

NOTICE

Indiabulls

Indiabulls Securities Limited

Registered Office: F-60, Malhotra Building, 2nd Floor,
Connaught Place, New Delhi -110 001

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of INDIABULLS SECURITIES LIMITED will be held on Wednesday, the 30th day of September, 2009 at 11.00 A.M. at Centaur Hotel, IGI Airport, Delhi-Gurgaon Road, New Delhi - 110 037, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2009.
3. To appoint a Director in place of Mr. Divyesh Bharat Kumar Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Karan Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office as such, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT subject to the provisions of Sections 198, 269,309,310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (Act) and Schedule XIII to the Act (including any statutory modification(s) or re-enactment of the Act, for the time being in force), consent of the Company, be and is hereby accorded to the appointment of Mr. Divyesh Bharat Kumar Shah as Whole-time Director of the Company for a period of five years, with effect from April 1, 2009, up to a remuneration as may be recommended by the Remuneration Committee and fixed by the Board, from time to time, within a maximum ceiling of Rs. Thirty lacs per month, along with the benefit of Earned and Medical leave, Leave encashment and Gratuity as per the Company Rules, so however that the actual remuneration, payable to Mr. Shah during his tenure, shall be within the said overall limit.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to modify the terms of appointment and remuneration payable to Mr. Shah, from time to time during his tenure within the aforesaid limit of Rs. Thirty lacs per month.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 198, 269,309,310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (Act) and Schedule XIII to the Act (including any statutory modification(s) or re-enactment of the Act, for the time being in force), consent of the Company, be and is hereby accorded to the appointment of Mr. Ashok Kumar Sharma as Whole-time Director of the Company for a period of five years, with effect from April 1, 2009 on NIL remuneration.
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows:
 - (i) The following Articles relating to the non-convertible preference shares issued by the Company shall be deleted:
 - Article 2 (f) defining 'Closing Date'
 - Article 2 (g) defining 'Demerger'
 - Article 2 (n) defining 'Investor'

NOTICE

- Article 2 (o) defining 'Investor Shares'
- Article 2 (p) defining 'Junior Shares'
- Article 2 (q) defining 'Liquidation Preference'
- Article 2 (s) defining 'Mandatory Redemption Date'
- Article 2 (t) defining 'Material Adverse Effect'
- Article 2 (w) defining 'Non Convertible Preference Shares'
- Article 2 (x) defining 'Oberon Affiliate'
- Article 2 (cc) defining 'Scheme'
- Article 2 (ff) defining 'Subscription Agreement'
- Article 2 (kk) defining 'Transaction Documents'
- Article 30 restricting the Company from effecting any buyback which would increase the percentage of equity shares held by Oberon Limited.
- Article 95 restricting the Company from, inter alia, entering into loans or security creation agreements which would prevent it from making payment of the Liquidation Preference or other payments on the Investor Shares.
- Article 109 restricting the Company from undertaking certain actions without the consent of the Investor.
- Article 126 providing the Investor with the right to appoint nominees to the Board of Directors of the Company.

(ii) Annexure I shall be deleted in its entirety.

RESOLVED FURTHER THAT for the purpose of giving effect to the above any one of the Directors of the Company or the Company Secretary be and are hereby severally authorized on behalf of the Company to do all such acts, deeds, matters and things as deemed necessary in its absolute discretion.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“ESOS Guidelines”) including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions as may be required from appropriate authorities and subject to such conditions or modifications as may be prescribed, imposed or suggested by any of them while granting such approvals, consents, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Compensation Committee of the Board which has been authorized to exercise the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director, whether whole-time or otherwise (except the promoter directors of the Company, or any other director holding, directly or indirectly, more than 10% of the outstanding Equity Shares of the Company), under the employee stock option scheme titled “Indiabulls Securities Limited Employees Stock Option Scheme - 2009”, (hereinafter referred to as the “IBSL ESOP- 2009” or “Scheme”), 2,00,00,000 (Two Crores) Equity Options entitling the option holders to purchase an equivalent number of Equity Shares of face value Rs. 2/- (Rupees Two) each of the Company, at such price, in one or more tranches, and on such terms and conditions as may be decided by the Board under “IBSL ESOP- 2009” and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu, in all respects with the then existing Equity Shares of the Company and be listed with the stock exchange(s) where the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make modifications, changes, variations, alterations or revisions in the said Scheme from time to time as may be specified by the Board in its absolute discretion for such purpose, with power to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“ESOS

NOTICE

Guidelines”) including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions as may be required from appropriate authorities and subject to such conditions or modifications as may be prescribed, imposed or suggested while granting such approvals, consents, permissions or sanctions which may be agreed to by the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Compensation Committee of the Board which has been authorized to exercise the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to the Board to extend the benefits of “IBSL ESOP- 2009” proposed in the resolution under item no. 9 of this Notice, to or for the benefit of Employees of the Company’s subsidiaries, including Directors (except Promoter Directors and any Director holding, directly or indirectly, more than 10% of the outstanding Equity shares of the Company) of such subsidiary companies, and on such terms and conditions as may be decided by the Board under “IBSL ESOP- 2009” and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make modifications, changes, variations, alterations or revisions in the said Scheme from time to time as may be specified by the Board in its absolute discretion for such purpose, with power to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“ESOS Guidelines”) including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions as may be required from appropriate authorities, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Compensation Committee of the Board which has been authorized to exercise the powers conferred by this resolution) to create, issue, offer and allot the Stock Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options to certain eligible employees under the scheme titled “Indiabulls Securities Limited Employees Stock Option Scheme - 2009”, (hereinafter referred to as the “IBSL ESOP-2009” or “Scheme”), at such price, in one or more tranches, and on such terms and conditions as may be decided by the Board under “IBSL ESOP-2009” and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and/or Compensation Committee be and is hereby authorized on behalf of the Company to identify the eligible employees and number of options to be granted to them and to settle all questions, difficulties or doubts that may arise, without the Board being required to seek any further consent / approval of the Members.”

By Order of the Board
 For **Indiabulls Securities Limited**
 Sd/-

R. K. Agarwal
 Company Secretary

Place: New Delhi
 Dated: September 01, 2009

Notes:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2009 to Wednesday, September 30, 2009 (both days inclusive). Dividend, if declared at the Annual General Meeting, would be paid to those members whose names appear on the Register of Members of the Company on September 30, 2009. In respect of shares held in dematerialized form, the dividend will be paid as per the beneficial ownership details to be furnished by National Securities Depository Services (India) Ltd. and Central Depository Services (India) Ltd. for this purpose, as on the said date. The payout of the dividend would commence on or after October 05, 2009 .

NOTICE

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office, not less than 48 hours before the meeting. A proxy so appointed shall not have any right to speak at the meeting. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 187 of the Companies Act, 1956. The representative so appointed, shall have the right to appoint a proxy.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Meeting, is annexed hereto.
4. Members holding shares in physical form are requested to promptly notify any change in their address / bank account details to the Company's Registrar and Transfer Agent, M/s Karvy Computershare Private Limited, Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. Members holding shares in dematerialized form are requested to notify the aforesaid changes to their depository.
5. Members attending the annual general meeting are requested to bring with them the following:
 - (a) Members holding shares in dematerialized form - the details of their DP & Client ID Numbers.
 - (b) Members holding shares in physical form - the details of their Folio Numbers.
 - (c) The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company and copy of the annual report.
 - (d) In case of Bodies Corporate, the authorized representative should bring with him / her a certified copy of the relevant Board / Governing Body Resolution of the entity concerned. In the event such a person wants to appoint a proxy to represent himself / herself, the conditions as outlined above, as to proxy / deposition of the proxy with the Company, would apply. The proxy form in such a case should be accompanied by a copy of the relevant resolution.

The Company would accept only the Attendance Slip from a member actually attending the Meeting or from the duly appointed representative of a body corporate, attending the meeting on its behalf; or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the meeting. Attendance Slips of Members /valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member / person.
6. As stipulated under Clause 49 of the Listing Agreement, information in respect of Directors seeking appointment /re-appointment at the meeting is also given in the Corporate Governance Report which forms part of the Annual Report.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

The tenure of Mr. Divyesh Bharat Kumar Shah as a Whole-time Director of the Company was up to March 31, 2009.

Mr. Shah has over 15 years of experience in the Share Broking Business. He has worked with leading financial services firms and gained extensive experience managing and developing large brokerage sales team and cultivating deep client relationships. He is responsible for setting up new branches and managing a large sales force of the company. Mr. Shah has extensive expertise on the process and operations required for running securities broking business in a very professional manner. He is designated as Chief Executive Officer of the Company. His continued association with the Company shall be highly beneficial for the Company.

To enable the Company to avail the benefit of his business acumen, experience and expertise, the Board of Directors of the Company in its meeting held on 16th April, 2009, had pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (Act) and Schedule XIII to the Act (including any statutory modification(s) or re-enactment of the Act), appointed Mr. Shah as Whole-time Director of the Company for a further period of five years w.e.f. April 1, 2009 to March 31, 2014, up to a remuneration as may be recommended by the Remuneration Committee and fixed by the Board, from time to time, within a maximum ceiling of Rs. Thirty lacs per month, along with the benefit of Earned and Medical leave, Leave encashment and Gratuity as per the Company Rules, so however that the actual remuneration, payable to Mr. Shah during his tenure, shall be within the said overall limit.

An abstract concerning the appointment of Mr. Shah was sent to the shareholders of the Company on April 24, 2009 in compliance with Section 302 of the Companies Act, 1956.

Your Directors commend the Special Resolution for your approval.

None of the Directors except Mr. Divyesh Bharat Kumar Shah may be deemed to be concerned or interested in the resolution.

NOTICE

Item No. 7

The tenure of Mr. Ashok Kumar Sharma as a Whole-time Director of the Company was up to March 31, 2009.

Mr. Sharma is a Chartered Accountant with over 15 years experience in the financial services industry and share broking. Mr. Sharma heads the finance operations, risk management and back office operations. He has designed and implemented MIS, internal procedures and controls for the back office and finance department.

To enable the Company to avail the benefit of his expertise in the areas of finance, system implementation and internal controls coupled with strong analytical skills, the Board of Directors of the Company in its meeting held on 16th April, 2009, had pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 (Act) and Schedule XIII to the Act (including any statutory modification(s) or re-enactment of the Act), appointed Mr. Sharma as Whole-time Director of the Company for a further period of five years w.e.f. April 1, 2009 to March 31, 2014 on NIL remuneration.

An abstract concerning the appointment of Mr. Sharma was sent to the shareholders of the Company on April 24, 2009 in compliance with Section 302 of the Companies Act, 1956.

Your Directors commend the Special Resolution for your approval.

None of the Directors except Mr. Ashok Kumar Sharma may be deemed to be concerned or interested in the resolution.

Item No. 8

Pursuant to the Court approved Scheme of Arrangement and Share Subscription Agreement dated June 18, 2006, Oberon Limited was issued 9,966,667 non convertible preference shares of the Company having a face value of Rs. 4.61 each.

The said 9,966,667 non convertible preference shares have been redeemed by the Company and consequently, the paid-up preference share capital in the Company stands fully redeemed

Consequent to such redemption, it is proposed to amend the Articles of Association of the Company to make necessary changes therein deleting reference of all clauses pertaining to Non-Convertible Preference Shares as aforesaid issued by the Company. The proposed amendments to the Articles of Association of the Company are described in the resolution.

The provisions of the Companies Act, 1956, require the Company to obtain the approval of the members for any alteration in the Articles of Association. Your Directors therefore recommend the passing of this Resolution, as a Special Resolution.

A copy of the Articles of Association with the proposed changes is available at the Registered office of the Company for inspection by members from Monday to Friday from 10 A.M. to 3 P.M. till the date of AGM.

None of the Directors is concerned or interested in this Resolution.

Item Nos. 9, 10 & 11

With a view to motivating the employees of the Company and its subsidiaries by rewarding performance and retaining best talents, the Board of Directors has, at its meeting held on September 1, 2009, recommended and principally approved the launch of a new employee stock option scheme titled as "Indiabulls Securities Limited Employees Stock Option Scheme - 2009" (hereinafter referred to as the "IBSL ESOP- 2009" or "Scheme"), subject to the receipt of shareholders' approval in terms of the resolution set out at item no. 9 of the Notice, vis-a-vis the employees of the Company and extending the benefits of the scheme favouring the employees of its subsidiary companies in terms of the resolution set out at item no. 10 of the notice.

Further, any grant / re-grant of stock options during any one year, under the said scheme, may exceed 1% of the issued capital of the Company at the time of grant of options, the approval of shareholders by way of separate resolution, in terms of ESOS Guidelines, is therefore being sought in terms of Resolution set out at item no. 11 of the Notice.

"IBSL ESOP- 2009" has been formulated in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended ("ESOS Guidelines").

The main features of "IBSL ESOP - 2009" are as under:

1. Total number of options to be granted

Up to 2,00,00,000 (Two Crores) equity options will be available for being granted to eligible employees and directors of the Company and those of its subsidiaries. Each option (after it is vested) will be exercisable for one equity share of face value Rs. 2/- each fully paid-up, on payment of the exercise price to the Company.

NOTICE

2. Identification of classes of employees entitled to participate in "IBSL ESOP - 2009"

All permanent employees of the Company and its subsidiaries including Directors (excluding Promoters, and any Director holding, directly or indirectly, more than 10% of the outstanding equity shares of the Company), as may be decided by the Board/Compensation Committee, from time to time, would be entitled to participate in "IBSL ESOP - 2009".

Employees may be granted stock options based on performance and such other criteria as the Board/Compensation Committee may, in its absolute discretion, decide. The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

3. Requirement of vesting and period of vesting

The Board/Compensation Committee shall decide the manner and period of vesting of options at the time of grant, with a minimum vesting period of 1 year.

4. Maximum period within which the options shall be vested

The maximum period of vesting shall be 10 years from the date of grant of option(s).

5. Exercise Price

The exercise price will be the market price, as defined in ESOS Guidelines, of the Company's Equity Share on the date of grant of option.

6. Exercise Period and the process of Exercise

The exercise period shall be 5 years from the date of respective vesting, within which the options vested in any eligible employee have to be exercised.

The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board/Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

7. Appraisal Process for determining the eligibility of the employees to ESOP

The appraisal process for determining the eligibility of the employee will be specified by the Board/Compensation Committee, and will be based on criteria such as seniority of employee, length of service, performance record, merit of the employee, future potential contribution by the employee and/or such other criteria that may be determined by the Board/Compensation Committee at its sole discretion.

8. Maximum number of options to be issued per employee and in aggregate

The number of options that may be granted to employees under the Scheme shall be determined by the Board/Compensation Committee from time to time within the aggregate limit.

9. Disclosure and accounting policies

The Company shall comply with the disclosures and shall conform to the accounting policies as laid out in Clause 13 and Schedule I of the ESOS Guidelines.

10. Method of option valuation

To calculate the stock-based remuneration, the Company shall use the Intrinsic Value method for valuation of options granted. The difference between the employee remuneration cost so computed and the cost that shall have been recognized if it had used fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

11. Taxes / Levies

Liability of paying taxes as may be imposed / levied on the options granted pursuant to "IBSL ESOP - 2009" shall be entirely on the option holder.

As the "IBSL ESOP - 2009" provides for issue of shares to be offered to persons other than the existing shareholders of the Company, consent of the members is sought by way of Special Resolutions, pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and as per Clause 6 of the ESOS Guidelines.

None of the Directors of the Company is deemed to be concerned or interested in the resolutions, except to the extent of the securities that may be offered to them under the Scheme.

By Order of the Board
For **Indiabulls Securities Limited**
Sd/-

R. K. Agarwal
Company Secretary

Place: New Delhi

Dated: September 01, 2009

Indiabulls

Indiabulls Securities Limited

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi -110 001

PROXY FORM

I/we _____ of _____ in the district of _____ being a member/ members of INDIABULLS SECURITIES LIMITED hereby appoint _____ of _____ in the district of _____ or falling him / her _____ of _____ in the district of _____ as my /our proxy to attend and vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company scheduled to be held on Wednesday, the 30th day of September, 2009 at 11.00 A.M. at Centuar Hotel, IGI Airport, Delhi-Gurgaon Road, New Delhi -110 037, or at any adjournment thereof.

Signed this _____ day of _____ 2009.

Affix Re 1/-
revenue
stamp

Signed by said _____

Registered Folio No* _____ Client ID _____ DP ID _____

No of Shares _____

* Applicable for Members holding shares in Physical form.

Note : The Proxy form duly stamped and completed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the aforesaid meeting.

Indiabulls

Indiabulls Securities Limited

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi -110 001

Folio No.*

No. of Shares

DP ID

Client ID

ATTENDANCE SLIP

Members or their proxies are requested to present this slip in accordance with the Specimen Signatures registered with the Company, at the entrance of the meeting Hall, for admission.

Name of the attending Member / Proxy _____
(in block letters)

I hereby record my presence at the Fourteenth Annual General Meeting of the Company held on Wednesday, the 30th day of September, 2009 at 11.00 A.M. at Centuar Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi 110 037.

Member's Signature

Proxy's Signature

* Applicable for Members holding shares in Physical form.

