

Trustee Report

Dear Unitholders,

We have pleasure in presenting the first Annual Report of the schemes of Indiabulls Mutual Fund ("the Mutual Fund") for the year ended March 31, 2012, along with the audited financial statements of the schemes.

The Mutual Fund received SEBI Registration on March 24, 2011, with Indiabulls Asset Management Limited ("the AMC") as the investment manager, and commenced its operations in October 2012 with the launch of its first scheme, namely, Indiabulls Liquid Fund.

During the financial year ended March 31, 2012, the Mutual Fund launched five schemes, namely, Indiabulls Liquid Fund, Indiabulls Ultra Short Term Fund, Indiabulls Blue Chip Fund, Indiabulls Fixed Maturity Plan 387 days March 2012 (1) and Indiabulls Fixed Maturity Plan 377 days March 2012 (2).

1. Scheme Performance, Future Outlook and Operations of the Schemes:

A. Scheme Performance:

The performance of the schemes since inception to March 30, 2012, vis-a-vis the respective benchmark indices is given in the table below:

Name of the Scheme	Date of Inception (Initial Allotment)	AUM (Rs. in lacs)	NAV (Rs. Per Unit) As on March 30, 2012	Performance	
				Scheme Returns (since inception)	Benchmark Returns (since inception)
Indiabulls Liquid Fund	25/10/2011	42,811.39	Growth- 1041.9834 Monthly Dividend- 1000.6818 Daily Dividend - 1000.0000 Weekly Dividend- 1000.0000 Fortnightly Dividend- 1000.0000	4.20%	3.79%
Indiabulls Ultra Short Term Fund	06/01/2012	9,683.40	Growth-1022.5820 Monthly Dividend-1001.2379 Weekly Dividend- 1001.2378 Daily Dividend -1000.1267 Fortnightly Dividend-1000.0000	2.26%	2.08%
Indiabulls Blue Chip Fund	10/02/2012	611.54	Growth-9.45 Dividend-9.46	-5.50%	-1.60%
Indiabulls FMP 387 Days March 2012 (1)	15/03/2012	15,073.01	Growth - 10.0773 Dividend-10.0000	0.77%	0.37%
Indiabulls FMP 377 Days March 2012 (2)	28/03/2012	3240.18	Growth- 10.0113 Dividend- 10.0000	0.11%	0.04%

Past performance may or may not be sustained in the future.

Note:

- NAVs of Growth Option of the schemes have been considered for calculation of returns. Performance of the Dividend Option for the investor would be net of the applicable distribution tax.
- Since none of the schemes have completed one year of existence, absolute returns have been calculated from the date of allotment of units of the respective schemes upto March 30, 2012. (Since March 31, 2012 is a non-business day)

B. Future Outlook:

Fixed Income Market:

The data on the growth front continues to show dismal numbers and reinstated the fear that the slowdown of the economy is here to stay for a longer time than earlier feared. The fear of a sharp slowdown, amidst economic woes of the European nations, got accentuated by the domestic factors like fragile fiscal situation, deteriorating current account deficit, high inflation and distinct slow down in investment.

The GDP growth slumped to 9 year low in the 4th quarter at 5.3% due to the fall in manufacturing output and a

Trustee Report (contd.)

sharp slowdown in services, electricity and construction sectors. The overall GDP for the fiscal year 2012 stood at 6.5%. The IIP print for the month of April remained flat at 0.1% YoY vs -3.2% in March. This remained below market expectation of 1.7%.

The latest data on the inflation for the month of May failed to impress the market. Against the April reading of 7.23%, the inflation at 7.55% slightly dampened the possibility of any major rate cut by RBI. The core inflation remained below 5% and came at 4.86%. Manufacturing inflation marginally moved down to 5.2% against 5.12% in April. The March data was revised upward to 7.69% against the provisional reading of 6.89%, a disturbing jump of 80 bps.

Trade deficit for the month of May came at \$16.3 bn from \$18.5 bn a year ago. The import at \$41.9 bn rose mainly due to the higher import bill on account of petroleum products. The exports clocked a figure of \$25.68 bn.

The slowing growth numbers has given rise to the hopes of rate cut in the upcoming RBI policy meet on 18th June. In the current environment of high twin deficit in the form of high fiscal deficit and deteriorating Current account deficit, the inflation concern is making the central banks task to lower the rates more difficult. However, the dismal growth has prompted the markets to believe of softening action by the Reserve bank in the upcoming policy meet. The mood got reflected in the market with ten year benchmark yield (8.15% goi 2022) touching a low of 7.96%. The short end of the curve has rallied significantly with three months bank CD rates touching 9% on the downside for a brief period before forming a range of 9.05-9.15%.

In view of more than expected slowdown in the economy and the risk aversion arising out of the Euro zone crisis impacting the rupee valuation, the problem on the Current account has aggravated. Due to the slowdown in deposit in an atmosphere of high credit to deposit ratio, the tight liquidity has been one of the bigger concern. In view of this, in the upcoming policy meet of June 18, the market expects a cut of 25bps in the repo rate.

Equity Market:

India – a silver lining in the midst of chaos.....

Global markets continue to focus on Greece, the epicenter of the Euro zone debt crisis, which is headed for a second parliamentary election on June 17, following a political impasse since May 6 elections when no party gained enough seats in the elections. Even this time around, expectations are that elections are not going to throw up a clear mandate. European leaders have warned that Greece's exit from the Euro zone will be on the agenda if Greek authorities do not respect the bailout deal after parliamentary re-elections. Precarious conditions of Spanish Banks are also keeping markets on tenterhooks. In U.S. macro data is looking weaker, with unemployment rates increasing to 8.2% from 8.1%. This has brought into focus the U.S. Federal Bank is meeting on 18th June, where markets are expecting an announcement of QE3 or further monetary easing.

As far as global uncertainty is concerned – we believe that it may continue for some prolonged time as the tools now are limited and the past methodology to revive the economies have completely failed. China is having its own issues as it is trying to make a transition from export led economy to a domestic led consumption economy. This will not happen in hurry but may take serious time. Among emerging markets, for instance – Brazil, has slowed down to 2.1%. With this premise we believe that India stands out as attractive destination in the eyes of prudent investors.

Domestically, Macro-economic data for Q4FY12 is reflective of a slowing economy and defines a clear need for a policy action from RBI to support growth. However, RBI policy action is likely to hinge upon the expected inflation trajectory. Oil has come off to sub \$100 levels, other commodities have also cooled off, manufacturing inflation is already in downward trajectory and expectations of a normal monsoon should ease food inflation. We believe that at the least RBI will come up with dovish statements in the forthcoming meet.

Currency depreciation is also fueling inflation. But with oil prices coming off and clampdown on gold imports by Government, we expect current account deficit to stabilize, which in turn should support rupee. As the rupee starts appreciating, it would help in taming inflation further.

Q4 earnings came in better than expectations. Earnings growth of Sensex companies, at 16.7% yoy, was sharply ahead of our expectation. Adjusted for SBI earnings, the figure is a much lower 8.7%, though higher than 3.5% in Q3FY12. The top-performing sectors during the quarter were banks, Cement and IT, while Media, Metals and Autos were the worst performers.

The bright spot seems to be the FMCG space, where management sounded optimistic on demand. We maintain our bullish stand on any domestic rural consumption theme as we believe that with elections in next 2 years and overhang of a mid-term poll – the ruling political party will try to retain its rural vote bank and in this regard keep on flushing the rural economy with liquidity.

The government looks to be getting out of its slumber. In a bid to push the infrastructure sector and counter faltering policy inaction, has announced a slew of new projects in a big push to critical sectors such as railways, aviation, coal and power. Noting that the infrastructure sector needs over \$ 1 trillion in the next five years, Prime Minister Manmohan Singh has said the government alone cannot invest such huge amounts and would involve the private sector through public private partnerships.

Currently, markets are trading at 13 – 13.5 times the one year forward earnings, Indian markets are cheap from

Trustee Report (contd.)

historical valuations. Considering that oil prices have come off, expectations of inflation cooling off, interest rate cuts, and stability returning to rupee we believe, this is an attractive entry point for a long term investor.

C. Operations of the schemes:

The Mutual Fund has recorded commendable growth in Assets Under Management (AUM), in its first year of operation, despite launching the maiden scheme only in October 2011.

Indiabulls Mutual Fund launched its first scheme, Indiabulls Liquid Fund, in October 2011, followed by Indiabulls Ultra Short Term Fund in January 2012. Both these schemes generated lot of investor interest.

In January 2012, the Mutual Fund launched its first equity scheme, namely, Indiabulls Blue Chip Fund. To help investors take advantage of the rising interest rates, the Mutual Fund launched Indiabulls 387 days Fixed Maturity Plan - Series II March 2012 (1) and Indiabulls 377 days Fixed Maturity Plan - Series II March 2012 (2) in March 2012, which is now listed on Bombay Stock Exchange Ltd (BSE). The AUM of the Mutual Fund as on March 31, 2012 was Rs. 713.99 crs with 2051 number of folios.

2. Brief Background of Sponsor, Fund, Trustee Company and AMC

A. Indiabulls Mutual Fund

Indiabulls Mutual Fund (the "Mutual Fund") has been constituted as a trust in terms of the Trust Deed dated November 07, 2008 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Indiabulls Financial Services Limited (IBFSL), as the Sponsor and Indiabulls Trustee Company Limited as the Trustee. The Trust Deed has been duly registered under the Indian Registration Act, 1908.

Indiabulls Asset Management Company Limited (the "AMC") has been appointed as the Investment Manager of Indiabulls Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated November 07, 2008, executed between the Trustee and the Asset Management Company. The Mutual Fund was registered with SEBI on March 24, 2011 under Registration Code MF/068/11/03.

B. Sponsor

Indiabulls Mutual Fund is sponsored by Indiabulls Financial Services Limited (IBFSL). Indiabulls Financial Services Limited is one of India's leading and fastest growing private sector financial services companies. Indiabulls Financial Services Limited is an integrated financial services powerhouse providing Consumer Finance, Housing Finance, Commercial Loans, Asset Management and Advisory services. The company is focused on providing multiple financial services through an extensive network of consumer touch-points covering Tier 1, Tier 2 & Tier 3 cities. Indiabulls serves more than 500,000 customers across different financial products through its branch network, call centers & the internet. It also ranks among the top private sector financial services groups in terms of net worth.

The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs.50,000/- to the Trustee as the initial contribution towards the corpus of the Mutual Fund. The Sponsor is responsible for discharging its functions and responsibilities towards the Mutual Fund in accordance with SEBI (Mutual Funds) Regulations, 1996, and the various constitutive documents of the Mutual Fund.

C. The Trustee

Indiabulls Trustee Company Limited (the "Trustee") is the trustee of Indiabulls Mutual Fund. The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Mutual Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

D. The Asset Management Company

Indiabulls Asset Management Company Limited (IBAMC) was incorporated under the Companies Act, 1956 on April 10, 2008 having its registered office at M - 62 & 63, First Floor, Connaught Place, New Delhi - 110001. The Corporate Office of IBAMC is located at Indiabulls Finance Centre, 11th Floor, Tower-1, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013 and the operations of the AMC including investor servicing are handled and coordinated from the aforesaid Corporate Office.

3. Investment Objectives of the Schemes:

- a) **Indiabulls Liquid Fund- (An open ended Liquid scheme)** – To provide a high level of liquidity with returns commensurate with low risk through a portfolio of money market and debt securities with maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved
- b) **Indiabulls Ultra Short Term Fund (An open ended debt scheme)** - To provide liquidity with returns commensurate with low risk through a portfolio of money market and debt securities. However, there can be no assurance that the investment objective of the Scheme will be achieved.
- c) **Indiabulls Blue Chip Fund (An open ended equity scheme)** - The primary investment objective of the Scheme

Trustee Report (contd.)

is to seek to provide long-term capital appreciation from a portfolio that is invested predominantly in equity and equity-related securities of blue-chip large-cap companies. However there can be no assurance that the investment objective of the scheme will be achieved

- d) **Indiabulls FMP 387 Days March 2012 (1) (A close ended debt scheme)** - The investment objective of the plans under the scheme is to generate income and/ or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with maturity of the respective plans under the scheme. The maturity of all instruments shall be equal to or less than the maturity of the respective plans under the scheme. However there can be no assurance that the investment objective of the scheme will be achieved
- e) **Indiabulls FMP 377 Days March 2012 (2) (A close ended debt scheme)** - The investment objective of the plans under the scheme is to generate income and/ or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with maturity of the respective plans under the scheme. The maturity of all instruments shall be equal to or less than the maturity of the respective plans under the scheme. However there can be no assurance that the investment objective of the scheme will be achieved

4. Significant Accounting Policies

The Significant Accounting Policies form part of the Notes to the Accounts annexed to the Balance Sheet of the Schemes. The Accounting Policies are in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

5. Unclaimed Dividends and Redemptions

There are no unclaimed dividends or unclaimed redemption amounts under any schemes of the Mutual Fund for the year ended March 31, 2012.

6. Details of Investor Complaints

The Statement on 'Status of Redressal of Complaints' received against the Mutual Fund during the financial year ended March 31, 2012 is appended below and forms part of the Trustee Report.

Redressal of Complaints received during		2011-2012										
Name of the Mutual Fund		Indiabulls Mutual Fund										
Total Number of Folios		2051										
Com-plaint code	Type of complaint#	(a) No. of com-plaints pending at the begin-ning of the year	(b) No of com-plaints received during the year	Action on (a) and (b)								
				Resolved				Non Ac-tion-able*	Pending			
				Within 30 days	30-60 days	60-180 days	Be-yond 180 days		0-3 mon-ths	3-6 mon-ths	6-9 mon-ths	9-12 mon-ths
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/ Unit Certificate	0	9	9	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	69	69	0	0	0	0	0	0	0	0
II C	Non receipt of Annual Report/Abridged Sum-mary	0	0	0	0	0	0	0	0	0	0	0

Trustee Report (contd.)

Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				Non Actionable*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0
IV	Others	0	0	0	0	0	0	0	0	0	0	0
TOTAL		0	78	78	0	0	0	0	0	0	0	0

including against its authorized persons/ distributors/ employees. etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

7. Statutory Information

- The Sponsor is not responsible or liable for any loss resulting from the operations of the schemes of the Mutual Fund beyond their initial contribution of Rs. 50,000/- for setting up the Mutual Fund, and such other accretions/ additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report shall be disclosed on the website of the Mutual Fund (www.indiabullsmf.com) and shall be available for inspection at the Head Office of the Mutual Fund. Present and prospective unit holders can obtain or copy of the Trust Deed, the full Annual Report of the Fund/AMC at a price.

Acknowledgements

The Trustee thanks the Securities and Exchange Board of India, and the Association of Mutual Funds in India for the guidance provided by them. The Trustee would like to thank all the unit holders for their strong support.

The Trustee also wishes to thank the Mutual Fund's Auditors, Custodian, Registrar & Transfer Agents, Bankers, Distributors, Brokers and all other service providers for their continued support.

For **Indiabulls Trustee Company Limited**

Sd/-
Prabhat Kumar
 Chairman

Sd/-
Krishan Mohan Seth
 Director

Place : New Delhi

Date : June 18, 2012

Auditors' Report

To the Trustee of INDIABULLS MUTUAL FUND

1. We have audited the Balance Sheet of Indiabulls Mutual Fund - INDIABULLS LIQUID FUND (referred to as "the Scheme") as at March 31, 2012, the related Revenue Account and the Cash Flow Statement for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Indiabulls Mutual Fund and the Management of Indiabulls Asset Management Company Limited. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned and unit capital balances as at March 31, 2012 by correspondence with the custodian/others and registrar and transfer agent. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet, Revenue Account and the Cash Flow Statement referred to above are in agreement with the books of account of the Scheme.
4. In our opinion and to the best of our information and according to the explanations given to us:
 - 4.1 The Balance Sheet, Revenue Account and the Cash Flow Statement together with the notes thereon give the information required by the

Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and also give a true and fair view of the state of affairs of the Scheme as at March 31, 2012, net surplus/deficit and the cash flows respectively for the period ended on that date.

- 4.2 The Balance Sheet as at March 31, 2012 and the Revenue Account for the period on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- 4.3 The methods used to value non-traded/thinly traded securities as at March 31, 2012, as determined by Indiabulls Asset Management Company Limited under procedures approved by the Trustee of Indiabulls Mutual Fund is in accordance with the guidelines for valuation of securities for mutual funds, issued by the Securities and Exchange Board of India, and are fair and reasonable.

Sd/-

For **Sharma Goel & Co.**
FRN : 000643N
Chartered Accountants

Sd/-

Akhila Nand Singh
Partner
Membership No: 511170

Place : New Delhi
Date : June 18, 2012

Auditors' Report

To the Trustee of INDIABULLS MUTUAL FUND

1. We have audited the Balance Sheet of Indiabulls Mutual Fund - INDIABULLS ULTRA SHORT TERM FUND (referred to as "the Scheme") as at March 31, 2012, the related Revenue Account and the Cash Flow Statement for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Indiabulls Mutual Fund and the Management of Indiabulls Asset Management Company Limited. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned and unit capital balances as at March 31, 2012 by correspondence with the custodian/others and registrar and transfer agent. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet, Revenue Account and the Cash Flow Statement referred to above are in agreement with the books of account of the Scheme.
4. In our opinion and to the best of our information and according to the explanations given to us:
 - 4.1 The Balance Sheet, Revenue Account and the Cash Flow Statement together with the notes thereon give the information required by the

Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and also give a true and fair view of the state of affairs of the Scheme as at March 31, 2012, net surplus/deficit and the cash flows respectively for the period ended on that date.

- 4.2 The Balance Sheet as at March 31, 2012 and the Revenue Account for the period ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- 4.3 The methods used to value non-traded/thinly traded securities as at March 31, 2012, as determined by Indiabulls Asset Management Company Limited under procedures approved by the Trustee of Indiabulls Mutual Fund is in accordance with the guidelines for valuation of securities for mutual funds, issued by the Securities and Exchange Board of India and are fair and reasonable.

Sd/-
For **Sharma Goel & Co.**
FRN : 000643N
Chartered Accountants

Sd/-
Akhila Nand Singh
Partner
Membership No: 511170

Place : New Delhi
Date : June 18, 2012

Auditors' Report

To the Trustee of INDIABULLS MUTUAL FUND

1. We have audited the Balance Sheet of Indiabulls Mutual Fund - INDIABULLS BLUE CHIP FUND (referred to as "the Scheme") as at March 31, 2012, the related Revenue Account and the Cash Flow Statement for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Indiabulls Mutual Fund and the Management of Indiabulls Asset Management Company Limited. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned and unit capital balances as at March 31, 2012 by correspondence with the custodian/others and registrar and transfer agent. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet, Revenue Account and the Cash Flow Statement referred to above are in agreement with the books of account of the Scheme.
4. In our opinion and to the best of our information and according to the explanations given to us:
 - 4.1 The Balance Sheet, Revenue Account and the Cash Flow Statement together with the notes

thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and also give a true and fair view of the state of affairs of the Scheme as at March 31, 2012, net surplus/deficit and the cash flows respectively for the period ended on that date.

- 4.2 The Balance Sheet as at March 31, 2012 and the Revenue Account for the period ended on that date, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
- 4.3 The methods used to value non-traded/thinly traded securities as at March 31, 2012, as determined by Indiabulls Asset Management Company Limited under procedures approved by the Trustee of Indiabulls Mutual Fund is in accordance with the guidelines for valuation of securities for mutual funds, issued by the Securities and Exchange Board of India and are fair and reasonable.

Sd/-

For **Sharma Goel & Co.**
FRN : 000643N
Chartered Accountants

Sd/-

Akhila Nand Singh
Partner
Membership No: 511170

Place : New Delhi
Date : June 18, 2012

Auditors' Report

To the Trustee of INDIABULLS MUTUAL FUND

1. We have audited the Balance Sheets of the under mentioned schemes of Indiabulls Mutual Fund as at March 31, 2012, the related Revenue Accounts and the Cash Flow Statement for the period ended on that date for the period mentioned below, which we have signed under reference to this report. These financial statements are the responsibility of the Trustee of Indiabulls Mutual Fund and the Management of Indiabulls Asset Management Company Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

The Schemes	Period
Indiabulls Fixed Maturity Plan – 387 Days – March 2012 (1)	March 12, 2012 to March 31, 2012
Indiabulls Fixed Maturity Plan – 377 Days – March 2012 (2)	March 27, 2012 to March 31, 2012

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned and unit capital balances as at March 31, 2012 by correspondence with the custodian/others and registrar and transfer agent. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. The Balance Sheet, Revenue Account and the Cash Flow Statement referred to above are in agreement with the books of account of the respected Schemes.

4. In our opinion and to the best of our information and according to the explanations given to us:
 - 4.1 The Balance Sheets, Revenue Accounts and the Cash Flow statement together with the notes thereon give the information required by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable and also give a true and fair view of the state of affairs of the Schemes as at March 31, 2012 and net surplus/deficit and the cash flows respectively for the period ended on that date.
 - 4.2 The Balance Sheets as at March 31, 2012 and the Revenue Accounts for the period, together with the notes thereon, have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable.
 - 4.3 The methods used to value non-traded/thinly traded securities as at March 31, 2012, as determined by Indiabulls Asset Management Company Limited under procedures approved by the Trustee of Indiabulls Mutual Fund is in accordance with the guidelines for valuation of securities for mutual funds, issued by the Securities and Exchange Board of India and are fair and reasonable.

Sd/-
For **Sharma Goel & Co.**
FRN : 000643N
Chartered Accountants

Sd/-
Akhila Nand Singh
Partner
Membership No: 511170

Place : New Delhi
Date : June 18, 2012

Balance Sheet

as at March 31, 2012

Amount (Rs.)

	Sched- ule	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
LIABILITIES						
Unit Capital	'A'	4,119,054,300	952,161,526	64,684,677	1,495,371,021	323,570,276
Reserves and Surplus	'B'	162,085,175	16,178,224	(3,530,480)	11,929,881	447,431
Current Liabilities and Provisions	'C'	1,206,383,431	196,696,502	4,274,422	506,153	181,465
Total		<u>5,487,522,906</u>	<u>1,165,036,252</u>	<u>65,428,619</u>	<u>1,507,807,055</u>	<u>324,199,172</u>
ASSETS						
Investments	'D'	5,356,647,909	1,161,980,782	60,888,230	1,500,551,810	318,193,983
Deposits	'E'	129,522,199	2,498,224	2,997,868	6,495,843	5,496,483
Other Current Assets	'F'	1,352,798	557,246	1,542,521	759,402	508,706
Total		<u>5,487,522,906</u>	<u>1,165,036,252</u>	<u>65,428,619</u>	<u>1,507,807,055</u>	<u>324,199,172</u>
Notes forming part of Accounts	'I'					

As per our Report of even date

For Sharma Goel & Co.
Chartered Accountants
FRN: 000643N

Sd/-
Akhila Nand Singh
Partner
Membership No.- 511170

For and on behalf of
Indiabulls Trustee Company
Limited

Sd/-
Prabhat Kumar
Chairman

Sd/-
Krishna Mohan Seth
Director

For and on behalf of
Indiabulls Asset Management Company
Limited

Sd/-
Ashok Kacker
Chairman

Sd/-
Raju Sharma
Head-Fixed Income

Sd/-
Aviral Gupta
Fund Manager - Equity

Sd/-
Sumit Bhatnagar
Associate Fund
Manager - Equity

Sd/-
Sanjay Chandel
Director and CEO

Sd/-
Puneet Srivastava
Fund Manager - Debt

Sd/-
Amarjeet Singh
Fund Manager - Equity

Place : New Delhi
Date : June 18, 2012

Revenue Account

 for the period ended **March 31, 2012**

		Amount (Rs.)				
	Schedule	INDIABULLS LIQUID FUND 25th October, 2011 to 31st March, 2012	INDIABULLS ULTRA SHORT TERM FUND 6th January, 2012 to 31st March, 2012	INDIABULLS BLUE CHIP FUND 10th February, 2012 to 31st March, 2012	INDIABULLS FMP 387 DAYS MARCH 2012 (1) 15th March, 2012 to 31st March, 2012	INDIABULLS FMP 377 DAYS MARCH 2012 (2) 28th March, 2012 to 31st March, 2012
INCOME						
Dividend	'I(B,2.3)'	-	-	25,457	-	-
Interest	'G' & 'I(B,2.4)'	575,760,874	119,247,024	259,527	7,055,436	360,746
Net profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	'I(B,2.1)'	1,880,085	521,854	(1,649,886)	-	-
Total		577,640,959	119,768,878	(1,364,902)	7,055,436	360,746
EXPENSES AND LOSSES						
Unrealised depreciation in the value of invest- ments	'I(B,2.2)'	-	-	1,764,450	-	-
Management fees	'I(C,6)'	3,690,023	849,965	125,593	132,840	3,186
Service Tax on Management Fees		380,073	87,546	12,936	13,683	328
Trusteeship fees	'I(C,7)'	405,202	68,345	584	4,669	372
Advertisement & Publication Expenses		221,522	35,050	38,701	10,465	-
Audit fees		396,557	64,848	548	3,672	187
Custodian fees	'I(C,8)'	691,203	175,223	1,839	9,302	644
Registrar & Transfer Agent's fees		1,765,585	693,094	48,575	5,181	1,219
Investor Related Expenses		69,063	28,077	97	-	-
Commission to Agents		1,336,410	199,663	2,465,250	319,472	175,125
Other operating expenses		220,847	75,112	50,115	4,186	292
Interest on borrowing		522,967	105,930	-	-	-
Expense reimbursed by Asset Management Company		(1,128,590)	(531,936)	(2,493,109)	(335,789)	(176,043)
Total		8,570,862	1,850,917	2,015,579	167,681	5,310
Net Surplus / (Deficit) for the period		569,070,097	117,917,961	(3,380,481)	6,887,755	355,436
Less : Dividend distributed		325,826,484	81,192,242	-	-	-
Less : Tax on Dividend		105,708,778	26,210,881	-	-	-
Net Surplus / (Deficit) carried forward		137,534,835	10,514,838	(3,380,481)	6,887,755	355,436
Notes forming part of Accounts	'I'					

As per our Report of even date

For Sharma Goel & Co.
Chartered Accountants
 FRN: 000643N

Sd/-
Akhila Nand Singh
 Partner
 Membership No. - 511170

For and on behalf of
Indiabulls Trustee Company Limited

Sd/-
Prabhat Kumar
 Chairman

Sd/-
Krishna Mohan Seth
 Director

For and on behalf of
Indiabulls Asset Management Company Limited

Sd/-
Ashok Kacker
 Chairman

Sd/-
Raju Sharma
 Head - Fixed Income

Sd/-
Aviral Gupta
 Fund Manager - Equity

Sd/-
Sumit Bhatnagar
 Associate Fund Manager - Equity

Sd/-
Sanjay Chandel
 Director and CEO

Sd/-
Puneet Srivastava
 Fund Manager - Debt

Sd/-
Amarjeet Singh
 Fund Manager - Equity

Place : New Delhi
 Date : June 18, 2012

Cash Flow Statement

for the period ended **March 31, 2012**

	Amount (Rs.)				
	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
A Cash flow from Operating Activity					
Surplus for the period	569,070,097	117,917,961	(3,380,481)	6,887,755	355,436
Adjustments for:-					
Deferred revenue	-	-	-	-	-
expenditure amortised in current period					
New Fund Offer expenses incurred during the period	-	-	-	-	-
Change in provision for net unrealised loss in value of investments	-	-	1,764,450	-	-
(Increase)/Decrease in investments at cost	(5,356,647,909)	(1,161,980,782)	(62,652,678)	(1,495,509,683)	(318,101,988)
(Increase)/Decrease in other current assets	(1,251,878)	(531,936)	(814,443)	(335,790)	(176,043)
Increase/(Decrease) in current liabilities	900,505,583	194,738,821	3,174,422	506,153	181,465
Net cash generated/ (used) in operations (A)	(3,888,324,107)	(849,855,936)	(61,908,730)	(1,488,451,565)	(317,741,130)
B Cash flow from Financing Activities					
Increase/(Decrease) in unit capital	4,119,054,300	952,161,526	64,684,677	1,495,371,021	323,570,276
Increase/(Decrease) in unit premium reserve	24,550,340	5,663,386	(149,999)	-	-
Adjustments for:-					
Increase/(Decrease) in redemption payable for units redeemed by investors	-	-	1,100,000	-	-
(Increase)/Decrease in subscription receivable for units issued to investors	-	-	(388,000)	-	-
(Increase)/Decrease in subscription received for units pending allotment to investors	303,600,000	-	-	-	-
Dividend and tax thereon paid during the period	(429,257,414)	(105,445,442)	-	-	-
Net cash generated/ (used) from financing activities (B)	4,017,947,226	852,379,470	65,246,678	1,495,371,021	323,570,276
Net Cash and cash equivalents at the end of period (A + B)	129,623,119	2,523,534	3,337,948	6,919,456	5,829,146
Components of cash and cash equivalents					

Cash Flow Statement for the period ended **March 31, 2012** (contd.)

	Amount (Rs.)				
	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
Balances with banks in current accounts	100,920	25,310	340,080	423,613	332,663
Margin deposit with Clearing Corporation of India Limited	20,100,000	-	-	-	-
Collateralised borrowing & lending obligation	109,422,199	2,498,224	2,997,868	6,495,843	5,496,483
	129,623,119	2,523,534	3,337,948	6,919,456	5,829,146

As per our Report of even date

For Sharma Goel & Co.
Chartered Accountants
 FRN: 000643N

Sd/-
Akhila Nand Singh
Partner
 Membership No. - 511170

For and on behalf of
Indiabulls Trustee Company
Limited
Sd/-
Prabhat Kumar
Chairman

Sd/-
Krishna Mohan Seth
Director
For and on behalf of
Indiabulls Asset Management Company
Limited

<i>Sd/-</i> Ashok Kacker <i>Chairman</i>	<i>Sd/-</i> Sanjay Chandel <i>Director and CEO</i>
<i>Sd/-</i> Raju Sharma <i>Head-Fixed Income</i>	<i>Sd/-</i> Puneet Srivastava <i>Fund Manager - Debt</i>
<i>Sd/-</i> Aviral Gupta <i>Fund Manager - Equity</i>	<i>Sd/-</i> Amarjeet Singh <i>Fund Manager - Equity</i>
<i>Sd/-</i> Sumit Bhatnagar <i>Associate Fund</i> <i>Manager - Equity</i>	

 Place : New Delhi
 Date : June 18, 2012

Schedules Forming Part of the Balance Sheet as at **March 31, 2012**

Amount (Rs.)

	INDIABULLS LIQUID FUND		INDIABULLS ULTRA SHORT TERM FUND	
	Units	Amount (Rs)	Units	Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL	(Face Value of Rs. 1000/- Each)		(Face Value of Rs. 1000/- Each)	
Growth Option				
Subscription :				
- Issued during new fund offer	1,367,632.500	1,367,632,500	352,156.004	352,156,004
- During the period	67,661,459.021	67,661,459,021	496,677.052	496,677,052
Less : Redemption during the period	(65,200,614.696)	(65,200,614,696)	(158,795.572)	(158,795,572)
Growth Option (Closing Balance)	3,828,476.825	3,828,476,825	690,037.484	690,037,484
Dividend Option				
Subscription :				
- Issued during new fund offer	-	-	-	-
- During the period	-	-	-	-
Less : Redemption during the period	-	-	-	-
Dividend Option (Closing Balance)	-	-	-	-
Daily Dividend Option				
Subscription :				
- Issued during new fund offer	200,010.000	200,010,000	-	-
- During the period	155,287,047.152	155,287,047,152	503.005	503,005
Less : Redemption during the period	(155,197,979.577)	(155,197,979,577)	-	-
Daily Dividend Option (Closing Balance)	289,077.575	289,077,575	503.005	503,005
Weekly Dividend Option				
Subscription :				
- Issued during new fund offer	-	-	5,204,164.274	5,204,164,274
- During the period	10.204	10,204	2,129,343.036	2,129,343,036
Less : Redemption during the period	(10.204)	(10,204)	(7,073,923.800)	(7,073,923,800)
Weekly Dividend Option (Closing Balance)	-	-	259,583.510	259,583,510
Monthly Dividend Option				
Subscription :				
- Issued during new fund offer	9,500,050.000	9,500,050,000	2,000.000	2,000,000
- During the period	18,715.154	18,715,154	37.527	37,527
Less : Redemption during the period	(9,517,265.254)	(9,517,265,254)	-	-
Monthly Dividend Option (Closing Balance)	1,499.900	1,499,900	2,037.527	2,037,527
Total				
Subscription :				
- Issued during new fund offer	11,067,692.500	11,067,692,500	5,558,320.278	5,558,320,278
- During the period	222,967,231.531	222,967,231,531	2,626,560.620	2,626,560,620
Less : Redemption during the period	(229,915,869.731)	(229,915,869,731)	(7,232,719.372)	(7,232,719,372)
Unit Capital (Closing Balance)	4,119,054.300	4,119,054,300	952,161.526	952,161,526

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

	INDIABULLS BLUE CHIP FUND		INDIABULLS FMP 387 DAYS MARCH 2012 (1)		INDIABULLS FMP 377 DAYS MARCH 2012 (2)	
	Units	Amount (Rs)	Units	Amount (Rs)	Units	Amount (Rs)
	(Face Value of Rs. 10/- Each)		(Face Value of Rs. 10/- Each)		(Face Value of Rs. 10/- Each)	
SCHEDULE 'A'						
UNIT CAPITAL						
Growth Option						
Subscription :						
- Issued during new fund offer	10,770,563.759	107,705,638	149,537,102.065	1,495,371,021	32,357,027.550	323,570,276
- During the period	1,835,206.456	18,352,065	-	-	-	-
Less : Redemption during the period	(7,930,459.719)	(79,304,597)	-	-	-	-
Growth Option (Closing Balance)	4,675,310.496	46,753,106	149,537,102.065	1,495,371,021	32,357,027.550	323,570,276
Dividend Option						
Subscription :						
- Issued during new fund offer	1,884,210.000	18,842,100	-	-	-	-
- During the period	41,183.375	411,834	-	-	-	-
Less : Redemption during the period	(132,236.149)	(1,322,361)	-	-	-	-
Dividend Option (Closing Balance)	1,793,157.226	17,931,573	-	-	-	-
Daily Dividend Option						
Subscription :						
- Issued during new fund offer	-	-	-	-	-	-
- During the period	-	-	-	-	-	-
Less : Redemption during the period	-	-	-	-	-	-
Daily Dividend Option (Closing Balance)	-	-	-	-	-	-
Weekly Dividend Option						
Subscription :						
- Issued during new fund offer	-	-	-	-	-	-
- During the period	-	-	-	-	-	-
Less : Redemption during the period	-	-	-	-	-	-
Weekly Dividend Option (Closing Balance)	-	-	-	-	-	-
Monthly Dividend Option						
Subscription :						
- Issued during new fund offer	-	-	-	-	-	-
- During the period	-	-	-	-	-	-
Less : Redemption during the period	-	-	-	-	-	-
Monthly Dividend Option (Closing Balance)	-	-	-	-	-	-
Total						
Subscription :						
- Issued during new fund offer	12,654,773.759	126,547,738	149,537,102.065	1,495,371,021	32,357,027.550	323,570,276
- During the period	1,876,389.831	18,763,898	-	-	-	-
Less : Redemption during the period	(8,062,695.868)	(80,626,959)	-	-	-	-
Unit Capital (Closing Balance)	6,468,467.722	64,684,677	149,537,102.065	1,495,371,021	32,357,027.550	323,570,276

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

	Amount (Rs)				
	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
SCHEDULE 'B'					
Reserves & Surplus					
Unit Premium					
Opening Balance	-	-	-	-	-
Add\ (Less) : Net Additions\ (Deductions) during the period	24,550,340	5,663,386	(149,999)	-	-
Less:- Transferred (to) / from Equalisation Reserve	(24,550,340)	(5,663,386)	(129,180)	-	-
Closing Balance	-	-	(279,179)	-	-
Equalisation Reserve					
Transferred (to) / from Unit Premium Reserve	24,550,340	5,663,386	129,180	-	-
Closing Balance	24,550,340	5,663,386	129,180	-	-
Unrealised Appreciation in Value of Investments					
Add: Net change during the period	-	-	-	5,042,126	91,995
Closing Balance	-	-	-	5,042,126	91,995
Appropriation Account					
Surplus/(Deficit) carried forward	137,534,835	10,514,838	(3,380,481)	6,887,755	355,436
Total Reserves & Surplus	162,085,175	16,178,224	(3,530,480)	11,929,881	447,431
The share of the plans in the reserves and surplus is as follows:					
Growth Option	161,992,376	15,780,608	(2,553,089)	11,929,881	447,431
Dividend Option	-	-	(977,391)	-	-
Daily Dividend Option	91,302	205	-	-	-
Weekly Dividend Option	-	394,316	-	-	-
Monthly Dividend Option	1,497	3,095	-	-	-
Total Reserves & Surplus	162,085,175	16,178,224	(3,530,480)	11,929,881	447,431
SCHEDULE 'C'					
CURRENT LIABILITIES & PROVISIONS					
Purchase contract outstanding	-	-	1,469,710	-	-
Management Fees Payable	1,194,646	499,611	64,937	131,871	3,163
Trusteeship Fees Payable	364,681	61,510	525	4,202	334
Interest on bank overdraft	522,967	105,930	-	-	-
Redemption Payable (other than Inter Scheme)	-	-	1,100,000	-	-
Allotment Pending	303,600,000	-	-	-	-
Sundry Creditors	1,984,848	632,064	856,985	352,858	177,430
Load Payable	-	-	762,078	-	-
Overdrawn bank balance as per books	896,164,407	193,321,861	-	-	-
Dividend distribution payable	34	-	-	-	-
Dividend distribution tax payable	2,277,814	1,957,681	-	-	-

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

	Amount (Rs)				
	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
Tax Deducted at Source	274,034	117,845	20,187	17,222	538
Total	1,206,383,431	196,696,502	4,274,422	506,153	181,465
SCHEDULE 'D'					
INVESTMENTS					
Equity	-	-	60,888,230	-	-
Commercial Paper	1,415,757,857	246,153,672	-	-	-
Certificate of Deposit	3,940,890,052	915,827,110	-	1,500,551,810	318,193,983
Total	5,356,647,909	1,161,980,782	60,888,230	1,500,551,810	318,193,983
SCHEDULE 'E'					
DEPOSITS					
- Margin deposit with Clearing Corporation of India Limited	20,100,000	-	-	-	-
- Collateralised borrowing & lending obligation	109,422,199	2,498,224	2,997,868	6,495,843	5,496,483
Total	129,522,199	2,498,224	2,997,868	6,495,843	5,496,483
SCHEDULE 'F'					
OTHER CURRENT ASSETS					
Balances with Banks in Current Account	100,920	25,310	340,080	423,613	332,663
Outstanding and Accrued Income	123,288	-	-	-	-
Dividend Receivable	-	-	5,134	-	-
Subscription Receivable (other than Inter Scheme)	-	-	388,000	-	-
Receivable from AMC	1,128,590	531,936	809,307	335,789	176,043
Total	1,352,798	557,246	1,542,521	759,402	508,706
	25th October, 2011	6th January, 2012	10th February, 2012	15th March, 2012	28th March, 2012
	to	to	to	to	to
	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
SCHEDULE 'G'					
INTEREST					
Collateralised Lending	12,327,483	6,616,599	259,227	432,803	27,408
Reverse Repo	2,968,321	179,945	300	-	-
Commercial Paper	235,413,290	64,241,670	-	-	-
Certificate of Deposit	324,921,391	48,208,810	-	6,622,633	333,338
Margin deposit with Clearing Corporation of India Limited	130,389	-	-	-	-
Total	575,760,874	119,247,024	259,527	7,055,436	360,746

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

SCHEDULE 'H'

RELATED PARTY TRANSACTIONS

The Schemes have entered into transactions with certain related parties. The information required in this regard in accordance with Accounting Standard 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and Regulation 25(8) of the SEBI Regulations, is provided below.

(i) Related party relationships

Name	Relationship
Indiabulls Financial Services Limited	Sponsor of the fund
Indiabulls Trustee Company Limited	Trustee of the fund
Indiabulls Asset Management Company Limited	Investment Manager of the Fund

Schemes of the Fund under common control

- Indiabulls Liquid Fund
- Indiabulls Ultra Short Term Fund
- Indiabulls Blue Chip Fund
- Indiabulls FMP 387 Days March 2012 (1)
- Indiabulls FMP 377 Days March 2012 (2)

(ii) Transactions covered by Accounting Standard-18

Amount (Rs.)

Name of Related Parties	Nature of Transactions	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
Indiabulls Liquid Fund	Purchase of investments	-	7,875,271,346	-	-	-
	Sale of investments	-	5,095,977,294	-	-	-
Indiabulls Ultra Short Term Fund	Purchase of investments	5,095,977,294	-	-	-	-
	Sale of investments	7,875,271,346	-	-	-	-
Indiabulls Trustee Company Limited	Fees for trusteeship services	405,202	68,345	584	4,669	372
Indiabulls Asset Management Company Limited	Fees for investment management services	3,690,023	849,965	125,593	132,840	3,186
Indiabulls Asset Management Company Limited	Receivable/ (Payable) for other expenses	(1,128,590)	(531,936)	(2,493,109)	(335,789)	(176,043)
Indiabulls Financial Services Limited	Purchase of investments	2,218,415,250	1,469,312,500	-	-	-
	Sale of investments	4,951,305,550	-	-	-	-

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

Schedule 'I'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

A. BACKGROUND

Indiabulls Mutual Fund has been established as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Indiabulls Financials Services Ltd as Sponsors and Indiabulls Trustee Company Ltd (the "Trustee") as Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908 on November 7, 2008. The Mutual Fund has been registered with SEBI on March 24, 2011 under Registration Code MF/068/11/03. The Trustee has entered into an Investment Management Agreement dated November 7, 2008 with Indiabulls Asset Management Company Ltd (the "AMC") to function as the investment Manager for all schemes of the Mutual Fund.

The key features of the following Indiabulls Mutual Fund schemes are as below:

Scheme Name (collectively termed as "the schemes")	Nature of Scheme	Launch Date	Options Currently Offered	Investment Objective
INDIABULLS LIQUID FUND	An open-ended liquid scheme	October 24, 2011	Growth Dividend: - Daily Dividend (Reinvestment) - Weekly Dividend (Reinvestment) - Fortnightly Dividend (Reinvestment & Payout) - Monthly Dividend (Reinvestment & Payout)	To provide a high level of liquidity with returns commensurate with low risk through a portfolio of money market and debt securities with maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved.
INDIABULLS ULTRA SHORT TERM FUND	An open-ended debt scheme	January 5, 2012	Growth Dividend: - Weekly Dividend (Reinvestment) - Fortnightly Dividend (Reinvestment & Payout) - Monthly Dividend (Reinvestment & Payout)	To provide liquidity with returns commensurate with low risk through a portfolio of money market and debt securities. However, can be there no assurance that the investment objective of the scheme will be achieved.
INDIABULLS BLUE CHIP FUND	An open-ended equity scheme	January 20, 2012	Growth Dividend (Reinvestment & Payout)	The primary investment objective of the Scheme is to seek to provide long-term capital appreciation from a portfolio that is invested predominantly in equity and equity-related securities of blue-chip large-cap companies. However there can be no assurance that the investment objective of the scheme will be achieved.

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

Scheme Name (collectively termed as "the schemes")	Nature of Scheme	Launch Date	Options Currently Offered	Investment Objective
INDIABULLS FMP 387 DAYS MARCH 2012 (1)	A close-ended debt scheme	March 12, 2012	Growth Dividend (Reinvestment & Payout)	To generate income and/ or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with maturity of the respective plans under the scheme. The maturity of all instruments shall be equal to or less than the maturity of the respective plans under the scheme. However, there can be no assurance that the investment objective of the scheme will be achieved.
INDIABULLS FMP 377 DAYS MARCH 2012 (2)	A close-ended debt scheme	March 27, 2012	Growth Dividend (Reinvestment & Payout)	To generate income and/ or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with maturity of the respective plans under the scheme. The maturity of all instruments shall be equal to or less than the maturity of the respective plans under the scheme. However, there can be no assurance that the investment objective of the scheme will be achieved.

B. SIGNIFICANT ACCOUNTING POLICIES**1 BASIS OF ACCOUNTING**

- 1.1 The Scheme maintains its books of accounts on accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the Ninth Schedule of The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto, as applicable (the "Regulations").

2 REVENUE RECOGNITION

- 2.1 Profit/loss on sale of investments is accounted for in the period in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.
- 2.2 In accordance with the Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds issued by the Institute of Chartered Accountants of India (pursuant to the Eleventh Schedule of the SEBI Regulations), the net unrealised gain or loss in the value of investments is determined separately for each category of investments. The net unrealised gain, if any, on investments sold/transferred during the period is adjusted in the unrealised appreciation reserve and the net unrealised loss, if any, is charged to the revenue account as recommended by the Guidance Note.
- 2.3 Dividend income is recognised on the ex-dividend date.
- 2.4 Interest income is recognised on an accrual basis.

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

2.5 Income other than above and of miscellaneous nature is accounted for, as and when realised.

3 UNIT PREMIUM RESERVE

3.1 Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

4 EQUALISATION RESERVE

4.1 The purpose of Equalisation Reserve is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/ redemption of units have been taken into Reserve for the purpose of ascertaining the amount to be transferred to Equalisation Reserve. The net balance in this Reserve is transferred to the Revenue Reserve at the end of the period.

5 LOAD CHARGES

In accordance with SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 with effect from August 1, 2009 exit load collected in excess of 1% of the redemption proceeds is credited to the scheme as income. Load other than the above is utilized to pay commission to distributors and other marketing and selling expenses in accordance with SEBI guidelines. Any surplus is treated as income as and when considered appropriate.

6 INVESTMENTS

6.1 Investments are accounted on the trade date. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statements for that year. The cost of investments includes cost of acquisition, brokerage, securities transaction tax and stamp duty, if any.

6.2 Rights entitlements, if any, are accounted on ex-right date of the principal stock exchange.

6.3 Bonus entitlements, if any, are accounted on ex-bonus date of the principal stock exchange.

7 VALUATION OF INVESTMENTS

7.1 Investments are valued at the balance sheet date as per the recommendations of the Securities and Exchange Board of India (SEBI).

7.2 Traded equity securities were valued at the last quoted price on the National Stock Exchange of India Limited (NSE). However, if the securities are not listed on NSE, they are valued at the price quoted at other exchange where it is principally traded. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on NSE, BSE or any other stock exchange as the case may be, on the earliest previous day is used, provided that such day is not more than thirty days prior to the valuation date for equity shares.

7.3 Non-traded / thinly traded equity securities including those not traded within thirty days and non-traded / thinly traded debt securities including those not traded within fifteen days are valued at fair value as per procedures determined by Indiabulls Asset Management Co Limited which are approved by the Trustee and are in accordance with the guidelines for valuation of securities specified in the Regulations.

7.4 Traded debt securities are valued at the last quoted closing price on the principal exchange on which the security is traded. If no trade is reported at that time, the last quoted closing price is used, when it is not more than fifteen days prior to the valuation date.

7.5 All non-traded / thinly traded money market securities, floating rate bonds and debt securities having maturity up to 91 days are valued at amortised cost based on purchase price or last traded price, which includes discount / premium accrued on a straight line basis over the period to maturity. All non-traded / thinly traded money market securities, floating rate securities and debt securities over 91 days to maturity are valued using the average of the yields released by CRISIL and ICRA, as suggested by AMFI.

7.6 Instruments bought on Repo basis are valued at the resale price after deduction of applicable interest upto the date of resale.

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

- 7.7 Collateralized Borrowings and Lending Obligations (CBLO) are valued at cost plus accrued interest.
- 7.8 Government Securities are valued at prices obtained from the Credit Rating and Information Services of India Limited (CRISIL) in accordance with the Regulations.
- 7.9 The change in net unrealized depreciation, in respect of each category of investments, between two balance sheet dates / date of determination is accounted through the Revenue Account. The net change in unrealized appreciation, in respect of each category of investments, between two balance sheet dates / date of determination is accounted through the Revenue Account and thereafter transferred from the Revenue Account to the unrealized appreciation reserve. Unrealised appreciation is ignored for calculation of distributable surplus and gross unrealized depreciation is reduced from distributable income at the time of distribution."
- 7.10 An investment in debt security is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due and the same have been valued as per the norms laid down by SEBI (Mutual Funds) Regulations, 1996 amended upto date.
- 7.11 The valuation guidelines as outlined above are as per prevailing regulations and are subject to change from time to time in conformity with changes made by SEBI.

C. NOTES ON ACCOUNTS

- 1) The Cost and Market Value/Fair Value of Investments as on March 31, 2012 is given below:

Securities	INDIABULLS LIQUID FUND		INDIABULLS ULTRA SHORT TERM FUND	
	Book Cost	Market Value	Book Cost	Market Value
	Rs.	Rs.	Rs.	Rs.
Equity	-	-	-	-
Commercial Paper	1,415,757,857	1,415,757,857	246,153,672	246,153,672
Certificate of Deposit	3,940,890,052	3,940,890,052	915,827,110	915,827,110
TOTAL	5,356,647,909	5,356,647,909	1,161,980,782	1,161,980,782

Securities	INDIABULLS BLUE CHIP FUND		INDIABULLS FMP 387 DAYS MARCH 2012 (1)	
	Book Cost	Market Value	Book Cost	Market Value
	Rs.	Rs.	Rs.	Rs.
Equity	62,652,678	60,888,227	-	-
Commercial Paper	-	-	-	-
Certificate of Deposit	-	-	1,495,509,683	1,500,551,809
TOTAL	62,652,678	60,888,227	1,495,509,683	1,500,551,809

Securities	INDIABULLS FMP 377 DAYS MARCH 2012 (2)	
	Book Cost	Market Value
	Rs.	Rs.
Equity	-	-
Commercial Paper	-	-
Certificate of Deposit	318,101,988	318,193,983
TOTAL	318,101,988	318,193,983

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

2) Appreciation/Depreciation in value of investments as at March 31, 2012 and adjustment for the period in respect thereof is under:

Scheme Name	Amount (Rs.)		
	Appreciation in the value of Investments	Depreciation in the value of Investments	Net Appreciation / (Depreciation)
INDIABULLS LIQUID FUND	-	-	-
INDIABULLS ULTRA SHORT TERM FUND	-	-	-
INDIABULLS BLUE CHIP FUND	690,055	2,454,505	(1,764,451)
INDIABULLS FMP 387 DAYS MARCH 2012 (1)	5,042,126	-	5,042,126
INDIABULLS FMP 377 DAYS MARCH 2012 (2)	146,222	54,227	91,995

3) Net Asset Value (NAV) per unit as on March 31, 2012 as under

Scheme	INDIABULLS LIQUID FUND *	INDIABULLS ULTRA SHORT TERM FUND *	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
Growth Option	1,042.3125	1,022.8692	9.45	10.0798	10.0138
Dividend Option	-	-	9.45	-	-
Daily Dividend Option	1,000.3158	1,000.4077	-	-	-
Weekly Dividend Option	-	1,001.5190	-	-	-
Fortnightly Dividend Option	-	-	-	-	-
Monthly Dividend Option	1,000.9978	1,001.5191	-	-	-

* Face Value per unit is Rs. 1000.00

4) A full list of Investments along with the total value of Investments falling under each major Industry Group of the scheme is given in **ANNEXURE I.**

5) Income Tax

No provision for income tax has been made since the income of the scheme is exempt under Section 10 (23D) of the Income tax Act 1961.

6) Management Fees

Investment Management Fees has been computed on the basis of Average Daily Net Assets of the Scheme accrued on a daily basis. No Management fees is charged in Indiabulls Asset Management Company Limited's investment in the scheme.

Scheme Name	Average Daily Net Assets (Rs.)	Management Fees Charged (Rs.)	% of Average Daily Net Assets (annualised)
INDIABULLS LIQUID FUND	13,756,883,224	3,690,023	0.06%
INDIABULLS ULTRA SHORT TERM FUND	5,236,888,926	849,965	0.07%

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

Scheme Name	Average Daily Net Assets (Rs.)	Management Fees Charged (Rs.)	% of Average Daily Net Assets (annualised)
INDIABULLS BLUE CHIP FUND	72,102,695	125,593	1.25%
INDIABULLS FMP 387 DAYS MARCH 2012 (1)	1,500,206,191	132,840	0.19%
INDIABULLS FMP 377 DAYS MARCH 2012 (2)	323,878,917	3,186	0.09%

7) Trustee Fees:

The schemes has paid or provided for trustee fees in accordance with the agreement with the Trustees as amended from time to time and the Offer Document. In terms of Offer Document, the Trustee is entitled to receive such fees upto an annual rate of 0.01% of scheme's average daily net assets or Rs 10 Lacs annually, whichever is less.

8) Custodian Fees

Citibank N.A. provides custodial services to the scheme for which it receives the custody fees including transaction and safe keeping fees.

9) Disclosure under Regulation 25(8) of the SEBI (Mutual Funds) Regulations, 1996 :**a) Brokerage paid to associates/related parties/group companies of Sponsor/AMC**

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Brokerage (Rs Cr & % of total brokerage paid by the fund)	
			Rs. Cr.	%	Rs. Cr.	%
None	Not Applicable	October 25, 2011 to March 31, 2012	----- NIL -----			

b) Commission paid to associates/related parties/group companies of Sponsor/AMC

Name of associate/ related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Brokerage (Rs Cr & % of total brokerage paid by the fund)	
			Rs. Cr.	%	Rs. Cr.	%
None	Not Applicable	October 25, 2011 to March 31, 2012	----- NIL -----			

10) Aggregate Value of Purchases and Sales made during the period expressed as a percentage of average daily net assets value.

Scheme Name	Total Purchase of Investment (Rs.)	% of Average Daily Net Assets	Total Sale of Investment (Rs.)	% of Average Daily Net Assets
INDIABULLS LIQUID FUND	90,937,853,549	661.04%	58,193,440,046	423.01%
INDIABULLS ULTRA SHORT TERM FUND	19,474,067,696	371.86%	12,275,059,244	234.40%

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

INDIABULLS BLUE CHIP FUND	114,815,753	159.24%	50,513,189	70.06%
INDIABULLS FMP 387 DAYS MARCH 2012 (1)	2,488,887,050	165.90%	-	-
INDIABULLS FMP 377 DAYS MARCH 2012 (2)	317,768,650	98.11%	-	-

- 11) Details of Investment made in group companies of sponsor and associate company as on March 31, 2012 is **NIL**
- 12) Disclosure under Regulation 25(11) of SEBI (Mutual Funds) Regulations 1996 is as per **ANNEXURE II**
- 13) Unit capital movement during the period ended March 31, 2012 is as per **SCHEDULE 'A'**
- 14) There are **no** deferred revenue expenses.
- 15) Percentage of Income to Average Daily Net Assets (excluding unrealised appreciation) and Percentage of Expenses to Average Daily Net Assets (excluding unrealised depreciation) is as follows :

Scheme Name	% of Income to Average Daily Net Assets (annualised)	% of Expenses to Average Daily Net Assets (annualised)
INDIABULLS LIQUID FUND	9.67%	0.14%
INDIABULLS ULTRA SHORT TERM FUND	9.73%	0.15%
INDIABULLS BLUE CHIP FUND	-13.59%	2.50%
INDIABULLS FMP 387 DAYS MARCH 2012 (1)	10.13%	0.24%
INDIABULLS FMP 377 DAYS MARCH 2012 (2)	10.19%	0.15%

- 16) There are **no** unclaimed dividend and unclaimed redemption for any schemes under Indiabulls Mutual Fund as on March 31, 2012
- 17) Details of Unit Holders holding more than 25% of the NAV of the Scheme as on March 31, 2012 is as follows:

Scheme Name	Count of Investors	% of Expenses to Average Daily Net Assets (annualised)
INDIABULLS ULTRA SHORT TERM FUND	2	77.67%

18) Borrowings:

In order to meet temporary liquidity needs for the purpose of redemption of units during the period, the following schemes, in accordance with the SEBI (Mutual Funds) Regulations 1996, have borrowed as per below details:

Scheme Name	Amount Borrowed (Rs.)	Interest paid on Borrowing (borne by scheme) (Rs.)	Interest paid on Borrowing (borne by AMC) (Rs.)	Total Interest paid on Borrowing (Rs.)
INDIABULLS LIQUID FUND	896,164,407	522,967	213,606	736,573
INDIABULLS ULTRA SHORT TERM FUND	193,321,861	105,930	52,965	158,895

Schedules Forming Part of the Balance Sheet as at **March 31, 2012** (contd.)

- 19) Segment Reporting: As per the disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI, the Schemes of Indiabulls Mutual Fund operate only in one segment viz to primarily generate returns, based on Schemes' Investment Objectives.
- 20) No Prior Period Comparatives: Since this is the first financial period for all schemes of Indiabulls Mutual Fund, there are no prior period figures.
- 21) Expenses other than Management fees are inclusive of Service Tax, wherever applicable.
- 22) Contingent liability as at March 31, 2012 is **NIL**

As per our Report of even date

For Sharma Goel & Co.
Chartered Accountants
FRN: 000643N

Sd/-
Akhila Nand Singh
Partner
Membership No. - 511170

For and on behalf of
Indiabulls Trustee Company
Limited

Sd/-
Prabhat Kumar
Chairman

Sd/-
Krishna Mohan Seth
Director

For and on behalf of
Indiabulls Asset Management Company
Limited

<i>Sd/-</i> Ashok Kacker <i>Chairman</i>	<i>Sd/-</i> Sanjay Chandel <i>Director and CEO</i>
<i>Sd/-</i> Raju Sharma <i>Head-Fixed Income</i>	<i>Sd/-</i> Puneet Srivastava <i>Fund Manager - Debt</i>
<i>Sd/-</i> Aviral Gupta <i>Fund Manager - Equity</i>	<i>Sd/-</i> Amarjeet Singh <i>Fund Manager - Equity</i>
<i>Sd/-</i> Sumit Bhatnagar <i>Associate Fund</i> <i>Manager - Equity</i>	

Place : New Delhi
Date : June 18, 2012

Key Statistics

 for the period ended **March 31, 2012**

	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
1. NAV per unit (Rs.):					
Open					
Growth Option	1,000.0000	1,000.0000	10.00	10.0000	10.0000
Dividend Option	-	-	10.00	-	-
Daily Dividend Option	1,000.0000	1,000.0000	-	-	-
Weekly Dividend Option	1,000.0000	1,000.0000	-	-	-
Fortnightly Dividend Option	1,000.0000	1,000.0000	-	-	-
Monthly Dividend Option	1,000.0000	1,000.0000	-	-	-
High					
Growth Option	1,041.9834	1,022.5820	10.15	10.0773	10.0113
Dividend Option	-	-	10.15	10.0000	10.0000
Daily Dividend Option	1,000.0000	1,000.1267	-	-	-
Weekly Dividend Option	1,001.5822	1,002.0639	-	-	-
Fortnightly Dividend Option	-	-	-	-	-
Monthly Dividend Option	1,007.9327	1,007.7421	-	-	-
Low					
Growth Option	1,000.0000	1,000.0000	9.25	10.0000	10.0000
Dividend Option	-	-	9.25	10.0000	10.0000
Daily Dividend Option	1,000.0000	1,000.0000	-	-	-
Weekly Dividend Option	1,000.0000	1,000.0000	-	-	-
Fortnightly Dividend Option	-	-	-	-	-
Monthly Dividend Option	1,000.0000	1,000.0000	-	-	-
End*					
Growth Option	1,042.3125	1,022.8692	9.45	10.0798	10.0138
Dividend Option	-	-	9.45	-	-
Daily Dividend Option	1,000.3158	1,000.4077	-	-	-
Weekly Dividend Option	-	1,001.5190	-	-	-
Fortnightly Dividend Option	-	-	-	-	-
Monthly Dividend Option	1,000.9978	1,001.5191	-	-	-
2. Closing Assets Under Management (Rs. in Lakhs)					
End	42,811.39	9,683.40	611.54	15,073.01	3,240.18
Average (AAuM)	137,568.83	52,368.89	721.03	15,002.06	3,238.79
3. Gross income as % of AAuM ¹					
	9.67%	9.73%	-13.58%	10.13%	10.19%
4. Expense Ratio:					

Key Statistics for the period ended **March 31, 2012** (contd.)

	INDIABULLS LIQUID FUND	INDIABULLS ULTRA SHORT TERM FUND	INDIABULLS BLUE CHIP FUND	INDIABULLS FMP 387 DAYS MARCH 2012 (1)	INDIABULLS FMP 377 DAYS MARCH 2012 (2)
a. Total Expense as % of AAuM (excluding unrealised depreciation)	0.14%	0.15%	2.50%	0.24%	0.15%
b. Management Fee as % of AAuM (plan wise)	0.06%	0.07%	1.25%	0.19%	0.09%
5. Net Income as a percentage of AAuM ² (excluding unrealised appreciation)	9.52%	9.58%	-16.08%	9.88%	10.04%
6. Portfolio turnover ratio ³	NA	NA	0.70	NA	NA
7. Total Dividend per unit distributed during the period (plan wise)					
Daily Dividend Option	41.1355	6.1492	-	-	-
Weekly Dividend Option	13.7413	21.1151	-	-	-
Monthly Dividend Option	29.4252	21.1715	-	-	-
8. Returns:					
a. Last One Year					
Scheme	NA	NA	NA	NA	NA
Benchmark	NA	NA	NA	NA	NA
b. Since Inception (Simple Return)					
Scheme	4.20%	2.26%	-5.50%	0.77%	0.11%
Benchmark	3.79%	2.08%	-1.60%	0.37%	0.04%

1. Gross income = amount against (A) in the Revenue account i.e. Income.
2. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
3. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.
4. AAuM=Average daily net assets

*NAV as on March 31, 2012 is not declared since it's a non-business day.

Annexure I

INDIABULLS LIQUID FUND

SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets

Industry and Company Particulars	Quantity	Amount (Rs)	Percentage to Net Assets	Percentage to Investment category
CERTIFICATES OF DEPOSIT				
BANKS	40,200,000	3,940,890,052	92.06	100.00
Oriental Bank of Commerce (15-May-2012) *	5,000,000	494,071,733	11.54	12.54
State Bank of India (01-June-2012) *	5,000,000	491,454,455	11.48	12.47
Jammu & Kashmir Bank Ltd (05-June-2012) *	5,000,000	490,306,506	11.45	12.44
State Bank of Patiala (19-June-2012) *	5,000,000	488,205,300	11.40	12.39
United Bank of India (25-June-2012) *	5,000,000	487,421,433	11.39	12.37
UCO Bank (26-June-2012) *	5,000,000	487,266,267	11.38	12.36
Syndicate Bank (26-June-2012) *	5,000,000	487,249,544	11.38	12.36
IDBI Bank Ltd (04-May-2012) *	2,500,000	247,797,975	5.79	6.29
Oriental Bank of Commerce (30-April-2012) *	2,000,000	198,453,333	4.64	5.04
Allahabad Bank (07-June-2012) *	700,000	68,663,506	1.60	1.74
TOTAL	40,200,000	3,940,890,052	92.06	100.00
COMMERCIAL PAPER				
AUTO ANCILLARIES	5,000,000	491,682,117	11.48	34.73
Apollo Tyres Ltd (28-May-2012) *	5,000,000	491,682,117	11.48	34.73
FINANCE	9,500,000	924,075,740	21.58	65.27
Aditya Birla Finance Ltd (29-June-2012) *	5,000,000	486,658,313	11.37	34.37
Birla TMT Holdings Pvt Ltd (29-June-2012) *	3,000,000	291,752,927	6.81	20.61
Aditya Birla Money Ltd (27-June-2012) *	1,500,000	145,664,500	3.40	10.29
TOTAL	14,500,000	1,415,757,857	33.06	100.00
DEPOSITS		129,522,199	3.03	
OTHER CURRENT ASSETS		1,352,798	0.03	
TOTAL ASSETS		5,487,522,906	128.18	
LESS: CURRENT LIABILITIES		1,206,383,431	28.18	
NET ASSETS		4,281,139,475	100.00	

* Non traded / thinly traded investments

Annexure I (contd.)

INDIABULLS ULTRA SHORT TERM FUND

SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets

Industry and Company Particulars	Quantity	Amount (Rs)	Percentage to Net Assets	Percentage to Investment category
CERTIFICATES OF DEPOSIT				
BANKS	9,300,000	915,827,110	94.57	100.00
Canara Bank (15-May-2012) *	5,000,000	494,037,000	51.02	53.94
Allahabad Bank (07-June-2012) *	4,300,000	421,790,110	43.56	46.06
TOTAL	9,300,000	915,827,110	94.57	100.00
COMMERCIAL PAPER				
FINANCE	2,500,000	246,153,672	25.42	100.00
Aditya Birla Finance Ltd (24-May-2012) *	2,500,000	246,153,672	25.42	100.00
TOTAL	2,500,000	246,153,672	25.42	100.00
DEPOSITS		2,498,224	0.26	
OTHER CURRENT ASSETS		557,246	0.06	
TOTAL ASSETS		1,165,036,252	120.31	
LESS: CURRENT LIABILITIES		196,696,502	20.31	
NET ASSETS		968,339,750	100.00	

* Non traded / thinly traded investments

Annexure I (contd.)

INDIABULLS BLUE CHIP FUND

SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets.

Industry and Company Particulars	Quantity	Amount (Rs)	Percentage to Net Assets	Percentage to Investment category
EQUITY				
BANKS	16,800	13,356,885	21.85	21.95
ICICI Bank Ltd	4,500	4,005,900	6.55	6.58
HDFC Bank Ltd	7,000	3,638,950	5.95	5.98
State Bank of India	1,100	2,305,985	3.77	3.79
Axis Bank Ltd	1,050	1,203,510	1.97	1.98
Bank of Baroda	1,100	875,765	1.43	1.44
Kotak Mahindra Bank Ltd	1,500	818,025	1.34	1.34
Punjab National Bank	550	508,750	0.83	0.84
CONSUMER NON DURABLES	40,315	8,534,710	13.96	14.02
ITC Ltd	22,000	4,991,800	8.16	8.20
Hindustan Unilever Ltd	4,100	1,681,205	2.75	2.76
Dabur India Ltd	9,173	977,842	1.60	1.61
Marico Ltd	5,042	883,863	1.45	1.45
SOFTWARE	5,003	8,078,290	13.21	13.26
Infosys Ltd	1,800	5,159,340	8.44	8.47
Tata Consultancy Services Ltd	2,000	2,337,600	3.82	3.84
HCL Technologies Ltd	1,203	581,350	0.95	0.95
PETROLEUM PRODUCTS	7,133	5,327,193	8.71	8.75
Reliance Industries Ltd	6,600	4,953,960	8.10	8.14
Bharat Petroleum Corporation Ltd	533	373,233	0.61	0.61
FINANCE	11,115	4,844,276	7.92	7.95
Housing Development Finance Corporation Ltd	5,600	3,770,480	6.17	6.19
Infrastructure Development Finance Company Ltd	4,900	661,500	1.08	1.08
Mahindra & Mahindra Financial Services Ltd	615	412,296	0.67	0.68
AUTO	8,770	4,530,049	7.40	7.43
Tata Motors Ltd	6,200	1,706,550	2.79	2.80
Mahindra & Mahindra Ltd	1,600	1,120,320	1.83	1.84
Bajaj Auto Ltd	500	839,400	1.37	1.37
Hero MotoCorp Ltd	325	667,956	1.09	1.10
Maruti Suzuki India Ltd	145	195,823	0.32	0.32
CONSTRUCTION PROJECT	2,275	2,977,975	4.87	4.89
Larsen & Toubro Ltd	2,275	2,977,975	4.87	4.89
CEMENT	9,900	1,778,730	2.91	2.92
India Cements Ltd	6,600	735,570	1.20	1.21
ACC Ltd	400	543,780	0.89	0.89
Ambuja Cements Ltd	2,900	499,380	0.82	0.82

Annexure I (contd.)

INDIABULLS BLUE CHIP FUND

SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Industry and Company Particulars	Quantity	Amount (Rs)	Percentage to Net Assets	Percentage to Investment category
TELECOM - SERVICES	4,900	1,655,710	2.71	2.72
Bharti Airtel Ltd	4,900	1,655,710	2.71	2.72
PHARMACEUTICALS	2,395	1,453,241	2.38	2.38
Dr. Reddy's Laboratories Ltd	495	873,551	1.43	1.43
Cipla Ltd	1,900	579,690	0.95	0.95
NON - FERROUS METALS	10,750	1,407,275	2.30	2.32
Hindustan Zinc Ltd	5,500	727,925	1.19	1.20
Hindalco Industries Ltd	5,250	679,350	1.11	1.12
CONSTRUCTION	9,145	1,309,160	2.14	2.15
Simplex Infrastructure Ltd	2,645	598,035	0.98	0.98
Jaiprakash Associates Ltd	5,000	408,500	0.67	0.67
DLF Ltd	1,500	302,625	0.49	0.50
POWER	12,150	1,269,023	2.07	2.09
Power Grid Corporation Ltd	5,900	638,085	1.04	1.05
Tata Power Co Ltd	6,250	630,938	1.03	1.04
INDUSTRIAL CAPITAL GOODS	4,270	1,221,831	2.00	2.01
Bharat Heavy Electricals Ltd	3,270	840,881	1.38	1.38
ABG Shipyard Ltd	1,000	380,950	0.62	0.63
FERROUS METALS	2,000	943,500	1.54	1.55
Tata Steel Ltd	2,000	943,500	1.54	1.55
INDUSTRIAL PRODUCTS	5,500	790,075	1.29	1.30
HSIL Ltd	5,500	790,075	1.29	1.30
CONSUMER DURABLES	3,455	677,007	1.11	1.11
Bajaj Electricals Ltd	3,455	677,007	1.11	1.11
MEDIA & ENTERTAINMENT	4,404	444,584	0.73	0.73
Jagran Prakashan Ltd	4,404	444,584	0.73	0.73
TRANSPORTATION	1,494	288,716	0.47	0.47
IL&FS Transportation Networks Ltd	1,494	288,716	0.47	0.47
TOTAL	161,774	60,888,230	99.57	100.00
DEPOSITS		2,997,868	4.90	
OTHER CURRENT ASSETS		1,542,521	2.52	
TOTAL ASSETS		65,428,619	106.99	
LESS: CURRENT LIABILITIES		4,274,422	6.99	
NET ASSETS		61,154,197	100.00	

Annexure I (contd.)

INDIABULLS FMP 387 DAYS MARCH 2012 (1)

SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets

Industry and Company Particulars	Quantity	Amount (Rs)	Percentage to Net Assets	Percentage to Investment category
CERTIFICATES OF DEPOSIT				
BANKS	16,500,000	1,500,551,810	99.55	100.00
Vijaya Bank (18-March-2013) *	4,500,000	409,265,726	27.15	27.27
IDBI Bank Ltd (25-March-2013) *	4,500,000	408,919,653	27.13	27.25
Andhra Bank (14-March-2013) *	2,500,000	227,816,608	15.11	15.19
Indusind Bank Ltd (15-March-2013) *	2,500,000	227,545,895	15.10	15.16
Canara Bank (28-March-2013) *	2,500,000	227,003,928	15.06	15.13
TOTAL	16,500,000	1,500,551,810	99.55	100.00
DEPOSITS		6,495,843	0.43	
OTHER CURRENT ASSETS		759,402	0.05	
TOTAL ASSETS		1,507,807,055	100.03	
LESS: CURRENT LIABILITIES		506,153	0.03	
NET ASSETS		1,507,300,902	100.00	

* Non traded / thinly traded investments

INDIABULLS FMP 377 DAYS MARCH 2012 (2)

SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRY WISE CLASSIFICATION

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2012 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets

Industry and Company Particulars	Quantity	Amount (Rs)	Percentage to Net Assets	Percentage to Investment category
CERTIFICATES OF DEPOSIT				
BANKS	3,500,000	318,193,983	98.20	100.00
Andhra Bank (11-March-2013)*	1,000,000	91,196,604	28.15	28.66
Axis Bank Ltd (26-March-2013)*	1,000,000	90,847,868	28.04	28.55
Yes Bank Ltd (28-March-2013)*	1,000,000	90,713,994	28.00	28.51
IDBI Bank Ltd (25-March-2013)*	500,000	45,435,517	14.02	14.28
TOTAL	3,500,000	318,193,983	98.20	100.00
DEPOSITS		5,496,483	1.70	
OTHER CURRENT ASSETS		508,706	0.16	
TOTAL ASSETS		324,199,172	100.06	
LESS: CURRENT LIABILITIES		181,465	0.06	
NET ASSETS		324,017,707	100.00	

* Non traded / thinly traded investments

Annexure II

Disclosure under Regulation 25 (11) of SEBI (Mutual Funds) Regulations, 1996

Investments made by the schemes of Indiabulls Mutual Fund in Companies or their subsidiaries that have invested more than 5% of the net assets of any scheme

Name of the Company	Scheme Invested by the Company	Investments made by the Schemes of Indiabulls Mutual Fund in the Company or its subsidiary	Aggregate cost of acquisition during the period ended March 31, 2012 (Rupees in Lakhs)	Outstanding as on March 31, 2012 (Rupees in Lakhs)
Canara Bank	Indiabulls Liquid Fund	Indiabulls FMP 387 Days March 2012 (1)	2,261.79	2,270.04
		Indiabulls Liquid Fund	12,267.79	-
		Indiabulls Ultra Short Term Fund	4,880.74	4,940.37
DLF Ltd	Indiabulls Liquid Fund	Indiabulls Blue Chip Fund	7.18	3.03
Indusind Bank Ltd	Indiabulls Liquid Fund	Indiabulls FMP 387 Days March 2012 (1)	2,253.12	2,275.46
		Indiabulls Liquid Fund	14,704.58	-
		Indiabulls Ultra Short Term Fund	4,965.09	-
Infrastructure Development Finance Company Ltd	Indiabulls Liquid Fund	Indiabulls Blue Chip Fund	8.85	6.62
		Indiabulls Liquid Fund	17,356.97	-
Reliance Industries Ltd	Indiabulls FMP 387 Days March 2012 (1)	Indiabulls Blue Chip Fund	76.08	49.54
State Bank of India	Indiabulls Liquid Fund	Indiabulls Blue Chip Fund	32.97	23.06
		Indiabulls Liquid Fund	9,753.44	4,914.54
SBI Cards & Payment Services Pvt Ltd (subsidiary of State Bank of India)		Indiabulls Liquid Fund	4,975.78	-
State Bank of Hyderabad (subsidiary of State Bank of India)		Indiabulls Liquid Fund	2,468.06	-
State Bank of Patiala (subsidiary of State Bank of India)		Indiabulls Liquid Fund	9,731.26	4,882.05

PROXY VOTING

VOTING RIGHTS POLICY OF INDIABULLS ASSET MANAGEMENT COMPANY LIMITED

Indiabulls Asset Management Company Limited (IBAMC) is the Investment Manager for Indiabulls Mutual Fund. As an Investment Manager we have a fiduciary duty to act in the best interest of the unit-holders of the fund. As the retail investors form the constituents of the schemes, it is considered desirable to put in place a policy to protect the interests of the fund as well as the investors. To achieve these objectives, the AMC has set out this Voting Policy. The AMC will manage voting rights with the same level of care and skill as it manages the funds. In general, the AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as the representative of the shareholder amongst others by exercising its voting rights in accordance with the best interests of its funds unit holders.

The Investment Manager will exercise the proxy votes in the AGMs/EGMs of the investee company (s) in respect of the following matters:

- Corporate governance issues
- Changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions.
- Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- Stock option plans and other management compensation issues;
- Social and Corporate Responsibility
- Appointment and Removal of Directors
- Any other issue that may affect the interest of the shareholders and by extension those of investors in the mutual funds schemes.

Before exercising the voting, a committee of management will review the Annual Reports and recommend to the Managing Director for attending/voting at the meetings. IBAMC shall evaluate the various proposals in entirety in respect of each issue and proposal. While arriving at the decision to vote, views of the Fund Managers, Research Analysts and other executives and sources may be considered. Based on the final decision so arrived at, it may cast a vote either through its official representative or a professional proxy voting service provider or as the case may be. The AMC reserves the right to vote against any resolution that goes against the interest of shareholders.

IBAMC recognizes that there may be a potential conflict of interest when it votes on an entity which is a group company of IBAMC or where the Investee Companies have substantial investments in the Schemes of the Fund. IBAMC shall specifically review all voting proposals routine as well as non routine and take decisions with respect to voting on such proposals in the best interest of the unit holders, without taking into consideration the interest of any particular lobby/business group / promoter etc of such company. This may imply that the AMC through its representatives may decide to refrain from exercising its voting rights if considered appropriate.

There may be circumstances where IBAMC believes it is in the best interests of a Fund to vote differently than the manner contemplated by the Guidelines. The ultimate decision as to the manner in which the IBAMC's representatives/proxies will vote rests with the IBAMC. The Chief Executive Officer shall delegate the responsibility for exercising the voting rights as he/ she deems appropriate.

PROXY VOTING REPORT FOR THE FINANCIAL YEAR 2011 - 2012

MANAGEMENT PROPOSAL:

Date	Company	Type of Meeting (AGM/ EGM/ Postal Ballot)	Proposal	Management Recommendation	Vote (For/Against/ Abstain)
20.03.2012	Punjab National Bank	EGM	Issue of Equity Shares Preferential Issue to Govt. of India & LIC	For	Abstain

PROXY VOTING (contd.)

20.03.2012	Punjab National Bank	EGM	Appointment of Three Shareholder Directors of the Bank	For	Abstain
30.03.2012	Tata Steel	Postal Ballot	Increase of borrowing limits & creation of charge in respect of borrowings	For	Abstain

SHAREHOLDERS' PROPOSAL:

Date	Company	Type of Meeting (AGM/ EGM/ Postal Ballot)	Proposal	Management Recommendation	Vote (For/ Against/ Abstain)
NIL					

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Indiabulls Asset Management Company Limited

Corporate Office : Indiabulls House, Indiabulls Finance Centre, 11th Floor, Elphinstone Mills, Senapati Bapat Marg, Elphinstone West, Mumbai - 400 013. INDIA

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