided into 3,000,000,000 Equity Shares of Rs. 2 each and 1,000,000,000 Preference Shares of Rs. 10 each.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(VII) 30,909,521 Equity Shares of Rs. 2 each (Previous year 52,587,066) are reserved for issuance as follows:-

- (a) 3,409,521 Equity shares of Rs. 2 each (Previous Year 4,387,066) towards Employees Stock options as granted.
- (b) 27,500,000 Equity shares of Rs. 2 each (Previous Year 48,200,000) towards outstanding share warrants.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(4) Reserves and surplus		
Capital Reserve:		
Opening Balance	137,500,000	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.39)	—	137,500,000
Closing Balance	137,500,000	137,500,000
Capital Redemption Reserve:		
Opening Balance	3,627,392	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.39)	—	3,627,392
Closing Balance	3,627,392	3,627,392
Securities Premium Account:		
Opening Balance	29,546,446,494	3,365,348,462
Add: Additions during the year on account of shares issued under ESOPs	76,200,123	66,773,829
Add: Additions during the year on account of shares issued against Share Warrants	4,471,200,000	—
Add: Transfer from Stock Compensation Adjustment Account	6,140,335	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.39)	—	32,311,818,259
	34,099,986,952	35,743,940,550
Less: Adjustment on account of merger ⁽¹⁾	—	3,696,478,559
Less: Debenture issue expenses (Net of tax effect of Rs. 47,753,427 (Previous Year Rs. 227,618,812))	175,785,384	682,930,943
Less: Premium on Redemption of Non Convertible Debentures (Including Discount) (Net of tax effect of Rs. 500,076,502 (Previous Year Rs. 605,962,066))	1,840,834,157	1,818,084,554
Closing Balance	32,083,367,411	29,546,446,494
Stock Compensation Adjustment: ^(Refer Note 39)		
Opening Balance	—	—
Employee Stock Options outstanding	61,403,350	61,403,350
Less: Deferred Employee Stock Compensation expense	12,975,233	18,794,365
Less: Transferred to Securities Premium Account	18,421,005	12,280,670
Closing Balance	30,007,112	30,328,315



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
General Reserve:		
Opening Balance	3,624,248,200	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.39)	—	2,396,248,200
Add: Amount transferred during the year from Surplus in Statement of Profit and Loss	1,510,000,000	1,228,000,000
Closing Balance	5,134,248,200	3,624,248,200
Foreign Currency Monetary Item Translation Difference Account: ⁽²⁾		
Opening Balance	(27,523,476)	—
Add: Transfer during the Year	—	(27,523,476)
Less: Adjusted during the Year	27,523,476	—
Closing Balance	—	(27,523,476)
Other Reserves:		
Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961:		
Opening Balance	890,000,000	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.39)	—	890,000,000
Closing Balance	890,000,000	890,000,000
Statutory Reserve:		
Reserve (I)(As per Section 29C of the Housing Bank Act, 1987) ^{(3) & (4)}		
Opening Balance	3,419,622,833	963,808,922
Add : Amount transferred during the year from Surplus in Statement of Profit and Loss	3,019,996,370	2,455,813,911
Less: Appropriation during the year	—	—
Closing Balance	6,439,619,203	3,419,622,833
Reserve (II)		
Opening Balance	5,054,795,194	—
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^{(5)& (Refer Note 39)}	—	5,054,795,194
Closing Balance	5,054,795,194	5,054,795,194



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Additional Reserve Fund (U/s 29C of the National Housing Bank Act, 1987):⁽³⁾		
Opening Balance	2,749,352,909	2,069,552,909
Add: Amount transferred during the year from Surplus in Statement of Profit and Loss	1,000,000,000	2,000,000,000
Less: Amount utilised during the year ⁽⁶⁾	—	1,320,200,000
Closing Balance	3,749,352,909	2,749,352,909
Surplus in Statement of Profit and Loss:		
Opening Balance	2,208,792,471	1,595,235,686
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note.39)	—	1,295,149,850
Profit for the year	15,099,981,852	12,279,069,554
Amount available for appropriation (A)	17,308,774,323	15,169,455,090
Appropriations:		
Interim Dividend paid on Equity Shares (Rs. 20.00 Per Share (Previous Year Rs. 13.50 Per Share))	6,650,135,713	4,215,019,939
Interim Dividend payable on Equity Shares (Rs. 9.00 Per Share (Previous Year Rs. 6.50 Per Share))	3,006,381,987	2,031,322,586
Dividend for the previous year on Equity Shares issued by the Erstwhile Holding Company after the year end pursuant to ESOPs Allotment	—	1,291,745
Corporate Dividend Tax on Interim Dividend paid on Equity Shares	1,130,190,566	683,781,610
Corporate Dividend Tax on Interim Dividend payable on Equity Shares	510,934,619	345,223,274
Corporate Dividend Tax on Dividend for the previous year on Equity Shares issued by the Erstwhile Holding Company after the year end pursuant to ESOPs Allotment	—	209,554
Transferred to General Reserve	1,510,000,000	1,228,000,000
Transferred to Special Reserve (U/s 29C of the National Housing Bank Act, 1987)	3,019,996,370	2,455,813,911
Transferred to Additional Reserve (U/s 29C of the National Housing Bank Act, 1987)	1,000,000,000	2,000,000,000
Total Appropriations (B)	16,827,639,255	12,960,662,619
Balance of Profit Carried Forward (A)-(B)	481,135,068	2,208,792,471
	54,003,652,489	47,637,190,332

- (1) During the year ended March 31, 2013, the difference between the carrying amount of Investment in Indiabulls Housing Finance Limited held by Indiabulls Financial Services Limited, and amount of Capital issued earlier has been debited to Securities Premium account as per Scheme of Arrangement on cancellation of said investment.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

- (2) Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates, as notified by the Companies (Accounting Standards) Rules, 2006, as amended, the Company has exercised the option as per para 46A inserted in the said Standard for all long term monetary assets and liabilities. Consequently an amount of Rs. Nil (Previous Year Rs. 27,523,476) representing translation difference on foreign currency loans is carried forward in the Foreign Currency Monetary Item Translation Difference Account as on March 31, 2014.
- (3) In terms of Section 29C of the National Housing Bank ("NHB") Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Such a Reserve Fund is also considered as an eligible transfer in terms of Section 36(1)(viii) of the Income Tax Act, 1961. The Company has transferred an amount of Rs. 3,019,996,370 (Previous Year Rs. 2,455,813,911) to the Reserve Fund as at the year end. Further an additional amount of Rs. 1,000,000,000 (Previous Year Rs. 2,000,000,000) has been set apart by way of transfer to Additional Reserve Fund in excess of the statutory minimum requirement as specified under Section 29C pursuant to Circular no. NHB(ND)/DRS/Pol-No. 03/2004-05 dated August 26, 2004 issued by the National Housing Bank. The additional amount so transferred may be utilised in the future for any business purpose.
- (4) Disclosure in terms of Circular No. NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7, 2014:-

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Balance at the beginning of the year		
a) Statutory Reserve U/s 29C of the National Housing Bank Act, 1987	1,439,622,833	233,808,922
b) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1,980,000,000	730,000,000
c) Total	<u>3,419,622,833</u>	<u>963,808,922</u>
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred U/s 29C of the NHB Act, 1987	1,519,996,370	1,205,813,911
b) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1,500,000,000	1,250,000,000
Less:		
a) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	—	—
b) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	—	—



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Balance at the end of the year		
a) Statutory Reserve U/s 29C of the National Housing Bank Act, 1987	2,959,619,203	1,439,622,833
b) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	3,480,000,000	1,980,000,000
c) Total	6,439,619,203	3,419,622,833

(5) This pertains to reserve created under section 45-IC of the Reserve Bank of India Act 1934, by the Erstwhile Holding Company Indiabulls Financial Services Limited, which has been transferred to the Company under the Scheme of Arrangement during the year ended March 31, 2013.

(6) During the year, in addition to the charge of Rs. 1,284,555,172 (Previous Year Rs. 547,181,041) towards provision for loan assets and standard assets to the Statement of Profit and Loss, an amount of Rs. Nil (net of Deferred Tax of Rs. Nil) [(Previous Year Rs. 1,320,200,000) (net of deferred tax of Rs. 679,800,000)], being one time charge of provision for standard assets and other contingencies due to merger between the Company and the Erstwhile Holding Company (Refer note 39) and changes in the provisioning requirements by the National Housing Bank vide Circulars no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 has been transferred from Additional Reserve created as per Section 29C of the National Housing Bank Act, 1987 pursuant to Circular No. NHB(ND)/DRS/Pol- 03/2004-05 dated August 26, 2004 as under:

Particulars	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Provisions for Contingencies	—	2,223,668,551
Provision for Loan Assets	1,284,555,172	323,512,490
Total	1,284,555,172	2,547,181,041

(5) In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the erstwhile Holding Company during the financial year 2012-13, upon receipt of Shareholders approval, has on June 9, 2012, issued and allotted an aggregate of 20,700,000 warrants, to certain Promoter group entities and Key Management Personnel, at a conversion price of Rs. 218 per Equity Share, 25% of which amounting to Rs. 1,128,150,000 had already been received by the Erstwhile Holding Company from the respective Allottee's as upfront amount as at the Year ended March 31, 2013. These warrants were convertible into an equivalent number of Equity Shares of face value Rs. 2 each, in the Company, upon receipt of balance conversion price, within a period of eighteen months from the date of allotment. During the Current financial year the Company has received from the warrant holders the balance amount of 75% amounting to Rs. 3,384,450,000 upon exercise of the rights to convert the warrants into equity shares. ^(Refer Note 39)



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(6) Long-term borrowings		
Secured		
Redeemable Non Convertible Debentures ^{(Refer Note 28 (i))**}	65,754,000,000	58,071,000,000
Term Loans ^{(Refer Note 28(ii))*}		
— from banks	120,018,286,206	111,821,798,868
— from others	2,624,999,999	4,004,999,999
Unsecured		
Loans and Advances from Others		
— 10.60% Non convertible Subordinated Perpetual Debentures***	1,000,000,000	1,000,000,000
— Subordinated Debt ^{(Refer Note 28 (iii))}	9,646,800,000	7,446,800,000
	199,044,086,205	182,344,598,867

* Secured by hypothecation of Loan Receivables(Current and Future) /Current Assets/Cash and Cash Equivalents of the Company.

** Redeemable Non-Convertible Debentures are secured against Immovable Property / Current Assets and pool of Current and Future Loan Receivables of the Company.

*** No Put Option, Call Option exercisable at the end of 10 years from the date of allotment (exercisable only with the prior approval of the concerned regulatory authority).

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(7) Other Long-term liabilities		
Other Liabilities	2,236,144	2,759,578
Interest Accrued but not due on Secured Redeemable, Non Convertible Debentures	—	75,619,945
	2,236,144	78,379,523

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(8) Long term provisions		
Provision for Contingencies ⁽¹⁾ & ^(Refer Note 36)	2,630,865,137	2,650,973,268
Provision for Gratuity ^(Refer Note 25)	74,125,062	72,998,994
Provision for Compensated Absences ^(Refer Note 25)	30,818,902	32,017,108
Provision for Superannuation ^(Refer Note 25)	405,345,046	292,225,359
Premium on Redemption on Secured Non Convertible Debentures (Accrued but not due)(Sinking fund)	478,048,385	621,318,989
	3,619,202,532	3,669,533,718



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

- (1) Provision for Contingencies includes Contingent provision against standard assets and other contingencies. As per National Housing Bank Circular No. NHB/HFC/DIR.3/CMD/2011 dated August 5, 2011 and NHB/HFC/DIR.9/CMD/2013 dated September 6, 2013, in addition to provision for non performing assets, all housing finance companies are required to carry a general provision. (i) at the rate of 2% on housing loans disbursed at comparatively lower rate of interest in the initial few years, after which rates are reset at higher rates; (ii) at the rate of 0.75% of Standard Assets in respect of Commercial Real Estates (Residential Housing); (iii) at the rate of 1.00% of Standard Assets in respect of other Commercial Real Estates and (iv) at the rate of 0.40% of the total outstanding amount of loans which are Standard Assets other than (i), (ii) & (iii) above. Accordingly, the Company is carrying a provision of Rs. 2,500,000,000 (Previous Year Rs. 2,500,000,000) towards standard assets (included in Provisions for Contingencies), which is well over the required minimum provision as per the NHB Guidelines.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Movement in Provision for Contingencies Account during the year is as under :		
Opening Balance	3,029,995,465	362,357,671
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note. 39)	—	443,969,243
Add: Addition during the Year ^{(Refer Note 4(6))}	—	2,223,668,551
Closing Balance*	3,029,995,465	3,029,995,465
*Includes Contingent Provision Against Standard Assets	2,500,000,000	2,500,000,000

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(9) Short-term borrowings		
Secured		
(a) Loans repayable on demand		
From banks- Working Capital Demand Loan*	31,000,000,000	28,500,000,000
From banks- Cash Credit Facility*	14,208,960,535	5,432,615,618
(b) Other Loans and advances		
From banks*	9,725,000,000	7,277,523,476
From Others	600,000,000	—
Redeemable, Non Convertible Debentures** & #	6,000,000,000	650,000,000
Unsecured		
Other Loans and advances		
Commercial Papers***	22,940,000,000	21,950,000,000
	84,473,960,535	63,810,139,094



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

- * Secured by hypothecation of Loan Receivables (Current and Future) / Current Assets / Cash and Cash Equivalents of the Company.
- ** Redeemable Non-Convertible Debentures are secured against Immovable Property / Current Assets and pool of Current and Future Loan Receivables of the Company.
- *** Maximum balance outstanding during the year Rs. 58,790,000,000 (Previous year Rs. 29,880,000,000).
- # As at the year end, the Company was in the process of creating the charge / security on assets against Redeemable, Non Convertible Debentures of Rs. 6,000,000,000(Previous Year Rs. Nil).

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(10) Trade payables		
(a) Dues to Micro and Small Enterprises *	—	—
(b) Dues to others	23,311,781	28,529,227
	23,311,781	28,529,227

- * 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 regarding to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(11) Other current liabilities		
Current maturities of long term debt ⁽¹⁾	61,377,111,740	64,703,099,788
Interest accrued but not due ⁽²⁾	4,459,812,019	3,549,005,814
Temporary Overdrawn Balances as per books	10,926,113,516	6,957,573,072
Amount payable on Assigned Loans ⁽³⁾	2,874,639,901	2,108,402,244
Other Current Liabilities for Statutory Dues and Expense Provisions	651,771,746	609,686,917
Unclaimed Dividends ⁽⁴⁾	24,186,444	19,287,496
	80,313,635,366	77,947,055,331



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(1) Current maturities of long term debt		
Redeemable, Non Convertible Debentures ^{(Refer Note 28(i))}	22,850,000,000	26,890,000,000
Term Loans		
From Banks ^{(Refer Note 28 (ii))}	37,147,111,740	37,183,099,788
From Others ^{(Refer Note 28 (ii))}	1,380,000,000	630,000,000
	61,377,111,740	64,703,099,788
(2) Interest accrued but not due		
On Term Loans and Working Capital Demand Loans	78,400,746	42,196,097
On Secured Redeemable Non Convertible Debentures	3,827,128,799	3,106,859,914
On Subordinate Debt and Perpetual Debt	554,282,474	399,949,803
	4,459,812,019	3,549,005,814
(3) Amount payable on assigned loans is net of amount receivable from related parties amounting to Rs. Nil (Previous Year Rs 18,460,081).		
(4) 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, 2014.		

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(12) Short-term provisions		
Provision for Taxation (Net of Advance Tax/ TDS/ Self assessment Tax Rs. 3,406,604,538 (Previous Year Rs. 4,552,744,233))	3,093,072,281	1,569,908,553
Provision for Fringe Benefits Tax (net of Advance Tax Rs.78,998,036 (Previous Year Rs. Rs.78,998,036))	185,628	185,628
Provision for Contingencies ^(Refer Note. 8 & 36)	399,130,328	379,022,197
Provision for Gratuity ^(Refer Note 25)	6,264,704	4,702,015
Provision for Compensated Absences ^(Refer Note 25)	2,714,527	2,392,373
Premium on Redemption on Secured Non Convertible Debentures (Accrued but not due)(Sinking fund)	1,614,726,322	3,882,512,878
Interim Dividend payable on Equity Shares (Rs. 9.00 per share (Previous Year Rs. 6.50 per Share))	3,006,381,987	2,031,322,586
Corporate Dividend Tax payable on Interim Dividend payable on Equity Shares	510,934,619	345,223,274
	8,633,410,396	8,215,269,504



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Particulars	GROSS BLOCK AT COST						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2013	Addition on account of Scheme of Arrangement (Refer Note 39)	Adjustments during the year	As at March 31, 2014	As at April 01, 2013	Provided during the year	Adjustments during the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013		
A. Tangible Assets												
Land*	3,218,270	—	—	3,218,270	—	—	—	—	—	—	3,218,270	
Building	10,255,100	—	—	10,255,100	386,982	167,158	—	554,140	9,700,960	9,868,118		
Computers	190,031,636	—	17,932,051	203,258,272	150,333,966	15,191,417	4,582,586	160,942,797	42,315,475	39,697,670		
Furniture & Fixtures	114,043,262	—	14,151,139	127,463,731	63,197,754	30,427,033	471,698	93,153,089	34,310,642	50,845,508		
Leasehold Improvements	202,895,166	—	23,780,922	217,166,541	69,333,814	2,866,083	6,899,108	65,300,789	151,865,752	133,561,352		
Office Equipment	104,278,769	—	10,476,998	113,874,149	25,118,877	5,301,997	317,393	30,103,481	83,770,668	79,159,892		
Vehicles	165,078,631	—	34,495,089	185,230,255	40,688,720	17,073,043	3,374,358	54,387,405	130,842,850	124,389,911		
Total (A)	789,800,834	—	100,836,199	860,466,318	349,060,113	71,026,731	15,645,143	404,441,701	456,024,617	440,740,721		
Previous Year(I)	95,479,140	602,434,977	108,671,522	789,800,834	36,550,538	247,429,863	7,455,346	349,060,113	440,740,721			
B. Intangible Assets												
Software	189,334,862	—	1,214,152	190,549,014	180,815,136	5,499,828	—	186,314,964	4,234,050	8,519,726		
Total (B)	189,334,862	—	1,214,152	190,549,014	180,815,136	5,499,828	—	186,314,964	4,234,050	8,519,726		
Previous Year (II)	26,047,406	159,238,201	4,049,255	189,334,862	25,193,141	136,046,859	19,575,136	180,815,136	8,519,726			
Total (A+B)	979,135,696	—	102,050,351	1,051,015,332	529,875,249	76,526,559	15,645,143	590,756,665	460,258,667	449,260,447		
Previous Year (I)+(II)	121,526,546	761,673,178	112,720,777	979,135,696	61,743,679	383,476,722	92,110,194	529,875,249	449,260,447			

*Mortgaged as Security against Secured Non Convertible Debentures (Refer Note 6, 9 & 11)



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(14) Non—current investments <small>(Refer Note 39)</small>		
Long Term — Trade — Unquoted		
(i) In Wholly owned Subsidiary Companies (Unless otherwise stated):		
– 50,000 (Previous Year 50,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Insurance Advisors Limited ^{(1)&(5)}	500,000	500,000
– 7,608,696 (Previous Year 4,375,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Finance Company Private Limited ^{(2)&(5)}	3,054,391,255	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 Limited ^{(1)&(5)}	50,000,000	50,000,000
– 10,000,000 (Previous Year 10,000,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Infrastructure Credit Limited ⁽⁵⁾	250,000,000	250,000,000
– 22,500,000 (Previous Year 22,500,000) Fully paid up Compulsory Convertible Cumulative Preference shares of face value Rs 10 each in Indiabulls Infrastructure Credit Limited ⁽³⁾	2,025,000,000	2,025,000,000
– 2,550,000 (Previous Year 2,550,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Advisory Services Limited ⁽⁵⁾	25,500,000	25,500,000
– 50,000 (Previous Year 50,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Asset Holding Company Limited ^{(1)&(5)}	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 ^{(1) & (5)}	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 ⁽⁵⁾	100,500,000	100,500,000
– 50,000 (Previous Year 50,000) Fully paid up Equity Shares of face value Rs 10 each in Ibulls Sales Limited ⁽⁵⁾	500,000	500,000
– 21,000,000 (Previous Year 15,000,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Asset Management Company Limited ^{(5)&(6)}	210,000,000	150,000,000



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
– 500,000 (Previous Year 500,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Trustee Company Limited ⁽⁵⁾	5,000,000	5,000,000
– 150,000 (Previous Year 150,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Holdings Limited ⁽⁵⁾	1,500,000	1,500,000
– 1,225,000 (Previous Year 1,225,000) Fully paid up Equity Shares of face value Rs 10 each in Indiabulls Asset Reconstruction Company Limited ^{(5)&(7)}	12,250,000	12,250,000
Total (i)	5,736,141,255	3,059,250,000
(ii) Other Long Term Investments (Unquoted):		
– 28,000,000 (Previous Year 28,000,000) Fully paid up Equity Shares of face value Rs 5 each in Indian Commodity Exchange Limited ^{(4)&(5)}	140,000,000	140,000,000
– 50 (Previous Year 50) 9.25% Unsecured Redeemable, Non—Convertible Subordinated Bonds of Dena Bank of Face Value of Rs. 1,000,000 each ⁽⁵⁾	50,000,000	50,000,000
– Investments in Pass Through Certificates ^{(Refer Note 28(iv(d)))}	94,913,971	—
Total (ii)	284,913,971	190,000,000
Total (i) + (ii)	6,021,055,226	3,249,250,000
Aggregate market value of quoted Investments	—	—
Aggregate book value of quoted Investments	—	—
Aggregate book value of unquoted Investments	6,021,055,226	3,249,250,000
Aggregate provision for diminution in value of Investments	—	—

- (1) 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 the books of account.

As at March 31, 2014, the Company holds 100% of the Equity capital of Indiabulls Asset Holding Company Limited and Indiabulls Life Insurance Company Limited at a cost of Rs. 500,000 each. Based on the audited financials of these companies, as at March 31, 2014, there has been an 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. As the Management considers 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 their carrying values has been made in the books of account.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

- (2) The Company was holding 57.50% of the capital of Indiabulls Finance Company Private Limited (IFCPL), which has become a subsidiary of the Company pursuant to the Scheme of Arrangement. The balance 42.50% or 3,233,696 Equity Shares were held by Amaprop Limited (Amaprop), vide a Share Subscription and Shareholders Agreement (SHA) entered into between the erstwhile Holding Company [Indiabulls Financial Services Limited (IBFSL)], IFCPL and Amaprop.

During the Current financial year, the Company has purchased the remaining 42.50% or 3,233,696 Equity Shares, which were earlier held by Amaprop Limited at a consideration of Rs. 2,616,891,255. Post this transaction IFCPL is a wholly owned subsidiary of the Company.

- (3) During the financial year 2012—13, the Company has invested Rs. 2,025,000,000 by subscribing to 22,500,000 Compulsorily Convertible Cumulative Preference Shares of face value Rs. 10 per share, issued by its wholly owned subsidiary namely Indiabulls Infrastructure Credit Limited.
- (4) On December 13, 2010 the Erstwhile Holding Company (IBFSL) had sold 26% shares held by it in Indian Commodity Exchange Limited (ICEX) to Reliance Exchange Next Limited (R—Next) for a total consideration of Rs. 473,500,000 against a proportionate cost of Rs. 260,000,000. As a result thereof, the stake of IBFSL in ICEX has been reduced from 40% to 14% and the same has been reclassified as a long term investment from the earlier classification of being an Associate. MMTC filed a petition before the Company Law Board (CLB) against ICEX, R—Next and IBFSL alleging that the transfer is null and void in terms of the Shareholders Agreement in view of the Forward Markets Commission (FMC) guidelines. IBFSL contends that such view of MMTC is based on the old FMC guidelines and without considering the amended FMC Guidelines dated June 17, 2010 wherein the transfer norms were relaxed. IBFSL had filed its objections on maintainability of the petition which is pending adjudication before the CLB.
- (5) During the year ended March 31, 2013, investment in subsidiaries were transferred from Indiabulls Financial Services Limited under the Scheme of Arrangement. (Refer Note 39)
- (6) During the current financial year, the Company has invested Rs. 60,000,000 by subscribing to 6,000,000 Equity Shares of face value Rs. 10 per share, issued by its wholly owned subsidiary namely Indiabulls Asset Management Company Limited.
- (7) During the financial year 2012—13, Indiabulls Advisory Services Limited (IASL), a wholly owned subsidiary of the Company has invested Rs. 26,000,000 by purchasing 2,600,000 Equity Shares of face value Rs. 10 each per Equity Share from the earlier shareholders of Indiabulls Asset Reconstruction Company Limited (IARCL), an associate of the Company. After this purchase, the stake in IARCL has increased from 24.02% to 75.00% (together with IASL) and then IARCL has become a subsidiary of the Company from the earlier classification of being an Associate.
- (8) During the financial year 2012—13, the Company has written off its investment in Indiabulls Alternative Asset Management Private Limited, as the Company was struck off from the records of Accounting And Corporate Regulatory Authority of Singapore, on February 7, 2013.

(15) Deferred tax assets (Net)

Pursuant to Accounting Standard (AS) – 22 ‘Accounting for Taxes on Income’ as notified by the Companies (Accounting Standards) Rules, 2006, as amended, the Company has credited an amount of Rs. 162,272,004 (Previous Year debited Rs. 142,616,472) as deferred tax charge (net) to the Statement of Profit and Loss arising on account of timing differences. Further Deferred Tax Asset of Rs. Nil (Previous Year Rs. 679,800,000) (Included in Provision for loan assets and contingent provision against standard assets below) has been recognised against the utilisation of Additional Reserve u/s 29C (Refer Note. 4(6)). The breakup of deferred tax into major components as at March 31, 2014 is as under:



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Deferred Tax Liabilities		
On difference between book balance and tax balance of fixed assets/other assets	—	1,696,889
On difference between accounting income and taxable income on investments	697,528,146	—
Deferred Tax Assets		
On carry forward of Capital loss (restricted on account of virtual certainty)	697,528,146	—
Provision for loan assets and contingent provision against standard assets	1,616,601,580	1,495,951,425
On difference between book balance and tax balance of fixed assets/other assets	859,441	—
Disallowance under Section 40A(7) of the Income—Tax Act, 1961	27,324,481	26,410,573
Disallowance under Section 43B of the Income—Tax Act, 1961	149,174,794	111,023,183
Deferred Tax Assets (Net)	1,793,960,296	1,631,688,292
	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(16) Long—term loans and advances		
(Unsecured unless otherwise stated)		
(i) Loans and Other Credit Facilities:		
(a) Secured Loans ⁽¹⁾		
– Considered Good	342,716,754,849	293,652,590,362
– Considered Doubtful	457,286,281	970,780,847
Less: Loans Assigned	49,877,471,384	32,422,458,904
	293,296,569,746	262,200,912,305
(b) Unsecured Loans		
– Considered Good	313,050,131	756,107,049
– Considered Doubtful	220,041,176	216,222,936
	533,091,307	972,329,985
(c) Unsecured Loan to Related Party Indiabulls Life Insurance Company Limited	49,400,000	—
	49,400,000	—
Total (a)+(b)+(c)	293,879,061,053	263,173,242,290
Less: Provision for Loan Assets ⁽²⁾ (Including additional provision made by the Company) ^(Refer Note.36)	1,743,977,314	1,471,584,657
	292,135,083,739	261,701,657,633



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(ii) Other Unsecured Loans and Advances		
Capital Advances	1,164,206,101	763,821,339
Security Deposit for Rented Premises	172,855,061	43,618,536
Security Deposit with others	9,396,102	8,173,651
MAT Credit Entitlement	170,665,831	—
Advance Fringe Benefits tax (FBT) (Net of Provision for FBT Rs. 2,471,281 (Previous Year Rs. 2,471,281))	68,776	68,775
Advance Tax / Tax deducted at source (Net of Provision for Tax Rs. 1,655,634,486 (Previous Year Rs. 5,692,315,105))	676,982,869	636,402,318
Others including Prepaid Expenses and Employee advances	14,013,730	16,150,092
	294,343,272,209	263,169,892,344
(1) Secured Loans and Other Credit Facilities given to customers amounting to Rs. 293,296,569,746 (Previous Year Rs. 262,200,912,305) are secured / partly secured by :		
(a) Equitable mortgage of property and / or		
(b) Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or		
(c) Hypothecation of assets and / or		
(d) Company guarantees or personal guarantees and / or		
(e) Negative lien and / or Undertaking to create a security.		
(2) Movement in Provision for Loan Assets is as under :		
Opening Balance	1,561,603,213	148,101,481
Add: Transfer from Indiabulls Financial Services Limited pursuant to Scheme of Arrangement ^(Refer Note 39)	—	2,338,608,056
Add: Transfer from Statement of Profit and Loss	1,284,555,172	323,512,490
Less: Utilised during the year — towards Loans written off	929,597,374	1,248,618,814
Closing Balance	1,916,561,011	1,561,603,213
	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(17) Other non—current assets		
Margin Money Accounts having maturity greater than one year	6,162,587,125	4,725,608,142
Interest Accrued on Deposit accounts / Margin Money	364,665,888	111,679,402
Interest Accrued on Loans	1,177,229,879	341,332,973
	7,704,482,892	5,178,620,517



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(18) Current investments		
<u>Investments in Mutual Funds</u>		
Axis Mutual Fund		
– Liquid Fund — Direct Growth (CFDG)* No. of Units : 528,004.217 (Previous Year Nil) NAV Rs. 1,422.2395 (Previous Year N.A.)	750,948,454	—
Baroda Pioneer Mutual Fund		
– Liquid Fund Plan B — Growth (Direct)* No. of Units : 340,323.371 (Previous Year Nil) NAV Rs. 1,471.7663 (Previous Year N.A.)	500,876,469	—
DWS Mutual Fund		
– Insta Cash Plus Fund Direct Plan — Annual Bonus No. of Units : 22,693,553.301 (Previous Year Nil) NAV Rs. 100.7286 (Previous Year N.A.)	2,285,889,853	—
– Ultra Short Term Fund Direct Plan — Annual Bonus No. of Units : 100,418,410.042 (Previous Year Nil) NAV Rs. 10.2085 (Previous Year N.A.)	1,025,121,339	—
IDBI Mutual Fund		
– Liquid Fund Direct Plan — Bonus Plan (LFB1) No. of Units : 1,405,353.077 (Previous Year Nil) NAV Rs. 1,031.9028 (Previous Year N.A.)	1,450,187,775	—
Indiabulls Mutual Fund		
– FMP 387 DAYS March 2012 (1)—Growth Plan (Quoted) No. of Units : Nil (Previous Year 70,000,000.000) NAV Rs. N.A. (Previous Year Rs. 11.0861)	—	700,000,000
– FMP 377 DAYS March 2012 (2)—Growth Plan (Quoted) No. of Units : Nil (Previous Year 16,000,000.000) NAV Rs. N.A. (Previous Year Rs. 11.0193)	—	160,000,000
– FMP 370 DAYS March 2012 (1)—Growth Plan (Quoted) No. of Units : Nil (Previous Year 5,000,000.000) NAV Rs. N.A. (Previous Year Rs. 10.0113)	—	50,000,000
Gilt Fund — Direct Plan Bonus (GFDB) * No. of Units : 31,286.338 (Previous Year Nil) NAV Rs. 1,070.1181 (Previous Year N.A.)	33,480,077	—
Income Fund — Direct Plan — Growth * No. of Units : 7,000,000.000 (Previous Year 7,000,000.000) NAV Rs. 10.3195 (Previous Year Rs. 10.0346)	72,236,500	70,242,200



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Liquid Fund — Direct Plan — Growth *	5,889,168,855	—
No. of Units : 4,719,410.940 (Previous Year Nil)		
NAV Rs. 1,247.8610 (Previous Year N.A.)		
Short Term Fund — Direct Plan — Growth (STDG) *	470,504,898	—
No. of Units : 444,957.191 (Previous Year Nil)		
NAV Rs. 1,057.4161 (Previous Year N.A.)		
Ultra Short Term Fund —		
Direct Plan—Growth (USG1) *	1,600,000,000	—
No. of Units : 1,301,115.650 (Previous Year Nil)		
NAV Rs. 1,229.7139 (Previous Year N.A.)		
L & T Mutual Fund		
— Cash Fund Direct Plan — Growth	1,231,505,070	—
No. of Units : 1,182,109.331 (Previous Year Nil)		
NAV Rs. 1,041.7861 (Previous Year N.A.)		
LIC Nomura Mutual Fund		
— FMP Series 57—24 Month — Direct Growth Plan (LICV7) (Quoted)*	50,000,000	50,000,000
No. of Units : 5,000,000.000 (Previous Year 5,000,000.000)		
NAV Rs. 11.0487 (Previous Year Rs. 10.1883)		
Peerless Mutual Fund		
— Ultra Short Term Fund Direct Plan Growth*	2,001,851,878	—
No. of Units : 141,364,735.153 (Previous Year Nil)		
NAV Rs. 14.1609 (Previous Year N.A.)		
Reliance Mutual Fund		
— Treasury Plan — Direct Plan Growth Plan — Growth Option (LFAG)*	1,752,412,443	—
No. of Units : 560,238.760 (Previous Year Nil)		
NAV Rs. 3,127.9743 (Previous Year N.A.)		
— Money Manager Fund — Direct Growth Plan Bonus Option (LPAB)	326,813,707	—
No. of Units : 318,752.457 (Previous Year Nil)		
NAV Rs. 1,025.2900 (Previous Year N.A.)		
SBI Mutual Fund		
Magnum Income fund — Regular Plan Growth*	207,104,686	201,567,506
No. of Units : 6,926,670.800 (Previous Year 6,926,670.800)		
NAV Rs. 29.8996 (Previous Year Rs. 29.1002)		



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Taurus Mutual Fund		
– Liquid Fund — Direct Plan — Super Institutional Growth* No. of Units : 815,984.619 (Previous Year Nil) NAV Rs. 1,387.1025 (Previous Year N.A.)	1,131,854,305	—
Investments in Bonds(Quoted) ^{(Refer Note 28(iv(a)))}	220,000,000	3,220,000,000
Investments in Certificate of Deposits(Quoted) ^{*(Refer Note 28(iv(b)))}	7,893,472,800	16,728,935,250
Investments in Government Securities(Quoted) ^{*(Refer Note 28(iv(c)))}	—	505,432,614
	28,893,429,109	21,686,177,570
*Considered as Cash and Cash equivalents for Cash Flow Statement		
Aggregate Market value of Quoted Investments	8,209,258,976	21,672,337,198
Aggregate book value of Quoted Investments	8,163,472,800	21,414,367,864
Aggregate book value of Unquoted Investments	20,729,956,309	271,809,706
Aggregate provision for diminution in the value of investments	—	—
	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(19) Trade receivables		
Other Debts		
Other Debts Outstanding for a period exceeding six months from its due date		
– Secured, Considered Good	—	—
– Unsecured, Considered Good	—	—
Other Debts Outstanding for a period less than six months from its due date		
– Secured, Considered Good	—	—
– Unsecured, Considered Good	5,572,037	18,072,196
	5,572,037	18,072,196



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(20) Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	163,426,136	156,830,651
Cheques / Drafts on hand	228,935,035	38,296,365
Balances with banks		
– in current accounts [#]	31,617,025,005	47,896,684,751
– in demand deposits accounts	10,975,255,342	359,480,002
Other bank balances		
– in deposit accounts held as margin money (under lien) ⁽¹⁾	12,412,688	3,977,205
	42,997,054,206	48,455,268,974

(1) Deposits accounts with bank of Rs.12,412,688 (Previous Year Rs. 3,977,205) are under lien. The Company has the complete beneficial interest on the income earned from these deposits.

includes Rs. 24,186,444 (Previous Year Rs. 19,287,496) in designated unclaimed dividend accounts.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(21) Short—term loans and advances		
(Unsecured unless otherwise stated)		
(i) Loans and Other Credit Facilities		
(a) Secured Loans ⁽¹⁾		
– Considered Good	46,978,630,588	41,363,343,733
– Considered Doubtful	—	—
Less: Loans assigned	7,317,532,134	7,141,881,720
	39,661,098,454	34,221,462,013
(b) Unsecured Loans		
– Considered Good	811,992,535	2,005,662,177
	811,992,535	2,005,662,177
(c) Secured Loans to Related Parties		
Indiabulls Finance Company Private Limited	3,998,000,000	1,400,000,000
Indiabulls Infrastructure Credit Limited	113,500,000	—
	4,111,500,000	1,400,000,000
Total (a) +(b)+(c)	44,584,590,989	37,627,124,190
Less: Provision for Loan Assets (Including additional provision made by the Company) ^{(Refer Note.16(2))}	172,583,697	90,018,556
	44,412,007,292	37,537,105,634



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
Advance Interest on Short term borrowings	413,159,879	350,901,622
Security Deposit for Rented Premises	11,019,044	141,228,217
Security Deposit with Others	—	30,000,000
Application Money for Bonds/Investments	—	250,000,000
Others including Prepaid Expenses / Cenvat Credit and Employee advances	369,663,355	157,230,985
	45,205,849,570	38,466,466,458

- (1) Secured Loans and Other Credit Facilities given to customers amounting to Rs. 43,772,598,454 (Previous Year Rs. 34,221,462,013) are secured / partly secured by :
- Equitable mortgage of property and / or
 - Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or
 - Hypothecation of assets and / or
 - Company guarantees or personal guarantees and / or
 - Negative lien and / or Undertaking to create a security.

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(22) Other current assets		
FCNR Hedge Premium	—	82,542,460
Interest Accrued on Loans	3,317,696,646	2,940,131,787
Interest Accrued on Deposit accounts / Margin Money / Bonds	38,949,476	156,496,885
	3,356,646,122	3,179,171,132

	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
(23) Revenue from operations		
(a) Income from Financing and Investing Activities		
Income from Financing Activities ⁽¹⁾	50,159,271,034	42,218,762,616
(b) Income from other Financial Services		
Income from Service Fees/Advisory Services	132,035,045	96,325,100
Commission on Insurance	12,545,865	84,208,441
Other Operating Income ⁽²⁾	1,937,207,002	1,990,248,183
	52,241,058,946	44,389,544,340



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
(1) Income from Financing Activities Includes:		
Interest on Loan Financing / Income from Securitisation / Assignment	47,941,709,492	41,173,430,580
Interest on Deposit Accounts	1,213,830,451	273,137,877
Interest on Bonds / Commercial Papers / Certificate of Deposit / Pass Through Certificates	1,003,731,091	772,194,159
	50,159,271,034	42,218,762,616
(2) Other Operating Income includes:		
Loan processing fees	1,299,742,461	1,385,591,568
Foreclosure fees and other related income	935,022,372	824,820,944
Less: Direct Selling Agents Commission	297,557,831	220,164,329
	1,937,207,002	1,990,248,183
	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
(24) Other income		
Dividend Income on Units of Mutual Funds	1,258,173,409	1,819,515,352
Sundry Balances Written back	18,468,165	62,075,663
Profit on appreciation of Mutual Fund Investments (Current Investments)	190,160,255	1,809,706
Profit on sale of Current Investments	3,156,965,747	369,760,797
Bad debts recovered	565,334,016	391,951,789
Miscellaneous Income	124,399,554	27,345,813
	5,313,501,146	2,672,459,120
	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
(25) Employee benefits expense		
Salaries	2,036,961,896	1,879,683,841
Contribution to Provident Fund and Other Funds ⁽¹⁾	7,509,939	8,295,159
Employee Stock Compensation Expense	5,819,132	7,563,100
Provision for Gratuity, Compensated Absences and Superannuation Expense ⁽¹⁾	136,948,957	116,893,471
Staff Welfare Expenses	18,461,222	23,789,359
	2,205,701,146	2,036,224,930
(1) Employee Benefits – Provident Fund, ESIC, Gratuity and Compensated Absences disclosures as per Accounting Standard (AS) 15 (Revised) – Employee Benefits as notified by the Companies (Accounting Standards) Rules, 2006, as amended:		



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees 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. 7,509,939 (Previous year Rs. 8,295,159) in the Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Accounting Standard (AS) 15 (Revised) on 'Employee Benefits', as notified by the, Companies (Accounting Standards) Rules, 2006, as amended, commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosure in respect of Gratuity, Compensated Absences and Superannuation:

Particulars	Amount (Rs.)					
	Gratuity (Unfunded)		Compensated Absences (Unfunded)		Superannuation (Unfunded)	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Reconciliation of liability recognised in the Balance Sheet:						
Present Value of commitments (as per Actuarial valuation)	80,389,766	77,701,009	33,533,429	34,409,481	405,345,046	292,225,359
Fair value of plan assets	—	—	—	—	—	—
Net liability in the Balance sheet (as per Actuarial valuation)	80,389,766	77,701,009	33,533,429	34,409,481	405,345,046	292,225,359
Movement in net liability recognised in the Balance Sheet:						
Net liability as at the beginning of the year	77,701,009	5,709,653	34,409,481	2,250,153	292,225,359	—
Net liability as at the beginning of the year as Transferred from IBFSL	—	63,589,426	—	29,018,583	—	194,252,856
Amount (paid) during the year	(10,384,543)	(3,579,748)	(101,356)	—	—	—
Net expenses recognised / (reversed) in the Statement of Profit and Loss	20,316,896	14,174,479	3,512,374	4,746,489	113,119,687	97,972,503
Acquisition Adjustment (on account of transfer of employees)	(7,243,596)	(2,192,801)	(4,287,070)	(1,605,744)	—	—
Transferred to Holding Company (on account of transfer of employees)	—	—	—	—	—	—
Net liability as at the end of the year	80,389,766	77,701,009	33,533,429	34,409,481	405,345,046	292,225,359
Expenses recognised in the Statement of Profit and Loss:						
Current service cost	17,650,716	18,912,786	9,281,612	10,751,464	33,636,701	26,499,538
Past service cost	—	—	—	—	—	—
Interest Cost	6,682,956	5,864,436	2,940,880	2,758,769	27,822,195	19,355,217
Expected return on plan assets	—	—	—	—	—	—
Actuarial (gains) / Losses	(4,016,776)	(10,602,743)	(8,710,118)	(8,763,744)	51,660,791	52,117,748
Expenses charged / (reversal) to the Statement of Profit and Loss	20,316,896	14,174,479	3,512,374	4,746,489	113,119,687	97,972,503



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

Particulars	Amount (Rs.)					
	Gratuity (Unfunded)		Compensated Absences (Unfunded)		Superannuation (Unfunded)	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Return on Plan assets:						
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial (gains) / losses	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reconciliation of defined—benefit commitments:						
Commitments as at the beginning of the year	77,701,009	69,299,079	34,409,481	31,268,736	292,225,359	194,252,856
Current service cost	17,650,716	18,912,786	9,281,612	10,751,464	33,636,701	26,499,538
Past service cost	—	—	—	—	—	—
Interest cost	6,682,956	5,864,436	2,940,880	2,758,769	27,822,195	19,355,217
(Paid benefits)	(10,384,543)	(3,579,748)	(101,356)	—	—	—
Acquisition Adjustment (on account of transfer of employees)	(7,243,596)	(2,192,801)	(4,287,070)	(1,605,744)	—	—
Actuarial (gains) / losses	(4,016,776)	(10,602,743)	(8,710,118)	(8,763,744)	51,660,791	52,117,748
Commitments as at the end of the year	80,389,766	77,701,009	33,533,429	34,409,481	405,345,046	292,225,359
Reconciliation of Plan assets:						
Plan assets as at the beginning of the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Contributions during the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Paid benefits	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial (gains) / losses	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Plan assets as at the end of the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A — not applicable

Particulars	Amount (Rs.)				
	Gratuity (Unfunded) Financial Years				
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Experience adjustment					
On plan liabilities	(1,641,298)	10,602,743	7,356,120	1,001,814	2,075,010
On plan assets	—	—	—	—	—
Present value of benefit obligation	80,389,766	77,701,009	5,709,653	11,089,768	8,543,162
Fair value of plan assets	—	—	—	—	—
Excess of (obligation over plan assets)/ plan assets over obligation	80,389,766	77,701,009	5,709,653	11,089,768	8,543,162



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Particulars	Amount (Rs.)				
	Gratuity (Unfunded)				
	Financial Years				
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Experience adjustment					
On plan liabilities	6,258,794	8,763,744	3,052,548	1,185,954	950,615
On plan assets	—	—	—	—	—
Present value of benefit obligation	33,533,429	34,409,481	2,250,153	4,450,735	3,862,168
Fair value of plan assets	—	—	—	—	—
Excess of (obligation over plan assets) / plan assets over obligation	33,533,429	34,409,481	2,250,153	4,450,735	3,862,168

Particulars	Amount (Rs.)				
	Superannuation (Unfunded)				
	Financial Years				
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Experience adjustment					
On plan liabilities	(81,179,750)	(52,033,314)	N.A.	N.A.	N.A.
On plan assets	—	—	N.A.	N.A.	N.A.
Present value of benefit obligation	405,345,046	292,225,359	N.A.	N.A.	N.A.
Fair value of plan assets	—	—	N.A.	N.A.	N.A.
Excess of (obligation over plan assets) / plan assets over obligation	405,345,046	292,225,359	N.A.	N.A.	N.A.

N.A — not available

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:

Particulars	Amount (Rs.)					
	Gratuity (Unfunded)		Compensated Absences (Unfunded)		Superannuation (Unfunded)	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Discount Rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
Expected Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected rate of salary increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality	IALM (2006-08)	IALM (1994-96)	IALM (2006-08)	IALM (1994-96)	IALM (2006-08)	IALM (1994-96)
Retirement Age (Years)	60	60	60	60	60	60

N.A — not applicable

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity, Compensated Absences and Superannuation is Rs. 27,306,579 (Previous Year Rs. 28,452,477) Rs. 11,888,995 (Previous Year Rs. 9,557,623) and Rs. 92,101,824 (Previous Year Rs. 55,346,782) respectively.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
(26) Finance costs		
Interest on Loans ⁽¹⁾	21,322,194,425	17,568,409,887
Interest on Non—Convertible Debentures	7,134,713,159	5,481,777,232
Interest on Commercial Papers	2,730,741,563	2,351,117,362
Interest on Subordinate Debt	940,620,368	546,006,544
Interest on Taxes	374,650	379,659
Bank Charges towards Borrowings	21,307,221	15,777,950
Processing fees	172,547,325	72,356,284
	32,322,498,711	26,035,824,918

- (1) During the year, the Company has recognised Premium on Options Contracts amounting to Rs. 121,398,049 (Previous Year Rs. 20,085,000) included in Interest on Loans and unrealised marked to market loss towards derivatives (Interest Rate Swaps) amounting to Rs. Nil (Previous Year Rs. 439,933) which has been included under Bank / Finance Charges . Derivative instruments that are outstanding as at March 31, 2014 is as given below:—
- I. Forward Options contracts entered for hedging purposes as at March 31, 2014 for USD Nil (Previous Year USD 37,277,984 (Buy)) against cross currency of Rs. Nil (Previous Year Rs. 2,000,000,000).
 - II. Interest Rate Swaps for Notional Principal of Rs. 750,000,000 (Previous Year Rs. 4,000,000,000) for a total of 3 contracts (Previous Year 8 contracts) against fluctuations in interest rate changes.

	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
(27) Other expenses		
Collection Charges	10,348,447	6,979,947
Client Verification Charges	114,272,799	110,702,196
Demat Charges	874,389	1,475,842
Stamp Papers/Stamp Duty charges	34,657,584	32,478,298
CERSAI Charges	13,339,605	9,326,200
Rates & Taxes	4,440,973	6,815,274
Communication Expenses	54,143,709	60,073,614
Legal and Professional Charges	202,830,686	458,161,143
Rent and Other Charges ⁽¹⁾	336,998,635	386,486,514
Electricity Expenses	50,193,796	46,150,463
Repairs and Maintenance—Others	88,123,082	108,940,281
Recruitment and Training	7,007,096	5,453,758
Printing and Stationery	21,733,990	28,844,859
Traveling and Conveyance Expenses	87,587,697	115,031,850
Business Promotion	27,367,628	121,291,754



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	For the year ended March 31, 2014 Amount (Rs.)	For the year ended March 31, 2013 Amount (Rs.)
Payment to Auditors comprises (net of service tax input credit Rs. 906,143 (Previous year Rs. 1,208,190))		
As Auditors	8,361,675	11,148,900
For Certification	1,592,700	2,123,600
Other Services	4,061,385	5,415,180
Reimbursement of Expenses	1,552,883	2,070,510
Provision for Loan assets / Bad Debts Written Off ⁽²⁾ & (Refer Note 36)	2,709,832,287	991,666,528
Contingent Provision against Standard Assets(Net) ⁽²⁾ & (Refer Note 36)	—	223,668,551
Advertisement	106,613,965	92,898,974
Loss on sale of fixed assets	8,888,384	4,158,906
Trusteeship Fees	2,763,839	1,756,621
Donation Expenses	30,500,000	3,005,000
Investment written off (Net) ^{(Refer Note 14(8))}	—	7,394,643
Miscellaneous Expenses	13,872,495	13,157,462
	3,941,959,729	2,856,676,868

- (1) The Company has taken office premises on Lease and Leave & License basis at various locations in India. Lease rent / License fees aggregating to Rs. 302,193,145 (Previous Year Rs. 349,980,322) in respect of the same have been charged to the Statement of Profit and Loss. The agreements are executed for periods ranging from 11 months to 9 years with a renewable clause. In many cases, the agreements also provide for termination at will by either party by giving a prior notice period between 30 to 90 days. The minimum lease rentals outstanding as at March 31, 2014, are as under:

Particulars	Minimum Lease Rentals	
	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Within one year	291,468,770	354,372,631
One to Five years	479,404,585	708,694,390
Above Five Years	167,915,794	164,989,300
	938,789,149	1,228,056,321

- (2) During the year, in addition to the charge of Rs. 1,284,555,172 (Previous Year Rs. 547,181,041) towards provision for loan assets and standard assets to the Statement of Profit and Loss, an amount of Rs. Nil (net of Deferred Tax of Rs. Nil) [(Previous Year Rs. 1,320,200,000) (net of deferred tax of Rs. 679,800,000)], being one time charge of provision for standard assets and other contingencies due to merger between the Company and the erstwhile Holding company(Refer note 39) and changes in the provisioning requirements by the National Housing Bank vide Circulars no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 has been transferred from Additional Reserve created as per Section 29C of the National Housing Bank Act, 1987 pursuant to Circular No. NHB(ND)/DRS/Pol— 03/2004—05 dated August 26, 2004 as under;



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Contingent Provisions against Standard Assets	—	223,668,551
Provision for Loan Assets	1,284,555,172	323,512,490
Total	1,284,555,172	547,181,041

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
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(28) Explanatory Notes

(i) **Secured Redeemable Non Convertible Debentures (payable at par unless otherwise stated) include:***

10.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 24, 2023**	250,000,000	—
10.55 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 21, 2023	4,000,000,000	—
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 8, 2023	250,000,000	—
11.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 29, 2023	10,000,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2023	50,000,000	50,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 19, 2023	1,000,000,000	1,000,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 26, 2023	250,000,000	250,000,000
10.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on January 16, 2023	350,000,000	350,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 31, 2022	500,000,000	500,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 18, 2022	150,000,000	150,000,000



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 19, 2022	150,000,000	150,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 6, 2022	150,000,000	150,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 6, 2022	200,000,000	200,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 28, 2022	8,000,000,000	8,000,000,000
10.75 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 3, 2022	1,250,000,000	1,250,000,000
10.15 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 27, 2022	5,000,000,000	5,000,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 22, 2021	1,000,000,000	1,000,000,000
10.65 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 7, 2021	5,000,000,000	5,000,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 18, 2021**	200,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2018	150,000,000	150,000,000
10.10 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 19, 2018	1,000,000,000	1,000,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on January 16, 2018	400,000,000	400,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 28, 2017	1,500,000,000	1,500,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 17, 2017	401,000,000	401,000,000



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 17, 2017** & (3)	150,000,000	—
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 30, 2017	5,000,000,000	5,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 6, 2017** & (3)	30,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2017** & (3)	50,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 23, 2017** & (3)	85,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 7, 2016** & (3)	65,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 3, 2016** & (3)	650,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 17, 2016** & (3)	500,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 3, 2016** & (3)	600,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 5, 2016 ⁽³⁾	230,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 4, 2016** & (3)	180,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 26, 2016	1,000,000,000	1,000,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 12, 2016**	500,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 4, 2016	1,000,000,000	1,000,000,000



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 10, 2015	2,000,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 27, 2015 ⁽³⁾	1,500,000,000	—
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 25, 2015	500,000,000	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 24, 2015 ⁽³⁾	1,150,000,000	—
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 27, 2015	5,500,000,000	5,500,000,000
10.65 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 16, 2015	200,000,000	200,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 9, 2015	700,000,000	700,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 24, 2015 ⁽³⁾	750,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 19, 2015** & ⁽³⁾	50,000,000	—
4.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 8, 2015 ⁽³⁾	2,000,000,000	2,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 30, 2015** & ⁽³⁾	93,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 24, 2015 ⁽³⁾	70,000,000	70,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 25, 2015 ^{(1) & (3)}	5,000,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 20, 2015** ^{(1) & (3)}	250,000,000	—



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 2, 2015 ^{(1) & (3)}	270,000,000	270,000,000
10.60 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 13, 2015 ⁽¹⁾	800,000,000	800,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on January 9, 2015 ⁽¹⁾	650,000,000	650,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 24, 2014 ^{(1) & (3)}	500,000,000	—
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 18, 2014 ^{(1) & (3)}	330,000,000	330,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 5, 2014 ^{(1) & (3)}	1,500,000,000	—
9.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 1, 2014 ^{(1) & (3)}	1,000,000,000	1,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 25, 2014 ^{(1) & (3)}	600,000,000	600,000,000
9.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 21, 2014 ^{(1) & (3)}	2,500,000,000	2,500,000,000
4.65 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 18, 2014 ^{(1) & (3)}	3,000,000,000	3,000,000,000
10.85 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 31, 2014 ⁽¹⁾	500,000,000	500,000,000
10.60 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 10, 2014 ⁽¹⁾	2,000,000,000	2,000,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 26, 2014 ⁽¹⁾	100,000,000	100,000,000
10.75 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 22, 2014 ⁽¹⁾	450,000,000	450,000,000



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 22, 2014 ⁽¹⁾	150,000,000	150,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 9, 2014 ⁽¹⁾	650,000,000	650,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 8, 2014 ⁽¹⁾	350,000,000	350,000,000
11.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 28, 2014 ⁽¹⁾	1,250,000,000	1,250,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 26, 2014 ⁽¹⁾	500,000,000	500,000,000
11.20 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 15, 2014 ⁽¹⁾	500,000,000	500,000,000
10.10 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 28, 2014 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on March 14, 2014 ^{(2) & (3)}	—	2,000,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 20, 2014 ^{(2) & (3)}	—	2,000,000,000
10.40 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 14, 2014 ⁽²⁾	—	2,500,000,000
10.60 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 13, 2014 ⁽²⁾	—	600,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 10, 2014 ⁽²⁾	—	250,000,000
10.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on February 7, 2014 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 9, 2013 ^{(2) & (3)}	—	500,000,000



Notes forming part of the Financial Statements for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 16, 2013 ^{(2) & (3)}	—	350,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on October 7, 2013 ⁽²⁾	—	250,000,000
10.50 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 9, 2013 ⁽²⁾	—	1,500,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on September 6, 2013 ⁽²⁾	—	150,000,000
10.25 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 12, 2013 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 10, 2013 ^{(2) & (3)}	—	2,500,000,000
10.80 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on August 8, 2013 ^{(2) & (3)}	—	750,000,000
10.70 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 19, 2013 ⁽²⁾	—	300,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on July 5, 2013 ^{(2) & (3)}	—	10,600,000,000
10.15 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 19, 2013 ⁽²⁾	—	500,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on June 12, 2013 ^{(2) & (3)}	—	340,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on May 13, 2013 ^{(2) & (3)}	—	220,000,000
0.00 % Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on April 16, 2013 ^{(2) & (3)}	—	80,000,000



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.70% Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 22, 2021	—	—
9.00% Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on December 01, 2014	—	—
9.50% Redeemable Non convertible Debentures of Face value Rs. 1,000,000 each Redeemable on November 21, 2014	—	—
	88,604,000,000	84,961,000,000

(1) Current Maturity of Long Term Non Convertible Debentures as at March 31, 2014

(2) Current Maturity of Long Term Non Convertible Debentures as at March 31, 2013

(3) Redeemable at premium

*Redeemable Non—Convertible Debentures are secured against Immovable Property / Current Assets and pool of Current and Future Loan Receivables of the Company.

** As at the year end, the Company was in the process of creating the charge / security on assets.

	As at March 31, 2014 Amount (Rs.)
(ii) (a) Term Loan from banks includes as at March 31, 2014*:	
These loans are repayable in quarterly installment with moratorium period of 6 month from the date of disbursement. The balance tenure for these loans is 84 months (average) from the Balance Sheet date.	9,778,395,059
This loan is repayable in half yearly installment after the moratorium of 3 years from the date of disbursement.. The balance tenure for this loan is 30 months from the Balance Sheet date.	2,000,000,000
These loans are repayable in quarterly installment with moratorium period of 1 year from the date of disbursement. The balance tenure for these loans is 46 months (average) from the Balance Sheet date.	4,250,000,220
These loans are repayable in yearly installment from the date of disbursement. The balance tenure for these loans is 25 months (average) from the Balance Sheet date.	15,125,000,000
These loans are repayable in yearly installment with moratorium period of 2 years from the date of disbursement. The balance tenure for these loans is 41 months (average) from the Balance Sheet date.	80,083,299,333



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)
These loans are repayable in bullet at the end of the tenure from the date of disbursement. The balance tenure for these loans is 21 months (average) from the Balance Sheet date.	12,500,000,000
These loans are repayable in yearly installment after the moratorium period of 1 year from the date of disbursement. The balance tenure for these loans is 32 months (average) from the Balance Sheet date.	13,800,000,000
This loan is repayable in monthly installment from the date of disbursement. The balance tenure for this loan is 19 months from the Balance Sheet date. ⁽¹⁾	1,005,000,000
These loans are repayable in quarterly installment from the date of disbursement. The balance tenure for these loans is 29 months (average) from the Balance Sheet date.	8,145,570,000
These loans are repayable in quarterly installment after the moratorium of 2 years from the date of disbursement. The balance tenure for these loans is 29 months (average) from the Balance Sheet date.	6,833,133,333
This loan is repayable in quarterly installment after the moratorium of 1 years from the date of disbursement. The balance tenure for this loan is 1 month from the Balance Sheet date.	150,000,000
These loans are repayable in quarterly Installment with moratorium of 18 months from the date of disbursement. The balance tenure for these loans is 46 months (average) from the Balance Sheet date. ⁽²⁾	7,500,000,000
	161,170,397,945
(1) Loan taken other than from banks	
(2) Includes Loan taken other than from banks for Rs. 2,999,999,999	
*Secured by hypothecation of Loan Receivables(Current and Future) / Current Assets / Cash and Cash Equivalentents of the Company.	

	As at March 31, 2013 Amount (Rs.)
(ii) (b) Term Loan from banks includes as at March 31, 2013*:	
These loans are repayable in yearly installments with a moratorium period of 2 years from the date of disbursement. The balance tenure for these loans is 50 months (average) from the Balance Sheet date.	57,183,333,332
These loans are repayable in bullet at the end of the tenure from the date of disbursement. The balance tenure for these loans is 11 months (average) from the Balance Sheet date.	25,250,000,000



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

	As at March 31, 2013 Amount (Rs.)
This loan is repayable in quarterly installments after a moratorium period of 1 year from the date of first disbursement. The balance tenure for this loan is 51 months from the Balance Sheet date.	5,972,222,220
These loans are repayable in quarterly installments after a moratorium period of 24 months from the date of first disbursement. The balance tenure for these loans is 76 months from the Balance Sheet date.	12,916,600,000
This loan is repayable in 4 half yearly installments after moratorium period of 3 years from the date of first disbursement. The balance tenure for this loans is 43 months from the Balance Sheet date.	2,000,000,000
These loans are repayable in 18 quarterly installments with a moratorium period of 6 months from the date of first disbursement. The balance tenure for these loans is 126 months from the Balance Sheet date.	23,401,493,103
These loans are repayable in yearly installment after the moratorium period of 1 year from the date of disbursement. The balance tenure for these loans is 35 months from the Balance Sheet date.	15,150,000,000
This loan is repayable in monthly installment from the date of disbursement. The balance tenure for this loan is 31 months from the Balance Sheet date. ⁽¹⁾	1,635,000,000
These loans are repayable in quarterly installment from the date of disbursement. The balance tenure for these loans is 25 months from the Balance Sheet date.	1,731,250,000
This loan is repayable in quarterly installment after the moratorium of 1 year from the date of disbursement. The balance tenure for this loans is 13 months from the Balance Sheet date.	700,000,000
These loans are repayable in half yearly installment after the moratorium of 1 years from the date of disbursement. The balance tenure for this loans is 7 months from the Balance Sheet date.	200,000,000
Quarterly Installment with moratorium of 18 months from the date of disbursement. The balance tenure for this loans is 58 months from the Balance Sheet date. ⁽²⁾	7,500,000,000
	<u>153,639,898,655</u>

(1) Loan taken other than from banks for Rs. 1,635,000,000

(2) Includes Loan taken other than from banks for Rs. 2,999,999,999

*Secured by hypothecation of Loan Receivables(Current and Future) / Current Assets / Cash and Cash Equivalents of the Company.



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
(iii) Subordinated Debt		
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on November 15, 2027	326,000,000	326,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 30, 2027	496,500,000	496,500,000
10.25% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 28, 2027	1,000,000,000	1,000,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 05, 2027	1,100,300,000	1,100,300,000
10.80 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on December 23, 2023	200,000,000	—
10.85 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 24, 2023	50,000,000	—
10.85 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on September 27, 2023	250,000,000	—
10.10 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on September 23, 2023	250,000,000	—
9.90 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 3, 2023	1,250,000,000	—
9.80 % Subordinated Debt of Face value of Rs. 100,000 each Redeemable on May 23, 2023	200,000,000	—
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 28, 2023	250,000,000	250,000,000
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 06, 2023	200,000,000	200,000,000
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on February 18, 2023	250,000,000	250,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 30, 2023	100,000,000	100,000,000
10.10% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 14, 2023	250,000,000	250,000,000
10.20% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on December 04, 2022	200,000,000	200,000,000
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on November 15, 2022	11,000,000	11,000,000
10.30% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 31, 2022	250,000,000	250,000,000
10.30% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 22, 2022	400,000,000	400,000,000
10.30% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on October 09, 2022	350,000,000	350,000,000



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

	As at March 31, 2014 Amount (Rs.)	As at March 31, 2013 Amount (Rs.)
10.65% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 05, 2022	150,000,000	150,000,000
11.00% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 30, 2022	150,000,000	150,000,000
11.85% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on February 22, 2022	200,000,000	200,000,000
11.85% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on January 31, 2022	362,000,000	362,000,000
10.50% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on March 26, 2018	1,250,000,000	1,250,000,000
11.60% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on June 22, 2017	1,000,000	1,000,000
11.60% Subordinated Debt of Face value of Rs. 100,000 each Redeemable on May 31, 2017	150,000,000	150,000,000
	9,646,800,000	7,446,800,000

(iv) Current Investments

(a) Investment in Bonds (Quoted)

Particulars	As at March 31, 2014		
	Quantity	Face Value (Rs.)	Amount (Rs.)
Yes Bank Limited 10.25 BD 29JU27 FVRS 10 Lac	220	220,000,000	220,000,000
Total (A)			220,000,000

Particulars	As at March 31, 2013		
	Quantity	Face Value (Rs.)	Amount (Rs.)
Yes Bank Limited 10.5 BD Perpetual FVRS 10 Lac	1500	1,500,000,000	1,500,000,000
Yes Bank Limited 10.5 BD Perpetual FVRS 10 Lac	1400	1,400,000,000	1,400,000,000
Yes Bank Limited 10.25 BD 29JU27 FVRS 10 Lac	320	320,000,000	320,000,000
Total (A)			3,220,000,000

(b) Investment in Certificate of Deposits(Quoted)

Particulars	As at March 31, 2014		
	Quantity	Face Value (Rs.)	Amount (Rs.)
Bank of India CD 13MR15	5,000	500,000,000	455,902,333
Bank of Maharashtra CD 03MR15	7,500	750,000,000	691,657,500
Canara Bank CD 27FB15	2,500	250,000,000	230,418,500
Corporation Bank CD 05MR15	10,000	1,000,000,000	920,982,000
Dena Bank CD 02AP14	10,000	1,000,000,000	998,359,000
Indian Overseas Bank CD 26FB15	5,000	500,000,000	461,630,500
Oriental Bank of Commerce CD 05MR15	7,500	750,000,000	691,342,500
Punjab and Sind Bank CD 02MR15	2,500	250,000,000	230,605,000



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

Particulars	As at March 31, 2014		
	Quantity	Face Value (Rs.)	Amount (Rs.)
Punjab National Bank CD 02MR15	20,000	2,000,000,000	1,832,141,467
Punjab National Bank CD 11MR15	10,000	1,000,000,000	919,329,000
Syndicate Bank CD 03MR15	5,000	500,000,000	461,105,000
Total (B)			7,893,472,800

Particulars	As at March 31, 2013		
	Quantity	Face Value (Rs.)	Amount (Rs.)
IDBI Bank Limited CD 19MR14	2,500	250,000,000	230,115,500
IDBI Bank Limited CD 14FB14	2,500	250,000,000	229,006,250
IDBI Bank Limited CD 28AG13	5,000	500,000,000	481,767,000
IDBI Bank Limited CD 10JU13	2,500	250,000,000	245,190,250
IDBI Bank Limited CD 07JU13	5,000	500,000,000	490,328,000
Punjab National Bank CD 25MR14	2,500	250,000,000	229,074,250
Punjab National Bank CD 20MAR14	2,500	250,000,000	230,270,500
Punjab National Bank CD 10MR14	2,500	250,000,000	229,417,750
Punjab National Bank 23DEC13	2,500	250,000,000	234,395,000
Punjab National Bank CD 17SP13	5,000	500,000,000	479,493,500
Punjab National Bank CD 10SP13	7,500	750,000,000	720,494,000
Punjab National Bank CD14JU13	12,500	1,250,000,000	1,227,107,500
Punjab National Bank 10MAY13	5,000	500,000,000	494,552,500
Allahabad Bank CD 26JU13	10,000	1,000,000,000	978,668,000
Allahabad Bank 17JU13	2,500	250,000,000	245,104,500
Allahabad Bank 31MAY13	7,500	750,000,000	738,220,500
IDBI Bank 12SEP13	5,000	500,000,000	480,111,500
IDBI Bank 21JU13	2,500	250,000,000	244,867,750
IDBI Bank 29MAY13	10,000	1,000,000,000	984,572,000
IDBI Bank Limited CD 27MY13	5,000	500,000,000	492,265,500
Central Bank of India 25MAR14	5,000	500,000,000	459,655,000
Central Bank of India CD 07MY13	5,000	500,000,000	494,790,500
Vijaya Bank 19JU13	10,000	1,000,000,000	979,945,000
Vijaya Bank CD 13JU13	2,500	250,000,000	244,820,000
Vijaya Bank CD 27MAY13	5,000	500,000,000	492,431,500
State Bank of Patiala CD 18SP13	2,500	250,000,000	239,768,250
State Bank of Patiala 27MAY13	5,000	500,000,000	492,391,500
State Bank of Patiala 24MAY13	2,500	250,000,000	246,440,000
Canara Bank 24MAR14	2,500	250,000,000	229,461,250
Canara Bank 14MAY13	5,000	500,000,000	494,272,000



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

As at March 31, 2013			
Particulars	Quantity	Face Value (Rs.)	Amount (Rs.)
Canara Bank 22APR—13	2,000	200,000,000	198,768,000
Punjab and Sind Bank 14JU13	2,500	250,000,000	245,282,500
Punjab and Sind Bank 10JU13	2,500	250,000,000	245,471,250
UCO Bank 13JU13	2,500	250,000,000	245,341,750
Oriental Bank of Commerce 7JU13	2,500	250,000,000	245,698,500
Andhra Bank 10AP13	10,000	1,000,000,000	996,610,000
ING Vysya Bank 24MAY13	5,000	500,000,000	492,766,500
Total (B)			16,728,935,250
(c) Investment in Government Securities(Quoted)			
As at March 31, 2014			
Particulars	Quantity	Face Value (Rs.)	Amount (Rs.)
	—	—	—
Total (B)			—
As At March 31, 2013			
Particulars	Quantity	Face Value (Rs.)	Amount (Rs.)
8.15% GOVT.STOCK 2022	4,500,000	450,000,000	454,079,659
8.33% GOVT.STOCK 2026	500,000	50,000,000	51,352,955
Total (C)			505,432,614
(d) Investments in Pass Through Certificates			
As at March 31, 2014			
Particulars	Quantity	Face Value (Rs.)	Amount (Rs.)
INNOVATION TRUST XVI DEC 13 SR—A PTC 30DC13	159	100,006	15,900,879
INNOVATION TRUST XIX MAR 14 SR—A PTC 20MR14	39	1,000,117	39,004,573
INNOVATION TRUST XX MAR 14 SR—A PTC 20MR14	40	1,000,213	40,008,519
Total (D)			94,913,971
As at March 31, 2013			
Particulars	Quantity	Face Value (Rs.)	Amount (Rs.)
	—	—	—
Total (D)			—
As at March 31, 2014			
Total (A)+(B)+(C)+(D)			8,208,386,771
As at March 31, 2013			
Total (A)+(B)+(C)+(D)			20,454,367,864

(29) Contingent Liability not provided in respect of:

- (a) Contingent Liabilities not provided in respect of Capital commitments for acquisition of fixed assets at various branches as at the year end (net of capital advances paid) Rs. 2,052,467,864 (Previous Year Rs. 3,004,174,116).



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

- (b) Demand pending u/s 143(3) of the Income Tax Act, 1961 in relation to the merged company Indiabulls Financial Services Limited ("IBFSL")
- (i) For Rs. 2,414,210 with respect to FY 2007—08 (Previous Year Rs. 2,414,210) against disallowance U/s 14A of the Income Tax Act, 1961, against which appeal is pending before ITAT.
- (ii) For Rs. 17,807,253 with respect to FY 2009—10 (Previous Year Rs. 17,807,253) against disallowance U/s 14A of the Income Tax Act, 1961, against which appeal is pending before CIT (Appeals)
- (c) Demand pending u/s of 25, 55, 56 & 61 of The Rajasthan Value Added Tax Act, 2003 in relation to the merged company IBFSL for Rs. 14,505,873 (Including Interest & Penalty) with respect to FY 2007—08 to FY 2012—13 (Previous Year Rs. 14,505,873) against which appeal is pending before Rajasthan Tax Board, Ajmer. The company has paid tax along with interest for Rs. 6,231,069 (Previous Year Rs. 6,231,069) under protest.
- (d) Arbitration award passed by the international arbitrator against merged company Indiabulls Financial Services Limited ("IBFSL") for Rs. Nil (Previous Year Rs. 1,920,007,000) for purchase of 42.50% stake in Indiabulls Finance Company Private Limited (IFCPL), which is disputed by the Company. (Refer Note 14(2)).
- (e) Corporate counter guarantees outstanding in respect of securitisation/ assignment agreements entered by the Company with different assignees as at March 31, 2014 is Rs. 3,044,792,269 (Previous Year Rs. 3,044,792,269) against which collateral deposit of Rs. 172,908,806 (Previous Year Rs. 172,908,806) for the year ended March 31, 2014 is being provided to the assignees by the Company in the form of Fixed Deposit Receipts. 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.

(30) Segment Reporting:

Segment information for the year ended March 31, 2014, as per Accounting Standard (AS)—17 "Segment Reporting", as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(a) Primary segment information (by business segments)

Particulars	Amount (Rs.)		
	Investing and financing related activities	Fee Income	Total
Segment Revenue [#]	56,701,777,447	144,580,910	56,846,358,357
	46,400,096,654	180,533,541	46,580,630,195
Segment Result	18,951,081,381	141,783,279	19,092,864,660
	16,061,986,171	25,575,287	16,087,561,458
Less: Unallocated expenditure net of other unallocated income			84,990,713
			46,394,908
Less: Income taxes and Deferred tax (credit)			3,907,892,095
			3,762,096,996
Profit after tax			15,099,981,853
			12,279,069,554
Segment Assets	427,887,947,138	5,616,856	427,893,563,994
	382,727,068,024	18,135,980	382,745,204,004
Unallocated Corporate Assets			2,888,016,340
			2,738,663,926
Total Assets			430,781,580,334
			385,483,867,930



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Particulars	Amount (Rs.)		
	Investing and financing related activities	Fee Income	Total
Segment Liabilities	369,058,839,602	192,000,000	369,250,839,602
	<i>331,710,247,035</i>	<i>192,000,000</i>	<i>331,902,247,035</i>
Unallocated Corporate Liabilities			6,859,003,356
			<i>4,191,258,229</i>
Total Liabilities			376,109,842,958
			<i>336,093,505,264</i>
Capital Expenditure	467,940,024	—	467,940,024
	<i>61,719,219</i>	—	<i>61,719,219</i>
Unallocated Capital Expenditure			34,495,089
			<i>50,756,881</i>
Total Capital Expenditure			502,435,113
			<i>112,476,100</i>
Depreciation / Amortisation	59,267,392	18,966	59,286,358
	<i>76,994,303</i>	<i>18,966</i>	<i>77,013,269</i>
Unallocated Depreciation			17,240,201
			<i>15,096,925</i>
Total Depreciation / Amortisation			76,526,559
			<i>92,110,194</i>
Non-Cash expenditure other than depreciation	2,833,432,110	—	2,833,432,110
	<i>1,340,493,053</i>	—	<i>1,340,493,053</i>
Unallocated Non-Cash expenditure other than depreciation			6,040,085
			<i>3,473,853</i>
Total Non-Cash Expenditure other than depreciation			2,839,472,195
			<i>1,343,966,906</i>

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

#Includes Dividend Income on units of Mutual Fund, Profit on Appreciation of Mutual Fund Investments and Profit on sale of current investments included in other income.

- The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- 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 financing 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, commission on insurance and other fee based activities.
- Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- 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 (Refer Note 1) above.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(31) Disclosures in respect of Related Parties as per Accounting Standard (AS) – 18 'Related Party Disclosures' as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

Nature of relationship

Related party

(a) Related party where control exists:

Subsidiary Companies

Indiabulls Asset Reconstruction Company Limited
(Associate upto January 10, 2013)(Subsidiary of
Indiabulls Advisory Services Limited)
Indiabulls Finance Company Private Limited
Indiabulls Infrastructure Credit Limited
Indiabulls Insurance Advisors Limited
Indiabulls Life Insurance Company Limited
Indiabulls Capital Services Limited
Indiabulls Collection Agency Limited
Ibulls Sales Limited
Indiabulls Advisory Services Limited
Nilgiri Financial Consultants Limited
(Subsidiary of Indiabulls Insurance Advisors Limited)
Indiabulls Asset Holding Company Limited
Indiabulls Asset Management Company Limited
Indiabulls Trustee Company Limited
Indiabulls Holdings Limited
Indiabulls Alternative Asset Management Private
Limited (upto February 7, 2013)
Indiabulls Venture Capital Management Company Limited
(Subsidiary of Indiabulls Holdings Limited)
Indiabulls Venture Capital Trustee Company Limited
(Subsidiary of Indiabulls Holdings Limited)

Key Management Personnel

Mr. Sameer Gehlaut, Chairman & Executive Director
Mr. Gagan Banga, CEO & Managing Director
Mr. Ashwini Omprakash Kumar, Deputy Managing Director
Mr. Ajit Kumar Mittal, Executive Director
Mr. Rajiv Rattan, Non —Executive Director
Mr. Saurabh Kumar Mittal, Non —Executive Director
Mr. Sachin Chaudhary (CEO—Executive Director upto March 19, 2013)

(b) Significant transactions with related parties during the year ended March 31, 2014:

Nature of Transactions	Amount (Rs.)		
	Subsidiary Companies	Key Management Personnel	Total
Finance			
Loan taken			
(Maximum balance outstanding during the year)	—	—	—
	688,000,000	—	688,000,000
Loan given			
(Maximum balance outstanding during the year)	7,012,701,000	—	7,012,701,000
	1,400,000,000	—	1,400,000,000



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

Nature of Transactions	Amount (Rs.)		
	Subsidiary Companies	Key Management Personnel	Total
Issue of Equity Shares Under ESOP Schemes / Share Warrants (Based on the Exercise price)	—	186,634,845	186,634,845
	—	—	—
Income			
Income from Service Fee	1,250,000	—	1,250,000
	—	—	—
Interest Income on Loan	652,146,989	—	652,146,989
	1,326,027	—	1,326,027
Reimbursement of Expenses Incurred	—	—	—
	16,050,792	—	16,050,792
Expenses			
Interest Expense on Loan	—	—	—
	48,878,190	—	48,878,190
Reimbursement of Expenses Paid	—	—	—
	—	—	—
Commission / Consultancy Paid	—	—	—
	36,517,000	—	36,517,000
Other receipts and payments			
Investment in Compulsory Convertible Cumulative Preference Shares	—	—	—
	2,025,000,000	—	2,025,000,000
Investment in Equity Shares	60,000,000	—	60,000,000
	—	—	—
Investment in Commercial paper	3,933,130,150	—	3,933,130,150
	—	—	—
Bond Sales	833,534,384	—	833,534,384
	664,803,715	—	664,803,715
Bond Purchase	666,361,677	—	666,361,677
	—	—	—
Purchase of Commercial Paper	492,803,500	—	492,803,500
	—	—	—
Sale of Investment in Commercial Paper	1,124,370,600	—	1,124,370,600
	—	—	—
Maturity of Commercial Paper	3,350,000,000	—	3,350,000,000
	—	—	—
Salary / Remuneration (including perquisite and retirement benefits)	—	402,163,390	402,163,390
	—	322,318,746	322,318,746
Issue of Equity Shares Under ESOPS Schemes	—	23,134,845	23,134,845
	—	—	—
Money Received against Share Warrants	—	122,625,000	122,625,000
	—	40,875,000	40,875,000
Issue of Equity Shares against Share Warrants	—	163,500,000	163,500,000
	—	—	—
Sale of Loan Receivables	1,385,841,735	—	1,385,841,735
	3,182,402,959	—	3,182,402,959

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



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

(c) Outstanding balance as at March 31, 2014:

Nature of Transactions	Subsidiary Companies	Key Management Personnel	Amount (Rs.)
			Total
Loan given	4,160,900,000	—	4,160,900,000
	<i>1,400,000,000</i>	—	<i>1,400,000,000</i>
Perpetual Debentures Issued	—	—	—
	—	—	—
Assignment (Payable)/ Receivable (Net)	(347,630)	—	(347,630)
	<i>(44,834,095)</i>	—	<i>(44,834,095)</i>

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

(d) Statement of Material transactions during the Year:

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Loan Taken (Maximum balance outstanding during the year)		
Subsidiary		
— Indiabulls Finance Company Private Limited	—	688,000,000
Loan Given (Maximum balance outstanding during the year)		
Subsidiaries		
— Indiabulls Finance Company Private Limited	3,998,000,000	1,400,000,000
— Indiabulls Infrastructure Credit Limited	5,620,000,000	250,000,000
— Ibulls Sales Limited	—	5,500,000
— Indiabulls Life Insurance Company Limited	49,400,000	—
Commission / Consultancy Paid		
Subsidiaries		
— Ibulls Sales Limited	—	2,809,000
— Indiabulls Asset Management Company Limited	—	33,708,000
Reimbursement of Expenses Incurred		
Subsidiaries		
— Indiabulls Advisory Services Limited	—	4,040,045
— Indiabulls Capital Services Limited	—	4,522,629
— Indiabulls Finance Company Private Limited	—	7,488,118
Interest paid on Loan		
Subsidiary		
— Indiabulls Finance Company Private Limited	—	48,878,190
Income from Service Fee		
Subsidiaries		
— Indiabulls Finance Company Private Limited	250,000	—
— Indiabulls Infrastructure Credit Limited	1,000,000	—



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Interest Income on Loan		
Subsidiaries		
– Indiabulls Finance Company Private Limited	220,498,975	1,326,027
– Indiabulls Infrastructure Credit Limited	431,648,014	—
Investment in Compulsory Convertible Cumulative Preference Shares		
Subsidiary		
– Indiabulls Infrastructure Credit Limited	—	2,025,000,000
Investment in Equity Shares		
Subsidiary		
– Indiabulls Asset Management Company Limited	60,000,000	—
Investment in Commercial paper		
Subsidiary		
– Indiabulls Finance Company Private Limited	1,618,856,700	—
– Indiabulls Infrastructure Credit Limited	2,314,273,450	—
Bond Sales		
Subsidiary		
– Indiabulls Finance Company Private Limited	463,074,658	664,803,715
– Indiabulls Infrastructure Credit Limited	370,459,726	—
Bond Purchase		
Subsidiary		
– Indiabulls Finance Company Private Limited	666,361,677	—
Sale of Investment in Commercial Paper		
Subsidiaries		
– Indiabulls Finance Company Private Limited	648,555,600	—
– Indiabulls Infrastructure Credit Limited	390,168,300	—
– Indiabulls Collection Agency Limited	28,548,900	—
– Indiabulls Capital Services Limited	28,548,900	—
– Indiabulls Asset Reconstruction Company Limited	28,548,900	—
Maturity of Commercial Paper		
Subsidiaries		
– Indiabulls Finance Company Private Limited	1,000,000,000	—
– Indiabulls Infrastructure Credit Limited	2,350,000,000	—
Purchase of Commercial Paper		
Subsidiaries		
– Indiabulls Infrastructure Credit Limited	404,098,870	—
– Indiabulls Collection Agency Limited	29,568,210	—
– Indiabulls Capital Services Limited	29,568,210	—
– Indiabulls Asset Reconstruction Company Limited	29,568,210	—



Notes forming part of the Financial Statements
for the year ended March 31, 2014 (Contd...)

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Salary / Remuneration		
Remuneration to Directors		
– Mr. Sameer Gehlaut	296,054,173	8,275,997
– Mr. Gagan Banga	60,003,226	1,543,641
– Mr. Ajit Kumar Mittal	18,001,590	531,165
– Mr. Ashwini Omprakash Kumar	28,104,401	19,114,066
– Mr. Sachin Chaudhary	—	12,585,979
Salary		
– Mr. Sameer Gehlaut	—	224,088,545
– Mr. Gagan Banga	—	41,797,040
– Mr. Ajit Kumar Mittal	—	14,382,313
Issue of Equity Shares Under ESOPS Schemes		
– Mr. Gagan Banga	21,945,065	—
– Mr. Ajit Kumar Mittal	1,189,780	—
Money received against Share Warrants		
– Mr. Gagan Banga	89,925,000	29,975,000
– Mr. Ashwini Omprakash Kumar	32,700,000	10,900,000
Issue of Equity Shares against Share Warrants		
– Mr. Gagan Banga	119,900,000	—
– Mr. Ashwini Omprakash Kumar	43,600,000	—
Sale of Loan Receivables		
Subsidiaries		
– Indiabulls Infrastructure Credit Limited	1,385,841,735	2,483,946,709
– Indiabulls Finance Company Private Limited	—	698,456,250
(e) Breakup of outstanding Balances		

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Loan given		
Subsidiaries		
– Indiabulls Finance Company Private Limited	3,998,000,000	1,400,000,000
– Indiabulls Infrastructure Credit Limited	113,500,000	—
– Indiabulls Life Insurance Company Limited	49,400,000	—
Assignment (Payable)/ Receivable (Net)		
Subsidiaries		
– Indiabulls Finance Company Private Limited Assignment Receivable	—	18,460,080
– Indiabulls Infrastructure Credit Limited (Assignment Payable)	(347,630)	(63,294,175)

Related Party relationships as given above are as identified by the Company.



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(32) (a) Earning in Foreign Currency:

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Earning from Exhibition	15,206,735	—
Total	15,206,735	—

(b) Expenditure in Foreign Currency:

Professional Expenses	251,007	39,216,246
GDRs listing / Issue related Expense	2,403,819	803,670
Travelling Expenses	4,223,368	5,332,405
Commission Expense	10,097,524	1,289,759
Interest Expense on Foreign Currency Loan	79,271,360	13,810,479
Overseas Representative Office Expenses	17,331,264	—
Advertisement/Corporate Sponsorship Expenses	2,797,565	7,635,651
Salary Expenses	13,369,745	—
Total	129,745,652	68,088,210

(c) Remittances during the year in foreign currency on account of dividends:

(i) Remittance during the Financial Year 2013-14

Pertains to Financial Year	Interim / Final	No. of Shareholders	No. of Shares	Amount
2012-13	3rd Interim	2	11,259,610	73,187,465
2013-14	1st Interim 2013-14	2	11,259,610	67,557,660
2013-14	2nd Interim 2013-14	2	9,530,243	66,711,701
2013-14	3rd Interim 2013-14	2	9,409,098	65,863,686
	Total		41,458,561	273,320,512

(ii) Remittance during the Financial Year 2012-13

Pertains to Financial Year	Interim / Final	No. of Shareholders	No. of Shares	Amount
2011-12	Final Dividend by erstwhile Holding company Indiabulls Financial Services Limited	2	8,967,321	62,771,247
2012-13	1st Interim 2012-13	2	10,167,993	81,343,944
2012-13	2nd Interim 2012-13	2	10,329,200	56,810,600
	Total		29,464,514	200,925,791



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(33) Earnings Per Equity Share

Earnings Per Equity Share (EPS) as per Accounting Standard (AS)-20 "Earnings Per Share", as notified by the Companies (Accounting Standards) Rules, 2006, as amended:

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 potential dilutive effect of Employee Stock Option Plan as appropriate. Potential dilutive Equity Shares on account of Share warrants are not adjusted being anti dilutive in nature.

Particulars	For the Year ended March 31, 2014 Amount (Rs.)	For the Year ended March 31, 2013 Amount (Rs.)
Profit available for Equity Shareholders (Rs.)	15,099,981,852	12,279,069,554
Weighted average number of Shares used in computing Basic Earnings per Equity Share (Nos.)	326,135,028	312,118,479
Add: Potential number of Equity share that could arise on exercise of Employee Stock Options / Share Warrants (Nos.)	3,349,620	9,999,303
Weighted average number of shares used in computing Diluted Earnings per Equity Share (Nos.)	329,484,647	322,117,782
Face Value of Equity Shares - (Rs.)	2.00	2.00
Basic Earnings Per Equity Share - (Rs.)	46.30	39.34
Diluted Earnings Per Equity Share - (Rs.)	45.83	38.12

(34) 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, 2014.

(35) Disclosures in terms of Circular no. NHB/ND/DRS/Pol—No. 35/2010—11 dated October 11, 2010:

(i) Disclosure for Capital to Risk Asset Ratio (CRAR) :—

CRAR	As at March 31, 2014	As at March 31, 2013
Items		
i) CRAR (%)	19.14%	18.47%
ii) CRAR - Tier I capital (%)	15.05%	14.96%
iii) CRAR - Tier II Capital (%)	4.09%	3.51%



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

(ii) Exposure to Real Estate Sector:-

Category	As at March 31, 2014 Amount (Rs. In crores)	As at March 31, 2013 Amount (Rs. In crores)
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;	16,694.28	12,443.08
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates	14,200.04	14,648.61
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	5.49	—
b. Commercial Real Estate.	4.00	—
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	—	25.00

Note: In computing the above information, certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

(iii) Asset Liability Management

Maturity Pattern of Assets and Liabilities as at March 31, 2014:

	Amount (Rs. In crores)				
	1 day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year
Liabilities					
Borrowing from banks	504.52	258.55	414.97	2,224.56	2,955.54
	20.19	406.92	353.49	1,355.32	2,939.80
Market borrowings	209.65	567.25	529.00	784.50	1,910.20
	203.00	359.50	684.00	1,860.00	745.00
Assets					
Advances	1,319.95	453.26	726.30	1,756.89	4,338.81
	1,228.41	419.05	742.11	1,495.03	3,048.62
Investments	1,110.44	—	—	1,145.79	1,118.06
	118.62	—	—	1,050.77	1,005.00



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Maturity Pattern of Assets and Liabilities as at March 31, 2014:						Amount (Rs. In crores)
	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Grand Total
Liabilities						
Borrowing from banks	10,397.18	4,247.72	73.28	51.72	81.90	21,209.94
	<i>8,719.83</i>	<i>4,879.54</i>	<i>212.80</i>	<i>265.07</i>	<i>332.05</i>	<i>19,485.01</i>
Market borrowings	3,501.20	1,078.20	20.00	4,386.30	293.28	13,279.58
	<i>3,754.50</i>	<i>985.20</i>	—	<i>2,716.30</i>	<i>293.28</i>	<i>11,600.78</i>
Assets						
Advances	12,922.25	7,225.42	4,097.88	1,484.59	1,858.11	36,183.46
	<i>13,002.03</i>	<i>6,012.99</i>	<i>2,093.94</i>	<i>1,898.19</i>	<i>1,571.91</i>	<i>31,512.28</i>
Investments	1,077.81	166.76	—	—	587.61	5,206.47
	<i>283.67</i>	<i>219.47</i>	<i>5.00</i>	—	<i>319.93</i>	<i>3,002.46</i>

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

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

- (36) As per the Housing Finance Companies (NHB) Directions 2010, non-performing assets are recognised on the basis of ninety days and above overdue of interest/installment. The Company has made the Provision for Loans and Other Credit Facilities in respect of Housing and Non-Housing Loans in terms of paragraph 28 of the Housing Finance Companies (NHB) Directions 2010 and NHB Notification No. NHB.HFC.DIR.3/CMD/2011 dated August 05, 2011 and NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012. The same is disclosed in terms of paragraph 29(2) of the Housing Finance Companies (NHB) Directions, 2010 and NHB Circular No. NHB(ND)/DRS/Pol.No.41/2010-11 dated September 26, 2011.

The total provision carried by the Company in respect of Housing and Non-Housing Loans for standard, sub-standard, doubtful and loss assets is as follows :

Particulars	Amount (Rs. In crores)					
	Housing Loans		Non Housing Loans		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Standard Assets	150.19	143.88	83.04	94.61	233.23	238.49
Substandard Assets	4.14	3.49	34.18	19.32	38.32	22.81
Doubtful Assets- upto one Year	0.31	0.34	0.80	39.12	1.11	39.46
Doubtful Assets- one to three Years	0.96	0.85	35.84	8.54	36.80	9.39
Doubtful Assets- more than three Years	0.44	—	3.29	2.27	3.73	2.27
Loss Assets	—	—	—	—	—	—
Provision of Depreciation on Investments	—	—	—	—	—	—
Total	156.04	148.56	157.15	163.86	313.19	312.42



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Further as at March 31, 2014, the Company has additional provision of Rs 69.77 Crore (Previous Year Rs.64.51 Crore) and Rs 111.70 Crore (Previous Year Rs. 82.23 Crore) for Standard Assets/other contingencies and for non standard assets (including Doubtful and loss assets) respectively.

The balance loan outstanding as at March 31, 2014 for standard assets is Rs. 33,523.18 Crore (Previous Year Rs. 29,809.25 Crore) out of which housing loan is Rs 22,776.40 Crore (Previous Year Rs 18,462.76 Crore) and Non housing loan is Rs 10,746.78 Crore (Previous Year Rs 11,346.48 Crore).

The balance loan outstanding as at March 31, 2014 for sub-standard assets is Rs. 255.46 Crore (Previous Year Rs. 152.09 Crore) out of which housing loan is Rs 27.59 Crore (Previous Year Rs 23.27 Crore) and Non housing loan is Rs 227.87 Crore (Previous Year Rs 128.82 Crore).

The balance loan outstanding as at March 31, 2014 for doubtful assets upto one year category is Rs. 4.43 Crore (Previous Year Rs 92.97 Crore) out of which housing loan is Rs 1.22 Crore (Previous Year Rs 1.36 Crore) and Non housing loan is Rs 3.21 Crore (Previous Year Rs. 91.61 Crore).

The balance loan outstanding as at March 31, 2014 for doubtful assets one to three years category is Rs. 59.57 Crore (Previous Year Rs. 23.47 Crore) out of which housing loan is Rs. 2.40 Crore (Previous Year Rs 2.12 Crore) and Non housing loan is Rs 57.17 Crore (Previous Year Rs.21.35 Crore).

The balance outstanding as at March 31, 2014 for doubtful assets more than three years category is Rs. 3.73 Crore (Previous Year Rs. 2.27 Crore) out of which housing loan is Rs 0.44 Crore (Previous Year Rs Nil) and Non housing loan is Rs 3.29 Crore (Previous Year Rs. 2.27 Crore).

Provision for contingencies on standard assets and loan assets as on March 31, 2014 amounting to Rs. 494.66 Crore (Previous Year Rs. 4,59.16 Crore) includes provisions for non-performing assets, standard assets and all other contingencies.

- (37)** The Company has entered into various agreements for the assignment/securitisation of loans with assignees, wherein it has assigned/secured a part of its secured loan portfolio amounting to Rs. 93,398,990,025 (Previous Year Rs. 56,291,685,659) upto March 31, 2014, being the principal value outstanding as on the date of the deals that are outstanding as on the Balance Sheet date.

The Company assigned/secured 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 in Significant Accounting policies in Note 1 (v) above and residual income on these Loans is being recognised over the life of the underlying loans and not on an upfront basis.

- (38)** The Company being a HFC has to follow the concentration of Credit Norms as per the NHB guidelines. Post merger of Indiabulls Financial Services Limited (the holding company) with the Company, the company has followed these norms based on the combined Balance sheet of the Company as merged with the Holding company from March 8, 2013 being the effective date of the merger as per the Order of the Hon'ble High Court of Delhi.

- (39)** The Board of Directors at their meeting held on April 27, 2012 had approved the Scheme of Arrangement involving the merger of Indiabulls Financial Services Limited (IBFSL, the Holding Company) with the Company in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 (the "Scheme of Arrangement"). The Appointed Date of the proposed merger fixed under the Scheme of Arrangement was April 1, 2012. The Hon'ble High Court of Delhi, vide its Order dated December 12, 2012, received by the Company on February 8, 2013, approved the Scheme of Arrangement (Order). In terms of the Court approved Scheme of Arrangement, with the filing of the copy of the Order, on March 8, 2013 with the office of ROC, NCT of Delhi & Haryana (the Effective Date), IBFSL, as a going concern, stands amalgamated with IBHFL with effect from the Appointed Date, being April 1, 2012 (Under the



Notes forming part of the Financial Statements

for the year ended March 31, 2014 (Contd...)

Accounting Standard 14 - Pooling of interest method). Consequent to the Scheme of Arrangement becoming effective, the Board of Directors of the Company, at their meeting held on March 25, 2013, issued and allotted –

- i) 312,511,167 Equity Shares of Rs. 2 each of the Company,
- ii) 27,500,000 Warrants of the Company (against the listed warrants of IBFSL), and
- iii) 20,700,000 Warrants of the Company (against the unlisted warrants of IBFSL held by certain promoter group entities and Key Management Personnel of IBFSL)

to the Equity Shareholders / Warrants holders of IBFSL, against their holdings in such Equity Shares / Warrants, as on March 20, 2013 i.e. the record date fixed by IBFSL in this regard. The issue of Equity Shares / warrants by the Company was in terms of the share exchange ratio as mentioned in the Court approved Scheme of Arrangement. The Company is in the process of getting its Shares and Warrants (issued in lieu of listed warrants of IBFSL) listed with National Stock Exchange of India Limited and BSE Limited, for which the necessary applications are being finalised to be filed with the Stock Exchanges.

- (40) The Company has complied with the NHB Directions, 2010 including Prudential Norms and as amended from time to time.
- (41) Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

Sameer Gehlaut
Chairman/ Whole
Time Director

Gagan Banga
Managing
Director/ CEO

Mukesh Garg
CFO

Amit Jain
Company Secretary

Mumbai: April 23, 2014



Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956
relating to Company's Interest in Subsidiary Companies for the Financial Year 2013-14

Sr. No.	Name of the Subsidiary Company	Financial year/ period ending of the Subsidiary Companies	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	(Amount in Rs.)		The net aggregate amount of profits/(losses) so far as it concerns the members of the Holding Company	
						a. Not dealt with in the Holding Company Accounts	b. Dealt with in the Holding Company Accounts	i) For the Financial Year ended 31st March 2014	ii) For the previous financial years of the Subsidiary Companies since they become Holding Company's subsidiaries
1	Indiabulls Insurance Advisors Limited	31-Mar-14	27-Dec-03	50,000 Equity shares of face value of Rs.10 each fully paid up	100%	4,420,565	(1,044,361,494)	NIL	NIL
2	Indiabulls Finance Company Private Limited	For the period from August 07, 2013 to March 31, 2014	18-Mar-05	7,608,696 Equity shares of face value of Rs.10 each fully paid up	100%	284,683,059	831,763,715	NIL	NIL
3	Indiabulls Capital Services Limited	31-Mar-14	13-Apr-05	5,000,000 Equity shares of face value of Rs.10 each fully paid up	100%	2,496,843	(157,123,904)	NIL	NIL
4	Nilgiri Financial Consultants Limited*	31-Mar-14	14-Dec-05	50,000 Equity shares of face value of Rs.10 each fully paid up	100%	7,871,594	56,180,226	NIL	NIL
5	Indiabulls Collection Agency Limited	31-Mar-14	1-Jun-06	150,000 Equity shares of face value of Rs.10 each fully paid up	100%	13,329,361	49,220,609	NIL	NIL
6	Ibulls Sales Limited	31-Mar-14	9-Oct-06	50,000 Equity shares of face value of Rs.10 each fully paid up	100%	9,189,810	4,777,442	NIL	NIL
7	Indiabulls Infrastructure Credit Limited	31-Mar-14	7-Jul-06	10,000,000 Equity shares of face value of Rs.10 each fully paid up	100%	244,711,811	650,889,898	NIL	NIL
8	Indiabulls Advisory Services Limited	31-Mar-14	2-Nov-06	2,550,000 Equity shares of face value of Rs.10 each fully paid up	100%	4,182,723	26,434,675	NIL	NIL
9	Indiabulls Asset Holding Company Limited	31-Mar-14	14-Jun-07	50,000 Equity Shares of Rs.10 each fully paid up	100%	(84,098)	(845,214)	NIL	NIL



Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956
relating to Company's Interest in Subsidiary Companies for the Financial Year 2013-14 (Contd...)

Sr. No.		Name of the Subsidiary Company	Financial year/ period ending of the Subsidiary Companies	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	The net aggregate amount of profits/(losses) so far as it concerns the members of the Holding Company		
							a. Not dealt with in the Holding Company Accounts	b. Dealt with in the Holding Company Accounts	
							i) For the Financial Year ended 31st March 2014	ii) For the previous financial years of the Subsidiary Companies since they become Holding Company's subsidiaries	iii) For the previous financial years of the Subsidiary Companies since they become Holding Company's subsidiaries
10	Indiabulls Life Insurance Company Limited	31-Mar-14	3-Dec-07	50,000 Equity Shares of Rs.10 each fully paid up	100%	(3,564,510)	(44,324,405)	NIL	NIL
11	Indiabulls Asset Management Company Limited	31-Mar-14	10-Apr-08	21,000,000 Equity Shares of Rs.10 each fully paid up	100%	(28,926,071)	(11,588,295)	NIL	NIL
12	Indiabulls Trustee Company Limited	31-Mar-14	10-Apr-08	500,000 Equity Shares of Rs.10 each fully paid up	100%	453,960	671,855	NIL	NIL
13	Indiabulls Venture Capital Management Company Limited*	31-Mar-14	3-Mar-10	50,000 Equity Shares of Rs.10 each fully paid up	100%	(61,996)	(306,402)	NIL	NIL
14	Indiabulls Venture Capital Trustee Company Limited*	31-Mar-14	3-Mar-10	50,000 Equity Shares of Rs.10 each fully paid up	100%	(69,862)	(316,213)	NIL	NIL
15	Indiabulls Holdings Limited	31-Mar-14	7-Apr-10	150,000 Equity Shares of Rs.10 each fully paid up	100%	(64,569)	(289,798)	NIL	NIL
16	Indiabulls Asset Reconstruction Company Limited	31-Mar-14	11-Jan-13	3,825,000 Equity Shares of Rs.10 each fully paid up	75%	3,053,086	3,043,582	NIL	NIL

Note : * Being Subsidiary of the Company in term of Section 4 (1) (c) of the Companies Act, 1956.

For and on behalf of the Board of Directors

Sameer Gehlaut
Chairman / Whole Time Director

Gagan Banga
Managing Director/ CEO

Mumbai, April 23, 2014



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