

September 12, 2016

**Scrip Code: 532960**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI - 400 001

**IBVENTURES**  
**National Stock Exchange of India Limited**  
"Exchange Plaza",  
Bandra-Kurla Complex, Bandra (East),  
MUMBAI - 400 051

**Sub: Submission of Annual Report, along with Form-A of Indiabulls Ventures Limited (formerly Indiabulls Securities Limited) (the Company), for the financial year 2015-16.**

**Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR")**

Dear Sirs,

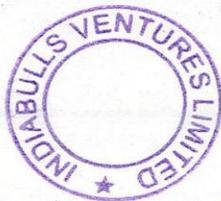
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the financial year 2015-16, along with Form-A (i.e. Unmodified Report, on the standalone and consolidated Audited Financial Results of the Company for the year ended March 31, 2016).

We request you to take the above information on record.

Thanking you,

Yours truly,  
for **Indiabulls Ventures Limited**

  
**Lalit Sharma**  
Company Secretary



**Indiabulls Ventures Limited**  
(Formerly known as Indiabulls Securities Limited)  
CIN : L74999DL1995PLC069631

**17658**



Indiabulls Ventures Limited

2015-2016 | **ANNUAL  
REPORT**

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# Company Information

## Board of Directors:

Mr. Divyesh B. Shah  
Mr. Ashok Kumar Sharma  
Mr. Aishwarya Katoch  
Mr. Prem Prakash Mirdha  
Brig. Labh Singh Sitara (Retd.)  
Ms. Pia Johnson

## Statutory Auditors:

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

## Internal Auditors:

N.D. Kapur & Co.  
Chartered Accountants  
1st Floor, The Great Eastern Center,  
70, Nehru Place, New Delhi – 110 019.

## Company Secretary:

Mr. Lalit Sharma

## Secretarial Auditors:

A.K. Kuchhal & Co.  
Company Secretaries,  
C-154, Sector-51,  
Noida - 201301

## Registrars & Transfer Agents:

Karvy Computershare Pvt. Ltd.,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032.

## Registered Office:

M- 62 & 63, First Floor,  
Connaught Place,  
New Delhi – 110 001.  
Website: <http://www.securities.indiabulls.com/>  
E-mail: [helpdesk@indiabulls.com](mailto:helpdesk@indiabulls.com)  
Tel: 0124-6681199, Fax: 0124-6681240

## Corporate Offices:

8/F, Indiabulls Finance Centre,  
Tower 1, Elphinstone Mills,  
Senapati Bapat Marg,  
Mumbai – 400 013.

“Indiabulls House” 448-451,  
Udyog Vihar, Phase V,  
Gurgaon – 122 016, Haryana.

## Bankers:

Allahabad Bank  
Andhra Bank  
Axis Bank Ltd.  
Bank of Baroda  
Bank of India  
Canara Bank  
Citi Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
IndusInd Bank  
Kotak Mahindra Bank  
Karnataka Bank Ltd.  
Karur Vysya Bank  
Oriental Bank of Commerce  
Punjab and Sind Bank  
Punjab National Bank  
RBL Bank Ltd.  
State Bank of India  
Syndicate Bank  
UCO Bank  
Union Bank of India  
Vijaya Bank  
Yes Bank Ltd.

## Letter from the CEO

It's been over a year since we were rechristened as Indiabulls Ventures Ltd. The new identity has positively changed the perception and the way the Company is now viewed within and outside.

The economy clocked in a robust 7.6% GDP growth which proved that the roadmap set by the Modi Government in it's first budget last year was a step in the right direction. The MAKE IN INDIA campaign and the slew of reforms aimed at enhancing ease of doing business in India augurs well for the industries and economy. Amid global slowdown, India is being hailed as the beacon of hope.

Capital Markets continued to be volatile and were rudely shaken by the crash in China and devaluation of the Yuan. There is fear that situation may be worse than anticipated. FII's have been withdrawing funds, and the banking sector NPA woes remain unresolved.

The positives are the executive driven reforms, higher government spending on infrastructure and signs of improving urban consumption demand. Markets may continue to be range bound and will look towards a favorable monsoon and the US Fed rate hike announcements to chart a new course.

Your Company too was not insulated from these happenings and has faced margin pressures. It has been a challenging year for the Capital Market and the Distribution businesses. The Company has however made rapid strides in the commercial leasing business. As at end March 2016 the total leased area has gone up to 1.62 mn sq.ft. from 0.8 mn sq.ft at end March 2015. The full effect of this will bear fruit in the coming years. As the affordable housing vision starts taking shape and the Real Estate Regulation Bill comes into force, your Company is well poised to reap the benefits.

Amidst the pressures the shareholders were rewarded by way of a pay-out of ₹ 3/- per share as Interim Dividends, in aggregate, on a face value of ₹ 2/- per share, for the fiscal year 2015-16.

Thanking you

**Divyesh B. Shah**

Whole-time Director & CEO



Mr. Divyesh B. Shah  
CEO, Indiabulls Ventures Limited

# Management Discussion and Analysis

For the purpose of the Management Discussion and Analysis, Indiabulls Ventures Limited (IBVL) is defined as the consolidated entity consisting of the Holding Company and its subsidiaries. The terms 'the Company' and 'Indiabulls' also refer to the consolidated entity.

## Economic Review

The Indian Economy has consolidated the gains achieved in restoring macroeconomic stability from the beginning of last fiscal year. The reforms initiated in last fiscal year were all taken forward and as a consequence The Indian Economy emerged as the fastest growing one amongst the large economies of the world. GDP as estimated grew at 7.6% in fiscal 2016 which is higher than any other country of comparable size. The broader macroeconomic conditions have also improved substantially with the continuance of fiscal prudence, lower inflation, lower current account deficit and robust foreign exchange reserves. Measures undertaken on macroeconomic and fiscal fronts, aided by the fall in international crude prices have shown positive results. This is reflected by the higher trends of economic growth and stability along with an improved performance on all fiscal parameters. The rupee also turned out to be the best performing currency against the US Dollar.

In a rate cutting cycle that began in January 2015, The RBI brought down the repo rate by 150 bps till April 2016. However base lending rates by banks came down by 60 bps only limiting the boost to consumption from lower interest rates. However the cut in small savings rate will allow banks to reduce deposit rates, which is a key component when pricing loans. Also the shift to marginal cost of funds based lending (MCLR) for pricing loans will reduce lending rates. With liquidity conditions remaining tight, the transmission is going to be a slow affair.

Global conditions continue to be volatile. China's stock market crash and devaluation of the Yuan led to higher instability in global markets and weakened commodity prices globally. Indian commodity exports have been hit by this and so has been the Indian Capital Market due to capital outflows.

The Indian economy has the potential to scale new heights. It will however depend on the enhanced level of public investments in major infrastructure sectors like power, railways, highways, rural roads, waterways, as well as other focus areas of drinking water and sanitation. A more conducive global economic environment and restoration of domestic private sector confidence will give it a further boost.

## Capital Markets Overview

Markets remained volatile throughout the year and oscillated between a high of 28k to a low of 23k. The China stock market crash and devaluation of the Yuan had a major factor effect on the Indian Capital Market as well. A slew of government measures, bountiful rainfall coupled with positive global cues could augur well for the Capital Markets. Markets will also watch US Federal rate hike announcement in July/August with baited breath.

## Business Review

The Company is a corporate member of the capital market, wholesale debt market and derivative segment of the National Stock Exchange of India Limited (NSE), a corporate member of the capital market and derivative segment of the BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited and registered portfolio manager. The Company is in the business of stock and share broking, commodities trading, depository service, distribution of Mutual Funds/IPOs and other investments and tax planning products. The fructification of the affordable housing push and Real Estate Bill will provide an impetus to sales and the Company is geared to take advantage of the same through its realty distribution business.

## Strengths

### Equity, Debt, Equity Derivative and Currency Derivative Brokerage

The Company's retail equity business primarily covers secondary market equity, derivative, currency and debt broking and mainly targets retail investors. It offers automated on-line investing trading facilities as well as broker assisted trade execution to its customers. Investors have full access to personalized portfolio tracking, charting and quote

## Management Discussion and Analysis (contd.)

applications and real-time market commentary and real-time quotes and news.

### Online Trading Channels

At the core of the Company's on-line trading system is an in-house developed application that interfaces with the exchanges on a leased line/satellite-based network, which allows investors to carry out stock transactions online. The Company was one of the first companies to develop an in-house real-time link with the NSE. On-line trading can occur either on Indiabulls Group Professional Network, a browser-based network accessible via the internet, or via a specialized advanced trading platform which has direct connectivity with the Company, Power Indiabulls. On-line trading is convenient for clients and also minimizes the typical off-line costs incurred in responding to and processing routine client transactions. The Company has also introduced a seamless funds transfer platform for its clients where-in the clients can transfer funds from their own bank accounts to Indiabulls Ventures Limited ("IBVL")'s Bank accounts through payment Gateways. The credit for the same is given instantly to the client's linked Trading Account.

### Indiabulls Trading Portal

Indiabulls Trading Portal is an on-line trading portal which is accessed through IBVL's website. Clients can execute the sale and purchase of securities, with or without the assistance of off-line relationship managers. Once a client sends a trade request, it is routed through the Risk Management System. The Risk Management System verifies that there are sufficient collateral in the client account for the trade, and a confirmation reference number for the order will be sent to the client. The order request is then sent via high speed links to the NSE or the BSE where the trade is executed. On trade execution, the client receives confirmation. The IBVL trading website, <https://trade.indiabulls.com> provides many other facilities to clients such as objective financial information on the top 200 Indian stocks to assist their investment decisions, streaming real-time quotes, integrated risk management and support for trading in equity, debt, equity derivatives and currency derivatives.

### Power Indiabulls

Power Indiabulls is an on-line trading system designed for the high volume traders, which provides enhanced trade information and order execution on an integrated software-based trading platform. Power Indiabulls, once installed on the client's computer, operates like an on-line dealer terminal, and has direct connectivity with the Company via internet. It provides integrated market watch for securities, equity, commodity and currency derivatives, risk management reports, single key stroke order entry and split second order confirmation turnaround time, even in peak hours of trading.

### Mobile Power Indiabulls

Mobile Power Indiabulls is the state of the art mobile trading platform from Indiabulls Ventures Limited that makes trading on the move a totally seamless experience. The application allows the client to view live streaming quotes, trade in equities as well as derivatives segment, view trading reports and account details. This latest offering from Indiabulls Ventures Limited is again a benchmark trading platform in its category and its rich user interface and seamless trading options allow the clients to enjoy high speed trading on their hand held devices.

### Off-line Trading Channels

The Company facilitates off-line trading in equity, debt and equity derivatives for clients via operator assisted service branch and relationship managers. Relationship managers act as a single point of contact for the client. Relationship managers have access to various resources such as objective analysis of market stocks and other specialists.

### Depository Services

The Company is a depository participant with the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). Services provided by it include dematerialization, rematerialisation, settlement of trades through market transfers, off market transfers. It performs clearing services for all securities transactions. Clients

## Management Discussion and Analysis (contd.)

of the brokerage business are able to use the depository services in respect of transaction executed on stock exchange to settle transactions.

### Centralized Customer Care Helpdesk

IBVL has a centralized Customer Care helpdesk, equipped with state-of-art facilities, to resolve customer queries. Customers can get in touch with Customer Care helpdesk through email, letters and phone. A phone based customer care channel provides customers with the option to resolve their queries by either talking to our customer care executives or by accessing Interactive Voice Response System (IVRS).

### CRISIL Broker Grading, Ratings and Opinions

IBVL is the first brokerage house to be accorded with the highest broker grading by CRISIL. Our Company's quality of operations and services were reaffirmed by CRISIL, which once again assigned the highest broker grading of "BQ1".

### Challenges

The Company views the following as the challenges before it:

- Protecting brokerage yield in a highly competitive industry.
- Regulatory risk which could impact the earning profile and bring structural changes in the industry.
- Continued upgrading of the risk management systems and monitoring policies to mitigate the associated risks especially during the periods of extreme market volatility.
- Maintaining flexible cost structure for protecting profitability in a market downturn.
- Dynamic shift in volumes from Capital Market to Derivatives Market resulting in extremely low yields.

### Risk Management Systems

The Company has fully automated risk management software, which performs direct monitoring of operational controlling parameters to minimize delinquency risks. IBVL risk management team performs real time monitoring of client positions across cash and derivative segments. Clients are informed about their margin requirements through multiple channels including automated SMS and e-mail channels. The Company employs strict risk management standards to reduce delinquency risks and has developed robust recovery processes. The Company has well managed control systems working along with the external audit which performs checks at regular intervals to identify and rectify any discrepancies in the system.

### Business Outlook

The Greece crisis, China currency devaluation & falling commodity prices have all kept the markets under pressure. Hope came from the intent of Government actions across sectors of infrastructure, defense, banking etc, as well as of improving the business scenario. Corporate earnings are also likely to pick up with full transmission of interest rates and lower input costs on account of falling commodity prices. The global slowdown as well as pace to push through critical reforms may however outweigh these sentiments. The fructification of the affordable housing push and Real Estate Bill will provide an impetus to sales and the Company is geared to take advantage of the same through it's realty distribution business.

### Human Resources

Your Organisation's vision is to create a cohesive work environment that encourages the employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness. In an endeavour to augment the right talent, the recruitment process was overhauled by building capabilities of the talent acquisition team to identify the right talent. We are also developing functional and behavioural competencies to build a dedicated high performing team that supports the significant growth. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new avenues of learning and development

## Management Discussion and Analysis (contd.)

through behavioural and leadership interventions. In our constant effort of rewarding talent, ESOPs were allotted to the top performers with consistent track record. With our people working at their highest capabilities we are creating a workforce that's engaged, productive and committed towards the goals and objectives of Indiabulls Ventures Limited.

### **Internal Control Systems**

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

### **Cautionary Statement**

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

# Directors' Report

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## Dear Shareholders,

Your Directors have pleasure in presenting the Twenty First Annual Report and the audited accounts of the Company for the year ended March 31, 2016.

## FINANCIAL RESULTS

The highlights of the standalone financial results for the year ended March 31, 2016 are as under:

	Year ended March 31, 2016 (Amount in ₹)	Year ended March 31, 2015 (Amount in ₹)
<b>Profit before Depreciation &amp; Amortisation expenses and Tax</b>	286,998,928	1,393,284,372
Less: Depreciation & Amortisation expenses	25,677,731	48,046,695
Profit before Tax	261,321,197	1,345,237,677
Less: Provision for Taxation & prior period tax adjustments	92,668,834	162,612,038
Profit after Tax and prior period tax adjustment	168,652,363	1,182,625,639
Add: balance of profit brought forward	864,671,275	656,642,890
<b>Amount available for appropriation</b>	<b>1,033,323,638</b>	<b>1,839,268,529</b>
<b>Appropriations</b>		
Interim Dividend on Equity Shares	877,132,756	795,900,248
Corporate Dividend Tax on Interim Dividend on Equity Shares	148,027,120	100,165,948
Depreciation on transition to Schedule II of Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax)	—	78,531,058
<b>Balance of profit carried forward to Balance Sheet</b>	<b>8,163,762</b>	<b>864,671,275</b>

## OPERATIONS REVIEW

The Company is a corporate member of the capital market, debt market and derivative segment of the National Stock Exchange of India Limited (NSE), a corporate member of the capital market and derivative segment of the BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited and registered portfolio manager. The Company is in the business of stock and share broking, commodities trading, depository service, distribution of Mutual Funds/IPOs and other investments and tax planning products.

The Total Revenue of the Company during the year was ₹ 104.52 crores with a net profit of ₹ 16.87 crores. The consolidated revenue of the Company was ₹ 409.63 crores and the consolidated net profit was ₹ 73.84 crores.

## FUTURE BUSINESS OUTLOOK

The year witnessed high volatility and the equity markets were kept under pressure by the Greece crisis, China Currency devaluation, falling commodity prices and US Fed Rate hike.

The Indian Economy currently stands at a strong footing with the interest rate rolling downwards, key macro variables like CAD and Fiscal deficit mostly under control, and the Government's continued push for reforms and ease of doing business. The Capital Markets are expected to perform better on improved corporate balance sheet and revival of investment cycle. Full transmission of interest rates and lower commodity prices translating to lower input costs for corporate would help pick up the corporate earnings. Challenges would be in the form of global growth slowdown and any slowdown by the government in pushing through critical reforms.

The fructification of the affordable housing push and Real Estate Bill will provide an impetus to sales and the Company is geared to take advantage of the same through its realty distribution business.

## Directors' Report (contd.)

### TRAINING AND HUMAN RESOURCE MANAGEMENT

Your Organisation's vision is to create a cohesive work environment that encourages the employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness. In an endeavour to augment the right talent, the recruitment process was overhauled by building capabilities of the talent acquisition team to identify the right talent. We are also developing functional and behavioural competencies to build a dedicated high performing team that supports the significant growth. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new avenues of learning and development through behavioural and leadership interventions. In our constant effort of rewarding talent, ESOPs were allotted to the top performers with consistent track record. With our people working at their highest capabilities we are creating a workforce that's engaged, productive and committed towards the goals and objectives of Indiabulls Ventures Limited.

### DIVIDEND

In keeping with the Company's policy of rewarding its shareholders, the Board of Directors of the Company, had, for the year 2015-16, declared four interim dividends aggregating to Rs.3/- per share on shares of face value Rs. 2/- each. (First interim dividend of Re. 1/- was declared by the Board in its meeting held on April 24, 2015, Second interim dividend of Re. 1/- was declared by the Board in its meeting held on July 21, 2015, Third interim dividend of Re. 0.50 was declared by the Board in its meeting held on October 21, 2015 and Fourth interim dividend of Re. 0.50 was declared by the Board in its meeting held on January 20, 2016), with the total outflow of Rs. 102.52 Cr. (inclusive of Corporate Dividend Tax).

During the financial year 2015-16, the unclaimed dividend pertaining to the financial year ended March 31, 2008, got transferred to Investor Education and Protection Fund, after giving due notice to the members.

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 (the Act) and in terms of the Memorandum and Articles of Association of the Company, Mr. Ashok Kumar Sharma (DIN: 00010912), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment. The Board recommends his re-appointment.

The present composition of the Board along with the brief resume of the Director proposed to be reappointed, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, have been provided in the Report on Corporate Governance forming part of this Annual Report.

### SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2016, was Rs. 58,57,39,084 comprising of 29,28,69,542 equity shares of Rs. 2/- each. Subsequently, in order to augment the long-term resources of the Company for meeting the funding requirements for its business purposes, the Board at its meeting held on June 15, 2016, has approved the proposal to issue and allot, to certain promoter group entities and to CEO & Whole-time director of the Company, upto 5,83,00,000 (Five crore eighty three lakhs) warrants convertible into equivalent number of equity shares of face value of Rs. 2 each at a conversion price of Rs. 19.75 in accordance with the applicable laws and guidelines. The same has also been approved by the shareholders, inter alia, in their extra-ordinary general meeting held on July 15, 2016. Consequent to the conversion of these Warrants into equity shares, within a period of 18 months from the date of allotment, the paid-up share capital of the Company shall stand increased accordingly.

### EMPLOYEE STOCK OPTIONS

During the current financial year, on May 12, 2016, the Company has re-granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009", 95,00,000 (Ninety five lakhs) Stock Options to certain eligible

## Directors' Report (contd.)

employees at an exercise price of Rs. 16/- per option. Further, on July 1, 2016, the Company has re-granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" and "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009", 97,00,000 (Ninety seven lakhs) Stock Options and 1,00,00,000 (One crore) Stock Options respectively, to certain eligible employees at an exercise price of Rs. 24.15 per option.

The disclosures required to be made under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, in respect of all existing ESOP Schemes of the Company are set out in the Annexure to this Report.

### **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposits from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2016-17 have been paid. The GDRs issued by the Company continue to remain listed on Luxembourg Stock Exchange.

### **AUDITORS**

#### **(a) Statutory Auditors**

M/s Deloitte Haskins & Sells LLP (Firm Regn. No. 117366W / W-100018), the statutory auditors of the Company were appointed by the members in their nineteenth Annual General Meeting, held on September 29, 2014, for a period of three years i.e. until the conclusion of the Twenty Second Annual General Meeting of the Company. The Company has received a certificate from the Auditors to the effect that their continuation as such from the conclusion of this Annual General Meeting until the conclusion of Twenty Second Annual General Meeting is in accordance with the provisions of the Section 141(3)(g) of the Companies Act, 2013. The Board recommends the ratification of the appointment of M/s Deloitte Haskins & Sells LLP, as statutory auditors of the Company till the conclusion of Twenty Second Annual General Meeting of the Company.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation.

#### **(b) Secretarial Auditors & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s A. K. Kuchhal & Co., a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2015-16. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2015-16, is annexed as "Annexure 1" and forming part of this Report. The Report is self – explanatory and therefore do not call for any further explanation.

### **CORPORATE SOCIAL RESPONSIBILITY**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Health, Sanitation, Animal Development, and Development of Art & Culture, as per its CSR Policy (available on your Company's website <http://www.securities.indiabulls.com/>) and the details are contained in the Annual Report on CSR Activities given in Annexure 2, forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) Management's Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

## Directors' Report (contd.)

### CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 24 of SEBI LODR Regulations, a separate section on Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2016 and the profit and loss of the company for the year ended on that date;
- c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES AND SEBI LODR REGULATIONS

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013 read with the relevant rules (to the extent applicable) and SEBI LODR Regulations, not elsewhere mentioned in this Report, are given in Annexure A forming part of this Report.

### GREEN INITIATIVES

Electronic copies of the Annual Report 2016 and Notice of the 21<sup>st</sup> AGM are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016 and Notice(s) of the 21<sup>st</sup> AGM are sent in the permitted mode.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the 21<sup>st</sup> AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR Regulations. The instructions for remote e-voting are provided in the Notice.

### ACKNOWLEDGMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made and committed services rendered by the employees of the Company at various levels. Your Directors also wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year.

For and on behalf of the Board of Directors

Sd/-  
**Divyesh B. Shah**  
Whole-time Director &  
Chief Executive Officer

Sd/-  
**Ashok Kumar Sharma**  
Whole-time Director

Date: July 27, 2016  
Place: Mumbai

## Directors' Report (contd.)

### Annexure A

#### ANNEXURE FORMING PART OF THE DIRECTORS REPORT

##### EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2016, pursuant to Section 92 (3) of the Companies Act, 2013, in form MGT-9, are given in Annexure 3 forming part of this Report.

##### BOARD MEETINGS

During the FY 2015-16, 4 (Four) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI LODR Regulations, were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on January 20, 2016, without the attendance of Non-Independent Directors and the members of the Company Management.

##### BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and Clause 17 of the SEBI LODR Regulations, the Board has carried out an evaluation of its performance, the directors individually as well as the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this Annual Report.

##### REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report forming part of this Annual Report.

##### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2015-16, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies. The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by Company are given in the notes to the financial statements.

##### RELATED PARTY TRANSACTIONS

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company (<http://www.securities.indiabulls.com/>).

##### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively. Wherever required, the internal audit efforts are supplemented by audits conducted by specialized consultants/audit firms. Based on the report of the Internal Auditors, process owners undertake corrective actions, in their respective areas and thereby strengthen the controls.

##### MATERIAL CHANGES AND COMMITMENTS

Other than those disclosed in this report, there are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2016 and the date of this Report.

Further, no significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

##### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, is as under:

## Directors' Report (contd.)

### A. Conservation of Energy

The Company operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. As an ongoing process, the following measures are undertaken:

- a. Implementation of viable energy saving proposals.
- b. Installation of automatic power controllers to save maximum demand charges and energy.
- c. Installation of TFT monitors that saves power.
- d. Shutting of all the lights when not in use.
- e. Training front end operational personnel on opportunities of energy conservation.
- f. Awareness and training sessions for maintenance personnel conducted by experts.

### B. Technology Absorption

The nature of business being carried out by the Company entails an extensive use of effective information technology so as to ensure that its services reach the end users i.e. its clients without any loss of time. The management keeps itself abreast of technological advancement in the industry and ensures continuous and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet the business needs and objectives.

What has enabled the Company to stay ahead of its competitors is the fact that it continuously encourages the introduction and use of latest available innovations in the field of information technology so that its clients can have the latest information instantly available to them at the mere push of a button, enabling them to stay updated and well informed at all points of time.

### C. Foreign Exchange Earnings and Outgo

During the year under review, your Company had an aggregate of foreign exchange earning of ₹ 5,676 and there was no foreign exchange outgo. The details of earnings are shown in Note No. 37 of the Standalone Financial Statements. Members are requested to refer to these Notes.

### BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Company has in place a robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

### PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in "Annexure 4" forming part of this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the said rules, the Directors' Report is being sent to all the shareholders of the Company excluding the annexure on the names and other particulars of employees, required in accordance with Rule 5.2 of said rules, which is available for inspection by the members, subject to their specific written request, in advance, to the Company Secretary. The inspection is to be carried out at the Company's Registered Office or at its Corporate Office, at Gurgaon, during business hours on working days of the Company up to date of ensuing Annual General Meeting.

### FAMILIARISATION PROGRAMME FOR NON-EXECUTIVE DIRECTORS

Non-Executive Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of non-executive directors including independent directors. The details of the familiarization programmes have been hosted on the website of the Company and can be accessed on the link: (<http://www.securities.indiabulls.com/>).

### LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement

## Directors' Report (contd.)

for different segments of capital markets to ensure better enforceability. The said Regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company has entered into Listing Agreement with National Stock Exchange of India Limited and BSE Limited during January 2016.

### SUBSIDIARY COMPANIES

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing 21<sup>st</sup> Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiaries, for the year ended March 31, 2016, form part of this Annual Report.

For the performance and financial position of each of the subsidiaries of the Company, included in its Consolidated Financial Statements, the members are requested to refer to Note No. (2) f) of the Notes to the Consolidated Financial Statements of the Company.

### COMMITTEES OF THE BOARD

The Company has following Board constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Compensation Committee
- e) Corporate Social Responsibility Committee
- f) Allotment Committee
- g) Management Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of relevant committees are given in details in the Corporate Governance Report forming part of this Annual Report.

### NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee of the Company. The Company's Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

During the financial year 2015-16, no cases of sexual harassment were reported.

### VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has formulated several policies to assist its employees in achieving and maintaining these standards. The purpose of the Whistle Blower Policy ("the Policy") is to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. A whistle-blowing or reporting mechanism as such set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company (<http://www.securities.indiabulls.com/>).

The Company adopts accounting policies and practices in accordance with the applicable accounting standards to present a true and fair view of its operations and financial position. Selection of accounting practices requires interpretation and exercise of judgment, which may give rise to differing opinions. Employees are free to raise issues, if any, which they may have on the accounting policies and procedures adopted for any area or item and discuss the same.

## Directors' Report (contd.)

### ANNEXURE TO THE DIRECTORS' REPORT

Regarding the ESOP Issue under 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008 - As on March 31, 2016

Particulars	IBVL ESOP 2008
a. Options Granted	20,000,000
b. Exercise price	₹ 17.40
c. Options vested during the year	915,808*
d. Options exercised during the year	706,460
e. The total number of Shares arising as a result of exercise of option	706,460
f. Options lapsed	10,396,212
g. Variation in terms of options	Nil
h. Money realized by exercise of options	12,292,404
i. Total number of options in force	4,884,894
j. Employee wise details of options granted to;	
i. Key Management personnel	Mr. Divyesh B Shah - 2,500,000 Options Mr. Ashok Sharma - 750,000 Options Mr. Rajeev Lochan Agrawal - 15,000 Options Nil
ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of Grant.	Nil
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	₹ 0.57
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer to Note 33 of financial statements (standalone) forming part of the Annual Report.
m. Weighted – average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price: ₹17.40 per option Weighted average fair value: Re. 0.84 per option
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted – average information:	Refer to Note 33(a) of financial statements (standalone) forming part of the Annual Report.
i. risk free interest rate	
ii. expected life	
iii. expected volatility	
iv. expected dividends, and	
v. the price of the underlying share in market at the time of option grant	

\*Net of options surrendered before vesting.

## Directors' Report (contd.)

### ANNEXURE TO THE DIRECTORS' REPORT

Regarding the ESOP Issue under 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009 - As on March 31, 2016

Particulars	IBVL ESOP 2009
a. Options Granted	22,050,000 (including 10,000,000 Options regranted)
b. Exercise price	10,000,000 options @ ₹ 35.25 2,050,000 options @ ₹ 31.35 and 10,000,000 options regranted @ ₹ 27.45
c. Options vested during the year	50,000
d. Options exercised during the year	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	11,550,000
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	10,500,000
j. Employee wise details of options granted to; <ul style="list-style-type: none"> <li>i. Key Management Personnel</li> <li>ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year</li> <li>iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of Grant.</li> </ul>	Mr. Divyesh B Shah - 500,000 Options Mr. Rajeev Lochan Agrawal - 100,000 Options Mr. Amiteshwar Choudhary – 900,000 Options Mr. Prasenjeet Mukherjee – 700,000 Options Mr. Hemanshu Kamdar – 500,000 Options Mr. Ashu Khanna – 500,000 Options Nil
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	₹ 0.57
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer to Note 33 of financial statements (standalone) forming part of the Annual Report.
m. Weighted – average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	<b>(1) 10,000,000 Options</b> Weighted average exercise price: ₹ 35.25 per option Weighted average fair value: ₹ 6.48 per option <b>(2) 2,050,000 Options</b> Weighted average exercise price: ₹ 31.35 per option Weighted average fair value: ₹ 9.39 per option <b>(3) 10,000,000 Options (Regranted)</b> Weighted average exercise price: ₹ 27.45 per option Weighted average fair value: ₹ 4.77 per option
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted – average information: <ul style="list-style-type: none"> <li>i. risk free interest rate</li> <li>ii. expected life</li> <li>iii. expected volatility</li> <li>iv. expected dividends, and</li> <li>v. the price of the underlying share in market at the time of option grant</li> </ul>	Refer to Note 33(b) of financial statements (standalone) forming part of the Annual Report.

## Annexure 1

### SECRETARIAL AUDIT REPORT

for the Financial Year ended on March 31, 2016

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

**Indiabulls Ventures Limited**

(Formerly known as Indiabulls Securities Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us as on able basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to there extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not-applicable
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not-applicable and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; Not-applicable
- (vi) Other Laws, as applicable:-
  - (a) The Securities and Exchange Board of India Act, 1992 (15 of 1992)
  - (b) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996;

- (c) The Bye laws and Business Rules of NSDL;
- (d) Directives/ Circular/ Clarifications/ Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL, From time to Time;
- (e) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified thereunder by SEBI / Regulatory Authorities;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with NSE and BSE and Compliance under SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015 as Applicable so far;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- i. Issued 3,16,46,461 Equity Shares of the face value of ₹ 2/- per share during the financial year 2015-16 i.e. 3,09,40,001 equity shares upon conversion of equivalent number of warrants and 7,06,460 equity shares to the employees upon exercise of option under the Company's Employees Stock Option Scheme;
- ii. Shareholders have accorded their approval, pursuant to the provisions of Section 180 (1)(c) of the Companies Act, 2013, for the Company to borrow monies and to create security on the borrowings upto the extent of ₹ 2000 Crores.
- iii. The Board of Directors of the Company, had, for the year 2015-16, declared four interim dividends aggregating to ₹ 3/- per share on shares of face value ₹ 2/- each.

**For A. K. Kuchhal & Co.**  
Company Secretaries

**(Varun Kwatra)**  
Partner  
CP. No. 9840

Place: Noida  
Date: 10.06.2016

## Annexure 2

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards education, health, nutrition, sanitation and rural development etc. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

CSR Policy is stated herein below:

2. **Web-link:**

[http://www.securities.indiabulls.com/home/Policy\\_Codes.htm#](http://www.securities.indiabulls.com/home/Policy_Codes.htm#)

3. **Composition of the CSR Committee**

Mr. Aishwarya Katoch, Chairman (Independent Director)

Mr. Divyesh B. Shah (Whole-time Director & CEO)

Mr. Ashok Kumar Sharma (Whole-time Director)

4. **Average Net Profit of the Company for last three financial years:** ₹ 45.71 crores

5. **Prescribed CSR Expenditure (two percent of the amount as in item 4 above):** ₹ 91.43 lacs

6. **Details of CSR spend for the financial year:**

a. **Total amount spent for the financial year:** ₹ 93.60 lacs

b. **Amount unspent, if any:** Nil

c. **Manner in which the amount spent during the financial year is detailed below:**

(Figs. In Rupees )

1	2	3	4		5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs on		Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cummulative Expenditure up to 31st March 2016	Amount Spent Direct or through implementing agency *
			District	State				
1	Health Camps	Health	Mumbai	Maharashtra	1,000,000	346,476	346,476	Implementing Agency (Indiabulls Foundation)
2	Gaushala Project	Animal Development	Palghar Mumbai Thane Raigad	Maharashtra	1,000,000	457,200	803,676	Implementing Agency (Indiabulls Foundation)
3	Kumud - Distribution	Sanitation	Mumbai Thane Raigad Palghar	Maharashtra	1,500,000	704,424	1,508,100	Implementing Agency (Indiabulls Foundation)

1	2	3	4		5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs on		Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cummulative Expenditure up to 31st March 2016	Amount Spent Direct or through implementing agency *
			District	State				
4	Traditional Event	Cultural & Traditional Development	Mumbai	Maharashtra	2,500,000	2,000,000	3,508,100	Implementing Agency (Indiabulls Foundation)
5	Paintings	Development of Art & Culture	Mumbai	Maharashtra	3,360,000	-	3,508,100	Implementing Agency (Indiabulls Foundation)
		<b>Total</b>			<b>9,360,000</b>	3,508,100	3,508,100	

\* Indiabulls Foundation is a registered Trust established by the Company along with its group companies.

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.

During the financial year 2015-16, the Company has contributed its entire CSR expenditure aggregating to ₹ 93.60 lacs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf. Contribution made covers the mandatory CSR expenditure which was required to be made by the Company.

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2015-16, the implementation and monitoring of CSR Policy of the Company were environment friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For Indiabulls Ventures Limited

Date: May 6, 2016  
Place: Mumbai

**Divyesh B. Shah**  
Whole-time Director & CEO

**Aishwarya Katoch**  
Chairman-CSR Committee

### Annexure 3

#### FORM NO. MGT 9

##### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L74999DL1995PLC069631
ii	Registration Date (Date of Incorporation)	9-Jun-95
iii	Name of the Company	Indiabulls Ventures Limited (formerly Indiabulls Securities Limited)
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	M - 62 & 63, First Floor, Connaught Place, New Delhi - 110001. Ph: (011) 30252900 Fax: (011) 30252901
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Unit : Indiabulls Ventures Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel : 040-6716 2222 - Fax: 040-23001153 E-mail: einward.ris@karvy.com

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Carries on the business of stock and share brokers and depository participants	66120	73.04%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Indiabulls Brokerage Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74992DL2008PLC182331	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2	Indiabulls Commodities Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2003PLC122874	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Auxesia Soft Solutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U72900DL2011PLC225699	Subsidiary	100%	Section 2(87) of Companies Act, 2013
4	India Ethanol And Sugar Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U01403DL2006PLC154898	Subsidiary	100%	Section 2(87) of Companies Act, 2013
5	Indiabulls Distribution Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2009PLC191143	Subsidiary	100%	Section 2(87) of Companies Act, 2013
6	Devata Tradelink Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U51109DL2008PLC172459	Subsidiary	100%	Section 2(87) of Companies Act, 2013
7	India Land and Properties Limited Plot No.14, 3rd Main Road, Ambattur Industrial Estate, Ambattur, Chennai	U31200TN2000PLC043973	Subsidiary	100%	Section 2(87) of Companies Act, 2013
8	Shivshakti Financial Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74899DL1994PLC062407	Subsidiary	100%	Section 2(87) of Companies Act, 2013
9	Pushpanjali Finsolutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC196822	Subsidiary	100%	Section 2(87) of Companies Act, 2013
10	Astraea Constructions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2013PLC247007	Subsidiary	100%	Section 2(87) of Companies Act, 2013

Sl. No.	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
11	Silenus Buildtech Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2013PLC247611	Subsidiary	100%	Section 2(87) of Companies Act, 2013
12	Astilbe Builders Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70102DL2013PLC247000	Subsidiary	100%	Section 2(87) of Companies Act, 2013
13	Arbutus Constructions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2010PLC208342	Subsidiary	100%	Section 2(87) of Companies Act, 2013
14	Gyansagar Buildtech Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70200DL2010PLC209963	Subsidiary	100%	Section 2(87) of Companies Act, 2013
15	Pushpanjali Fincon Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC197255	Subsidiary	100%	Section 2(87) of Companies Act, 2013
16	Positive Housings Private Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2005PTC138966	Subsidiary	100%	Section 2(87) of Companies Act, 2013
17	Indiabulls Alternate Investments Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 11000	U74999DL2016PLC290926	Subsidiary	100%	Section 2(87) of Companies Act, 2013

**IV (i) SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to Total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	34,171,089	0	34,171,089	13.08	40,158,292	0	40,158,292	13.71	0.63
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt.	0	0	0	0	0	0	0	0	0.00
d) Bodies Corporates	45,666,496	0	45,666,496	17.48	58,290,510	0	58,290,510	19.90	2.42
e) Bank/Fl	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>79,837,585</b>	<b>0</b>	<b>79,837,585</b>	<b>30.56</b>	<b>98,448,802</b>	<b>0</b>	<b>98,448,802</b>	<b>33.62</b>	<b>3.05</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/Fl	0	0	0	0	0	0	0	0	0.00
e) Any other...	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>79,837,585</b>	<b>0</b>	<b>79,837,585</b>	<b>30.56</b>	<b>98,448,802</b>	<b>0</b>	<b>98,448,802</b>	<b>33.62</b>	<b>3.05</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	1,987	0	1,987	0	1,933	0	1,933	0.00	0.00
b) Banks/Fl	211,401	0	211,401	0.08	520,128	0	520,128	0.18	0.10
c) Central govt	0	0	0	0	0	0	0	0	0.00
d) State Govt.	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs/Foreign Portfolio Investors	75,690	0	75,690	0.03	40,236	0	40,236	0.01	-0.02
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
									0.00
<b>SUB TOTAL (B)(1):</b>	<b>289,078</b>	<b>0</b>	<b>289,078</b>	<b>0.11</b>	<b>562,297</b>	<b>0</b>	<b>562,297</b>	<b>0.19</b>	<b>0.08</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	39,662,665	0	39,662,665	15.18	49,915,897	0	49,915,897	17.04	1.86
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	69,210,444	37,051	69,247,495	26.51	77,843,494	36,611	77,880,105	26.59	0.08
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	50,372,696	273,800	50,646,496	19.39	52,072,666	70,500	52,143,166	17.80	-1.58
c) Others (specify)									
Non-Resident Indians	20,983,345	0	20,983,345	8.03	12,278,396	0	12,278,396	4.19	-3.84
Clearing Members	490,340	0	490,340	0.19	1,580,402	0	1,580,402	0.54	0.35
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.00
Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0.00
Foreign Bodies-DR	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(2):</b>	<b>180,719,490</b>	<b>310,851</b>	<b>181,030,341</b>	<b>69.30</b>	<b>193,690,855</b>	<b>107,111</b>	<b>193,797,966</b>	<b>66.17</b>	<b>-3.13</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>181,008,568</b>	<b>310,851</b>	<b>181,319,419</b>	<b>69.41</b>	<b>194,253,152</b>	<b>107,111</b>	<b>194,360,263</b>	<b>66.36</b>	<b>-3.05</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
promoter and promoter group	0	0	0	0	0	0	0	0	0.00
Public	66,077	0	66,077	0.03	60,477	0	60,477	0.02	0.01
<b>Grand Total (A+B+C)</b>	<b>260,912,230</b>	<b>310,851</b>	<b>261,223,081</b>	<b>100</b>	<b>292,762,431</b>	<b>107,111</b>	<b>292,869,542</b>	<b>100</b>	

**(ii) SHAREHOLDING OF PROMOTERS**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Mr. Sameer Gehlaut	34,171,089	13.08	0	40,158,292	13.71	0.00	0.63
2	Orthia Properties Private Limited	39,058,962	14.95	0	39,981,305	13.65	0.00	-1.30
3	Zelkova Builders Private Limited	6,607,534	2.53	0	6,607,534	2.26	0.00	-0.27
4	Orthia Constructions Private Limited	0	0.00	0	11,701,671	4.00	0.00	4.00
	<b>Total</b>	<b>79,837,585</b>	<b>30.56</b>	<b>0</b>	<b>98,448,802</b>	<b>33.62</b>	<b>0.00</b>	<b>3.06</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	79,837,585	30.56		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)#	#		#	
	At the end of the year	98,448,802	33.62		

# Date wise increase/decrease in Promoters Shareholding

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Sameer Gehlaut	34,171,089	13.08	01-Apr-15				
				07-Apr-15	5,987,203 (Increase)	Shares were allotted upon conversion of warrants	40,158,292	14.27
		40,158,292	13.71	31-Mar-16			40,158,292	13.71
2	Orthia Properties Private Limited	39,058,962	14.95	01-Apr-15				
				07-Apr-15	922,343 (Increase)	Shares were allotted upon conversion of warrants	39,981,305	14.21
		39,981,305	13.65	31-Mar-16			39,981,305	13.65
3	Zelkova Builders Private Limited	6,607,534	2.53	01-Apr-15				
		6,607,534	2.26	31-Mar-16			6,607,534	2.26
4	Orthia Constructions Private Limited	0	0	01-Apr-15				
				07-Apr-15	11,701,671 (Increase)	Shares were allotted upon conversion of warrants	11,701,671	4.16
		11,701,671	4.00	31-Mar-16			11,701,671	4.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Rajiv Rattan*	17,330,253	6.63	19,208,148	6.56
2	Mr. Saurabh K Mittal*	17,212,083	6.59	8,296,886	2.83
3	Mahima Stocks Private Limited*	8,977,522	3.44	1,460,000	0.50
4	Inuus Constructions Private Limited*	7,710,922	2.95	11,670,463	3.98
5	Hespera Realty Private Limited* %	4,199,581	1.61	7,585,219	2.59
6	Mr. Madhusudan Kela ##	3,500,000	1.34	0	0
7	Mr. Tejinderpal Singh Miglani*	1,801,075	0.69	1,801,075	0.61
8	Blue Star Investments and Financial Service Private Ltd.*	1,240,279	0.47	834,613	0.29
9	Globe Capital Market Ltd. ##	1,011,354	0.39	461,199	0.16
10	Kotak Mahindra Investments Ltd. ##	941,447	0.36	0	0
11	Brijkishor Trading Private Limited #	0	0	8,300,000	2.83
12	Pace Stock Broking Services Pvt Ltd. #	75,736	0.03	4,093,039	1.40
13	HDFC Securities Limited #	9,367	0	1,066,012	0.36

\* Top 10 shareholders as on April 1, 2015 and March 31, 2016

## Top 10 shareholders as on April 1, 2015 only

# Top 10 shareholders as on March 31, 2016 only

% earlier known as Hespera Constructions Private Limited

**IV Shareholding of Directors and Key Managerial Personnel**

**A) Shareholding of Directors**

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Divyesh B. Shah, Whole-time Director & Chief Executive Officer	3,269,000	1.25	01-Apr-15				
				07-Apr-15	1,500,000 (Increase)	Conversion of warrants	4,769,000	1.70
		4,769,000	1.63	31-Mar-16			4,769,000	1.63
2	Mr. Ashok Kumar Sharma, Executive Director	588,500	0.23	01-Apr-15				
				28-Aug-15	75,000 (Increase)	ESOP Allotment	663,500	0.23
		663,500	0.23	31-Mar-16			663,500	0.23
3	Mr. Prem Prakash Mirdha, Non-Executive Independent Director	1,250	0	01-Apr-15	0			
		1,250	0	31-Mar-16		Nil movement during the year	1,250	0
4	Mr. Aishwarya Katoch, Non-Executive Independent Director	0	0	01-Apr-15	0			
		0	0	31-Mar-16		Nil movement during the year	0	0
5	Brig. Labh Singh Sitara, Non-Executive Independent Director	0	0	01-Apr-15	0			
		0	0	31-Mar-16		Nil movement during the year	0	0

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Ms. Pia Johnson, Non-Executive Director	0	0	01-Apr-15	0			
		0	0	31-Mar-16		Nil movement during the year	0	0

**B) Shareholding of KMP**

1	Mr. Rajeev Lochan Agrawal, CFO	6,000	0	01-Apr-15				
				21-Aug-15	4,500 (Decrease)	Sale	1,500	0
		1,500	0	31-Mar-16			1,500	0
2	Mr. Ram Mehar Garg, Company Secretary (ceased w.e.f. 21.07.2015)	0	0	01-Apr-15	0			
		@		31-Mar-16			@	
3	Ms. Richa Jaiswal, Company Secretary (w.e.f. 21.07.2015 upto 20.01.2016)	*		01-Apr-15	0		*	
		@		31-Mar-16			@	
4	Mr. Lalit Sharma, Company Secretary (Appointed w.e.f. 20.01.2016)	*		01-Apr-15	0		*	
		0	0	31-Mar-16		Nil movement during the year	0	0

@ Ceased to be KMP during the financial year 2015-16

\* Appointed as KMP during the financial year 2015-16

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)**

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal Amount	630,846,244	3,500,000,000	-	4,130,846,244
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	3,037,260	-	-	3,037,260
	<b>Total (i+ii+iii)</b>	<b>633,883,504</b>	<b>3,500,000,000</b>	<b>-</b>	<b>4,133,883,504</b>
	<b>Change in Indebtedness during the financial year</b>				
	Additions	272,311,400	1,500,000,000	-	1,772,311,400
	Reduction	-	-	-	-
	<b>Net Change</b>	<b>272,311,400</b>	<b>1,500,000,000</b>	<b>-</b>	<b>1,772,311,400</b>
	<b>Indebtedness at the end of the financial year</b>				
i)	Principal Amount	903,989,425	5,000,000,000	-	5,903,989,425
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2,205,479	-	-	2,205,479
	<b>Total (i+ii+iii)</b>	<b>906,194,904</b>	<b>5,000,000,000</b>	<b>-</b>	<b>5,906,194,904</b>

**VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL#**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	Particulars of Remuneration	Amount (in ₹)		
		Mr. Ashok Kumar Sharma (Whole time director)	Mr. Divyesh B Shah (CEO & Whole time director)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	-	9,712,901	9,712,901
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option (Perquisites on Stock Options exercised during the Financial Year 2015-16)	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	-	9,712,901	9,712,901
	<b>Ceiling as per the Act</b>	<b>₹ 2.66 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)</b>		

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Amount (in ₹)			
		Mr. Aishwarya Katoch	Mr. Prem Prakash Mirdha	Brig. Labh Singh Sitara (Retd.)	Total
<b>1</b>	<b>Independent Directors</b>				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
<b>2</b>	<b>Other Non Executive Directors</b>	<b>Ms. Pia Johnson</b>			
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-
	<b>Overall Ceiling as per the Act.</b>	<b>₹ 0.27 crores (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)</b>			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Amount (in ₹)
		Mr. Divyesh B Shah (CEO & Whole time director)**	Mr. Ram Mehar Garg, Company Secretary (ceased w.e.f. 21.07.2015)	Ms. Richa Jaiswal Company Secretary (w.e.f. 21.07.2015 to 20.01.2016)	Mr. Lalit Sharma Company Secretary (w.e.f. 20.01.2016)	Mr. Rajeev Lochan Agrawal CFO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	623,735*	2,196,608	2,820,343
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Option (Perquisites on Stock Options exercised during the Financial Year 2015-16)	-	-	-	-	17,925	17,925
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	as % of profit	-	-	-	-	-	-
	others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	<b>Total</b>	-	-	-	<b>623,735*</b>	<b>2,214,533</b>	<b>2,838,268</b>

\* from the date of joining the Company to 31st March 2016

\*\* please refer point no. VIA - Remuneration to Managing Director, Whole time director and/or Manager

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

## Annexure 4 to Directors' Report Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under -

**Ratio of the remuneration of each director to the median employees' remuneration, for FY 2015-16.**

Designation	Ratio of remuneration to the median employees' remuneration
Chief Executive Officer & Whole time Director	28.91 : 1

*No remuneration was paid to other Director(s) during the Financial Year 2015-16 and hence not forming part of this clause.*

**Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in FY 2015-16.**

Designation	Increase in Remuneration (%)
Chief Executive Officer & Whole time Director	(-) 68.49
Chief Financial Officer	23.27
Company Secretary	N.A (Appointed w.e.f. January 20, 2016)

*No remuneration was paid to other Director(s) during the Financial Year 2015-16 and FY 2014-15, hence not forming part of this clause.*

**The percentage increase in the median remuneration of employees in the FY 2015-16.**

The percentage increase/(-) decrease in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY 2015-16 and FY 2014-15 was 3.70%.

**Number of permanent employees on the rolls of Company.**

The Company had 342 employees on its permanent rolls, as on March 31, 2016

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2015-16 is around 25.02%, while the average decrease in the remuneration of key managerial personnel is around 63.43%.

The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

There were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company. Further, Overall remuneration of Key Managerial Personnel has decreased.

**It is hereby affirmed that the aforesaid remuneration paid by the Company, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company.**

# Report on Corporate Governance

## 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance encompasses simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable laws while at the same time ensuring complete commitment to values and the highest ethical standards in every facet of its operations and in each of its functional areas. This together with meaningful CSR activities has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities, in which it operates. Your Company has complied with the requirements of Corporate Governance as laid down in the Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from April 1, 2015 to November 30, 2015 and Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) for the period from December 1, 2015 to March 31, 2016.

In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Independent verification and assured integrity of financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management, internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulations in letter and spirit.

## 2. BOARD OF DIRECTORS (BOARD)

### (A) Composition and size of the Board

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non- Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience. The Board members have professional knowledge and experience, in diverse fields.

The Board consists of six Directors, two of whom including the CEO are Executive Directors. The remaining four directors are Non-Executive Directors, with three of such directors being Independent Directors and one Woman Director. The number of Independent Non-Executive Directors on the Board is 50% of the Board strength at any point of time. No Director is related to any other Director on the Board. The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various Board Committees, as on March 31, 2016 are as under:

## Report on Corporate Governance (Contd.)

Sr. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
				Member	Chairman
1.	Mr. Divyesh B. Shah (DIN: 00010933)	Whole-time Director & Chief Executive Officer	8	2	Nil
2.	Mr. Ashok Kumar Sharma (DIN: 00010912)	Executive Director	3	1	Nil
3.	Mr. Aishwarya Katoch (DIN: 00557488)	Non-Executive Independent Director	8	10	3
4.	Brig. Labh Singh Sitara (DIN: 01724648)	Non-Executive Independent Director	8	10	Nil
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Non-Executive Independent Director	6	8	Nil
6.	Ms. Pia Johnson (DIN: 00722403 )	Non-Executive Director	3	1	Nil

\*Does not include directorships held in foreign companies & private limited companies and companies under section 8 of the Companies Act, 2013.

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

None of the Non-Executive Director held any equity share and convertible security of the Company during the financial year ended March 31, 2016, except Mr. Prem Prakash Mirdha who is holding 1250 Equity shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company. (<http://www.securities.indiabulls.com/home/investorrelation.htm#>)

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

During the financial year 2015-2016, the Board met 4 (Four) times. Meetings were held on April 24, 2015, July 21, 2015, October 21, 2015 and January 20, 2016. During the year separate meeting of the Independent Directors was held on January 20, 2016 without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting

The last Annual General Meeting of the Company was held on September 7, 2015.

Attendance of Directors at the Board Meetings held during the FY 2015-16 and at the last Annual General Meeting are as under:

## Report on Corporate Governance (Contd.)

Sr. No.	Name of the Director	No. of board meetings attended	Attendance at the last AGM
1.	Mr. Divyesh B. Shah (DIN: 00010933)	4	Yes
2.	Mr. Ashok Kumar Sharma (DIN: 00010912)	2	Yes
3.	Mr. Aishwarya Katoch (DIN: 00557488)	2	Yes
4.	Brig. Labh Singh Sitara (DIN: 01724648)	3	No
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	3	Yes
6.	Ms. Pia Johnson (DIN: 00722403)	3	No

### 3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under.

#### (A) Audit Committee

##### Composition

The Audit Committee comprises of four members, namely, Mr. Aishwarya Katoch as the Chairman, Mr. Ashok Kumar Sharma, Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara (Retd.) as members. Three out of the four members, namely, Mr. Aishwarya Katoch, Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara (Retd.), are independent Directors while Mr. Ashok Kumar Sharma is an Executive Director. Mr. Lalit Sharma, is the Secretary to the Audit Committee.

##### Terms of reference

The terms of reference of Audit Committee, inter-alia, include:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the internal and statutory auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;

## Report on Corporate Governance (Contd.)

- Examination of the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate.

### Meetings and Attendance during the year

During the financial year ended March 31, 2016, the Committee met 4 (four) times. The dates of the meetings being April 24, 2015, July 20, 2015, October 20, 2015 and January 19, 2016.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Aishwarya Katoch	4
Mr. Ashok Kumar Sharma	4
Mr. Prem Prakash Mirdha	2
Brig. Labh Singh Sitara (Retd.)	3

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings as invitees.

### (B) Nomination & Remuneration Committee

#### Composition

The Nomination & Remuneration Committee of the Board comprises of three Independent Directors as its members, namely, Mr. Aishwarya Katoch as its Chairman and member, Brig. Labh Singh Sitara (Retd.) and Mr. Prem Prakash Mirdha as the other two members.

#### Terms of reference

The terms of reference of Nomination & Remuneration Committee, inter-alia, include:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;

## Report on Corporate Governance (Contd.)

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

### Meetings and Attendance during the year

During the financial year ended March 31, 2016, the committee met once on July 15, 2015.

The attendance of Committee members in this meeting is as under:

Name of the Member	No. of meeting attended
Mr. Aishwarya Katoch	1
Brig Labh Singh Sitara (Retd.)	1
Mr. Prem Prakash Mirdha	1

### Policy for selection and appointment of Directors

The Nomination and Remuneration Committee (N&R Committee) has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Executive Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in diverse fields.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

### Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Executive Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, the N&R Committee has laid down the criteria for performance evaluation of Independent Directors and Executive Directors, which inter-alia covers level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of

## Report on Corporate Governance (Contd.)

the Independent Directors was carried out by the Non-Independent Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Policy on Board Diversity

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

### Director's Remuneration:

#### (i) Remuneration of Executive Directors

Executive Directors are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors.

Details of remuneration of Executive Directors for the FY 2015-16 are provided in Form MGT-9 forming part of this Annual Report.

#### (ii) Remuneration of Non-Executive Directors

Non- Executive Directors have not been paid any remuneration/sitting fees during the financial year 2015-16. Non-Executive directors do not hold any shares in the Company, except Mr. Prem Prakash Mirdha who holds 1,250 equity shares as on March 31, 2016.

### (C) Stakeholders Relationship Committee

#### Composition

The Stakeholders Relationship Committee of the Board comprises of three Non-Executive Independent Directors, namely, Mr. Aishwarya Katoch as the Chairman and member, Brig. Labh Singh Sitara (Retd.) and Mr. Prem Prakash Mirdha as the other two members.

#### Terms of reference

- to approve requests for share transfers and transmissions.
- to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- to oversee all matters encompassing the shareholders' / investors' related issues.

#### Meetings and Attendance during the year

During the financial year ended March 31, 2016, the Committee met 4 (Four) times. The dates of the meetings being April 24, 2015, July 20, 2015, October 20, 2015 and January 19, 2016.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Aishwarya Katoch	4
Brig. Labh Singh Sitara (Retd.)	3
Mr. Prem Prakash Mirdha	2

#### Name and designation of Compliance Officer

Mr. Lalit Sharma, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI (LODR) Regulations, 2015.

## Report on Corporate Governance (Contd.)

### Details of queries / complaints received and resolved during the year 2015-16:

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	23	23	0
3	Non-receipt of dividend	0	365	365	0
4	Non-receipt of annual report	0	5	5	0
5	Non credit/receipt of shares in demat account	0	1	1	0
6	Non receipt of securities after transfer	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>394</b>	<b>394</b>	<b>0</b>

### (D) Corporate Social Responsibility (CSR) Committee

#### Composition

The Corporate Social Responsibility Committee comprises of three members namely Mr. Aishwarya Katoch, as the Chairman and member, and Mr. Divyesh B. Shah and Mr. Ashok Kumar Sharma as the other two members.

#### Terms of Reference

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

- To recommend to the Board, the CSR activities to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activities;
- To oversee and review the effective implementation of the CSR activities; and
- To ensure compliance of all related applicable regulatory requirements.

#### Meetings and Attendance during the year

During the financial year ended March 31, 2016 the Committee met 2 (Two) times. The dates of the meetings being January 20, 2016 and March 31, 2016.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Aishwarya Katoch	2
Mr. Divyesh B. Shah	2
Mr. Ashok Kumar Sharma	2

## 4. GENERAL BODY MEETINGS

### A. Location and time of last three Annual General Meetings (AGMs)

Year	Location	Date	Time
2012-2013	Centaur Hotel, IGI Airport, Delhi-Gurgaon Road, New Delhi – 110 037	September 30, 2013	10:30 A.M.
2013-2014	Centaur Hotel, IGI Airport, Delhi - Gurgaon Road, New Delhi – 110 037	September 29, 2014	10.00 A.M.
2014-2015	Centaur Hotel, IGI Airport, Delhi - Gurgaon Road, New Delhi – 110 037	September 7, 2015	2.00 P.M.

## Report on Corporate Governance (Contd.)

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

- (1) In the AGM of the Company for the year 2012-2013 held on September 30, 2013, no special resolution was passed.
- (2) In the EGM of the Company for the year 2013-2014 held on November 20, 2013, one special resolution as briefly described below, was passed:

Special Resolution seeking members approval to create, offer, issue and allot 5,82,10,000 (Five Crore Eighty Two Lakh Ten Thousand) fully convertible Warrants to the Promoters, certain Promoter group entities and one whole-time director on preferential basis, which, upon conversion, in one or more tranches, within a period of 18 months from the date of their allotment, would entitle them to acquire an equivalent number of Equity shares of face value ₹ 2/- each in the Company at an exercise price of ₹ 13/- per Equity share, determined in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

- (3) In the AGM of the Company for the year 2013-2014 held on September 29, 2014, five special resolutions as briefly described below, were passed.
  - (i) Special Resolution for re-appointment of Mr. Divyesh B. Shah as Whole-time director of the Company
  - (ii) Special Resolution for re-appointment of Mr. Ashok Kumar Sharma as Whole-time director of the Company
  - (iii) Special Resolution for approving Borrowing limits of the Company
  - (iv) Special Resolution for creation of charges on the assets of the Company
  - (v) Special Resolution for amendment in the Articles of the Company
- (4) In the AGM of the Company for the year 2014-2015 held on September 7, 2015, one special resolution as briefly described below, was passed:
  - (i) Special Resolution for approving Borrowing limits of the Company upto INR 2,000 Crores.

### C. Special Resolutions passed during the financial year 2015-16 through postal ballot:

During the year 2015-16, no resolution was passed by the Company through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

## 5. MEANS OF COMMUNICATION

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- (i) **Publication of Financial Results:** The quarterly/ annual results of the Company are normally published in the leading newspapers viz. The Financial Express (English) and Jansatta (Hindi).
- (ii) **News, Release, etc.:** The Company has its own website <http://www.securities.indiabulls.com/> and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. are regularly posted on the website.

## Report on Corporate Governance (Contd.)

- (iii) **Investors' Relation:** The Company's website (<http://www.securities.indiabulls.com/>) contains a separate dedicated section "Investors" where Shareholders' information along with the presentations made by it to the Analysts and investors are available.
- (iv) **Management's Discussion and Analysis Report** has been included in the Annual Report, which forms a part of the Annual Report.

### 6. GENERAL SHAREHOLDERS' INFORMATION

#### (A) Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999DL1995PLC069631.

#### (B) Date, Time and Venue of Annual General Meeting (AGM)

The 21<sup>st</sup> AGM of the Company would be held on the day, date, time and venue as mentioned in the notice convening the said AGM.

#### (C) Financial year:

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

#### (D) Dividend Payment Date

The First, Second, Third and Fourth interim dividends for the financial year 2015-16, were paid on/from May 11, 2015, August 4, 2015, November 6, 2015 and February 6, 2016, respectively.

#### (E) Date of Book Closure

The dates of book closure are as mentioned in the notice convening the 21<sup>st</sup> AGM of the Company.

#### (F) Listing on Stock Exchanges

The Company's shares and GDRs are listed at the following stock exchanges :

Equity Shares	Global Depository Receipts (GDRs)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	Luxembourg Stock Exchange Societe de la Bourse de Luxembourg, Il av de la Porte-Neuve, L-2227, Luxembourg.
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051	

The listing fees for the financial year 2016-17, have been paid to BSE and NSE.

#### (G) Stock Code

BSE Limited	–	532960
National Stock Exchange of India Ltd.	–	IBVENTURES
ISIN for Dematerialization	–	INE274G01010

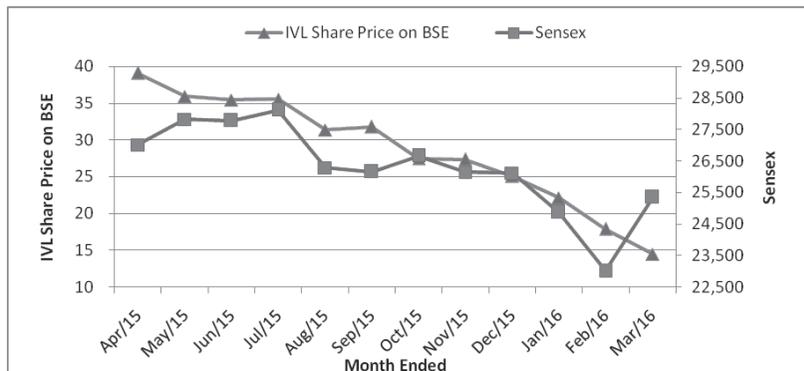
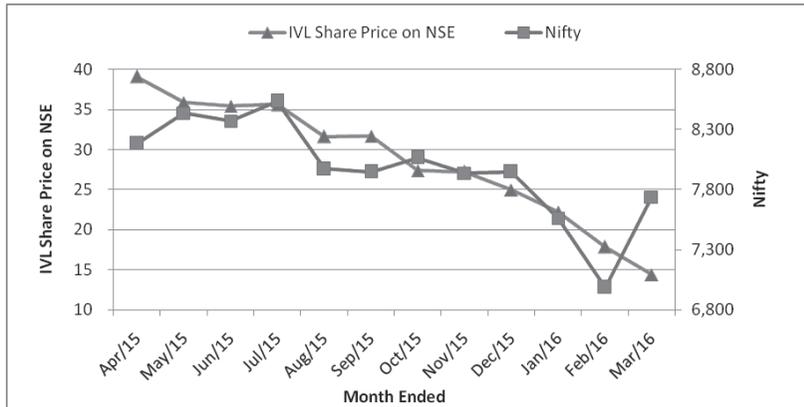
## Report on Corporate Governance (Contd.)

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

The monthly high and low market prices of equity shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2016 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-15	41.00	34.70	40.90	34.80
May-15	40.50	35.30	40.40	35.25
Jun-15	37.60	32.20	37.50	32.35
Jul-15	39.40	35.00	39.50	35.20
Aug-15	35.90	26.10	35.90	26.70
Sep-15	32.85	28.70	32.90	28.80
Oct-15	36.80	27.05	36.85	27.15
Nov-15	28.40	25.35	28.25	25.40
Dec-15	27.95	24.25	27.90	24.40
Jan-16	27.20	20.50	27.25	20.80
Feb-16	22.10	17.70	22.00	17.75
Mar-16	20.45	13.85	20.40	13.90

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



## Report on Corporate Governance (Contd.)

### (J) Registrar and Transfer Agents

M/s Karvy Computershare Private Limited is the Registrar and Transfer Agents of the Company for handling the share related matters both in physical and dematerialized mode.

**The contact details are as under:**

Karvy Computershare Private Limited  
Unit: Indiabulls Ventures Limited  
Karvy Selenium, Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032  
Contact Person: Ms. Shobha Anand, AGM, Corporate Registry  
Tel : 040-6716 2222 - Fax: 040-23001153  
E-mail: einward.ris@karvy.com

### (K) Share Transfer System

The Board has delegated the authority for share transfers, transmissions, remat / demat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. to the Board constituted Stakeholders' Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders' Relationship Committee.

### (L) (i) Distribution of shareholding as on March 31, 2016

Sl. No.	Category	No. of holders	% of Total holders	Total Shares	Value in ₹	% of Amount
1	1-5000	92,680	93.24	31,288,801	62,577,602.00	10.68
2	5001- 10000	3,254	3.27	12,162,596	24,325,192.00	4.15
3	10001- 20000	1,763	1.77	13,320,673	26,641,346.00	4.55
4	20001- 30000	558	0.56	6,959,975	13,919,950.00	2.38
5	30001- 40000	302	0.30	5,423,126	10,846,252.00	1.85
6	40001- 50000	185	0.19	4,261,379	8,522,758.00	1.46
7	50001- 100000	342	0.34	12,190,452	24,380,904.00	4.16
8	100001& Above	315	0.32	207,262,540	414,525,080.00	70.77
	<b>Total:</b>	<b>99,399</b>	<b>100.00</b>	<b>292,869,542</b>	<b>585,739,084.00</b>	<b>100.00</b>

### (ii) Shareholding pattern as on March 31, 2016

Sr. no.	Category	No. of Shares	% holding
1	Promoters and Promoters Group	98,448,802	33.62
2	Mutual Funds/Indian Financial Institutions	1,933	0.00
3	Banks	520,128	0.18
4	FII/Foreign Portfolio Investors	40,236	0.01
5	Private Bodies Corporate	49,875,332	17.03
6	Indian Public (Employees/HUF/Public/Trusts/Directors)	130,023,271	44.40
7	NRIs / OCBs	12,278,396	4.19
8	GDRs (Shares underlying)	60,477	0.02
9	NBFCs registered with RBI	40,565	0.01
10	Others (Clearing Members)	1,580,402	0.54
	<b>Total</b>	<b>292,869,542</b>	<b>100.00</b>

## Report on Corporate Governance (Contd.)

### (M) Dematerialization of shares and liquidity

Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2016, 99.96% Equity shares of the Company representing 29,27,62,431 out of a total of 29,28,69,542 Equity shares were held in dematerialized form and the balance 1,07,111 shares representing 0.04% of the total equity capital of the Company were held in physical form.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

### (N) Outstanding GDRs/Convertible Instruments

As on 31st March, 2016, an aggregate of 1,53,84,894 Employees Stock options are in force. These options, upon exercise, are convertible into equal number of Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

The number of outstanding GDRs as on March 31, 2016 was 60,477. Each GDR represents one equity share of ₹ 2/- each in the Company.

### (O) Commodity price risk or foreign exchange risk and hedging activities

During FY 2015-16, the Company doesn't have Commodity price risk. Further, the Company has not borrowed any loans in foreign currency. The working capital of the Company doesn't comprise any amount in foreign currency. However, the Company has long term foreign currency amount receivable through loan notes and escrow account against long-term non-trade investment sold in previous years. The same has not been hedged.

### (P) Address for Correspondence

#### (i) Registered Office:

Indiabulls Ventures Limited  
(formerly Indiabulls Securities Limited)  
M- 62 & 63, First Floor, Connaught Place, New Delhi- 110 001  
E-mail: helpdesk@indiabulls.com,  
Tel: 0124-6681199, Fax: 0124-6681240  
Website: <http://www.securities.indiabulls.com/>

#### (ii) Corporate Office:

1. 'Indiabulls House' 448-451, Udyog Vihar, Phase V, Gurgaon – 122 016, Haryana
2. 8/F, "Indiabulls House", Indiabulls Finance Centre,  
Tower 1, Elphinstone Mills, Senapati Bapat Marg, Mumbai- 400 013.

### (Q) Profile of Directors seeking re-appointment

#### Mr. Ashok Kumar Sharma, Executive Director

Mr. Ashok Kumar Sharma (DIN: 00010912) is a Chartered Accountant with over 22 years' experience in the financial services and share broking industry. His expertise in the areas of finance, system implementation and internal controls coupled with strong analytical skills will be to the benefit of the Company in the years to come, meriting his re-appointment as director on the Board of the Company.

Mr. Sharma is not related to any other Director on the Board of the Company.

Mr. Sharma is also on the Board of Indiabulls Commercial Credit Limited, Indiabulls Industrial Infrastructure Limited and Indiabulls Holdings Limited. He is member of Audit Committee, Compensation Committee, Allotment Committee, Corporate Social Responsibility Committee and Management Committee of the

## Report on Corporate Governance (Contd.)

Company. He is Chairman of Corporate Social Responsibility Committee of Indiabulls Industrial Infrastructure Limited. He is member of Asset Liability Management Committee and Investment Committee and also Chairman of Corporate Social Responsibility Committee and Integrated Risk Management Committee of Indiabulls Commercial Credit Limited.

He holds 6,63,500 equity shares in the Company, representing 0.23% of the total paid up capital of the Company.

### 7. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to and forms a part of this Report.

### 8. OTHER DISCLOSURES

#### (i) Subsidiary Companies

During the year under review the Company through its subsidiary Indiabulls Distribution Services Limited, has incorporated a new subsidiary company namely Indiabulls Alternate Investments Limited. Indiabulls Distribution Services Limited and India Land and Properties Limited were material unlisted subsidiaries of the Company. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the website of the Company (<http://www.securities.indiabulls.com/>).

#### (ii) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company (<http://www.securities.indiabulls.com/>).

#### (iii) CEO / CFO Certification

(a) The Chief Executive Officer and CFO have issued certificate pursuant to the Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015, certifying that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

(b) The Chief Executive Officer and CFO have issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs, and is annexed to and forms a part of this Report.

#### (iv) (a) Code of Conduct and Ethics

The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company <http://www.securities.indiabulls.com/>. All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this Report.

The Code seeks to ensure that the Board Members and Senior Management personnel observe a total

## Report on Corporate Governance (Contd.)

commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes along with business values and ethics.

### (b) Code of Conduct for Prevention of Insider Trading

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of The Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and Companies Act, 2013, with a view to regulate trading in Securities of the Company by its directors, designated persons and employees.

### (v) Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company (<http://www.securities.indiabulls.com/>).

### (vi) Strictures and Penalties

Following is the details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years:

- Internal Committee of NSE levied penalty of ₹ 5,000/- vide its order dated July 15, 2013 in respect of regular inspection conducted during March 2013.
- SEBI settled the proceedings on the payment of ₹ 10,000,000, vide its consent order dated 24<sup>th</sup> November 2014 in the matter of Indiabulls Ventures Limited.
- NSE levied a fine of ₹ 5,000/- vide its letter dated September 26, 2014 for Non-compliance to Clause 31 of the Listing Agreement.
- BSE levied a fine of ₹ 5,618/- vide its letter dated January 23, 2015 for Non-compliance to Clause 31 of the Listing Agreement.

### (vii) Details of compliance with mandatory requirements and adoption of discretionary requirements pursuant to SEBI (LODR) Regulations, 2015.

The Company has complied with all the mandatory requirements pursuant to SEBI (LODR) Regulations, 2015 in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given at the end of the Report.

## 9. DISCRETIONARY REQUIREMENTS

### (A) Non-Executive Chairman

The Company has an executive Chairman and hence the requirements recommended as to a non-executive chairman under Regulation 17 of SEBI (LODR) Regulations, 2015 are not required to be adopted by the Company.

### (B) Shareholders Rights

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain

## Report on Corporate Governance (Contd.)

website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information pertaining to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

### (C) Unqualified Financial Statements

The Auditors' Report on the audited annual accounts of the Company does not contain any qualification from the Statutory Auditors and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

### (D) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO/Group CFO and has direct access to the Audit Committee. Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI (LODR) Regulations, 2015.

This Corporate Governance Report of the Company for the financial year ended 31st March, 2016 are in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges and as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR, to the extent applicable to the Company.

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### CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors  
**Indiabulls Ventures Limited**

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
  - (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 6, 2016  
Place: Mumbai

Divyesh B. Shah  
Whole-time Director & CEO

Rajeev Lochan Agrawal  
Chief Financial Officer

## Report on Corporate Governance (Contd.)

### **ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

As the Chief Executive Officer of Indiabulls Ventures Limited and as required under Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board Members and Senior Management, for the FY 2015-16.

Date: May 6, 2016  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
Chief Executive Officer

### **CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
Indiabulls Ventures Limited  
(formerly Indiabulls Securities Limited)

We have examined the compliance of conditions of Corporate Governance by Indiabulls Ventures Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from April 1, 2015 to November 30, 2015; and as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period from December 1, 2015 to March 31, 2016.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and, our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **S. Khandelwal & Co.**  
Company Secretaries

Date: May 6, 2016  
Place: New Delhi

Sd/-  
**Sanjay Khandelwal**  
Proprietor  
Membership No: FCS-5945  
CP No.: 6128

# Independent Auditor's Report

## **TO THE MEMBERS OF INDIABULLS VENTURES LIMITED (FORMERLY KNOWN AS INDIABULLS SECURITIES LIMITED)**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of INDIABULLS VENTURES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of seventeen subsidiaries, whose financial statements reflect total assets of ₹ 17,461,970,096 as at 31st March, 2016, total revenues of ₹ 3,301,788,173 and net cash outflows amounting to ₹ 200,552,950 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the

## Independent Auditors' Report (contd.)

Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the subsidiary company's incorporated in India internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 32 A
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

A. Siddharth  
Partner

Mumbai, 06<sup>th</sup> May, 2016

(Membership No. 31467)

## Annexure "A" to the Independent Auditors' Report

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Indiabulls Ventures Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the aforesaid entities.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial

## Annexure to the Independent Auditors' Report (contd.)

controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over

financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seventeen subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

A. Siddharth  
Partner

MUMBAI, 6<sup>th</sup> May, 2016

(Membership No. 31467)

# Consolidated Balance Sheet

as at March 31, 2016

Particulars	Note No.	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	585,739,084	522,446,162
(b) Reserves and Surplus	4	2,729,964,912	2,664,847,943
(c) Money received against Share Warrants	5	—	100,555,004
		<u>3,315,703,996</u>	<u>3,287,849,109</u>
<b>(2) Share application money pending allotment</b>	6	—	10,948,776
<b>(3) Non - Current Liabilities</b>			
(a) Long-Term Borrowings	7	3,919,410,476	3,305,488,808
(b) Deferred Tax Liabilities (Net)	8	—	10,674,522
(c) Other Long-Term Liabilities	9	624,816,794	294,748,363
(d) Long-Term Provisions	10	82,333,346	67,908,141
		<u>4,626,560,616</u>	<u>3,678,819,834</u>
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	11	17,083,769,511	13,533,163,293
(b) Trade Payables	12		
(i) Total outstanding due to micro enterprises and small enterprises		—	—
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		31,779,729	37,892,411
(c) Other Current Liabilities	13	2,082,230,755	3,639,899,933
(d) Short-Term Provisions	14	57,096,520	69,313,257
		<u>19,254,876,515</u>	<u>17,280,268,894</u>
<b>TOTAL</b>		<b><u>27,197,141,127</u></b>	<b><u>24,257,886,613</u></b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	15	5,315,978,293	5,499,592,143
(ii) Intangible Assets	15	70,303,236	53,845,240
(iii) Capital Work in Progress	15	363,399,919	114,609,243
		<u>5,749,681,448</u>	<u>5,668,046,626</u>
(b) Goodwill on Consolidation	16	1,216,719,114	1,086,426,249
(c) Non-Current Investments	17	49,534	46,555
(d) Deferred Tax Assets (Net)	18	143,847,716	84,136,983
(e) Long-Term Loans and Advances	19	916,040,449	435,854,746
(f) Other Non-Current Assets	20	178,400,315	167,387,029
		<u>8,204,738,576</u>	<u>7,441,898,188</u>
<b>(2) Current Assets</b>			
(a) Current Investments	21	—	693,548,387
(b) Trade Receivables	22	3,177,952,185	2,481,528,919
(c) Cash and Cash Equivalents	23	8,337,946,619	6,893,954,317
(d) Short-Term Loans and Advances	24	7,150,415,609	6,497,208,772
(e) Other Current Assets	25	326,088,138	249,748,030
		<u>18,992,402,551</u>	<u>16,815,988,425</u>
<b>TOTAL</b>		<b><u>27,197,141,127</u></b>	<b><u>24,257,886,613</u></b>

Notes forming part of the financial statements

1 - 44

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

**A. Siddharth**  
Partner

**Divyesh B. Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

**Ashok Sharma**  
Whole Time Director  
DIN: 00010912

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Mumbai, May 06, 2016

Mumbai, May 06, 2016

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

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Particulars	Note No.	For the year ended March 31, 2016 Amount (₹)	For the year ended March 31, 2015 Amount (₹)
I. Revenue from operations	26	3,764,777,439	3,353,568,822
II. Other income	27	331,518,215	729,228,452
III. Total revenue (I+II)		<b>4,096,295,654</b>	<b>4,082,797,274</b>
IV. Expenses :			
Operating expenses	28	294,087,901	326,771,010
Employee benefits expense	29	885,783,328	724,961,368
Finance costs	30	1,484,547,146	606,693,971
Depreciation and amortisation expense	15	229,047,188	131,482,345
Other expenses	31	435,360,157	352,011,496
Total expenses		<b>3,328,825,720</b>	<b>2,141,920,190</b>
V. Profit before tax (III-IV)		767,469,934	1,940,877,084
VI. Tax expense / (Benefit) :			
(1) Current tax		204,351,210	460,166,400
(2) Short/(Excess) provision for tax relating to prior years		3,972,417	(30,858,282)
(3) Deferred tax (Net)	8 & 18	(70,385,255)	10,239,413
(4) MAT credit entitlement		(108,870,410)	(5,053,459)
		29,067,962	434,494,072
VII. Profit after tax before share of profit/(loss) attributable to minority interest (V-VI)		<b>738,401,972</b>	<b>1,506,383,012</b>
VIII. Less: Loss attributable to minority interest		—	—
IX. Profit for the year attributable to the shareholders of the Company (VII-VIII)		738,401,972	1,506,383,012
X. Earnings per Equity Share:	38		
(1) Basic		2.53	5.82
(2) Diluted		2.51	5.39
Face value per Equity Share		2.00	2.00
Notes forming part of the financial statements	1 - 44		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**A. Siddharth**  
Partner

Mumbai, May 06, 2016

For and on behalf of the Board of Directors

**Divyesh B. Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

Mumbai, May 06, 2016

**Ashok Sharma**  
Whole Time Director  
DIN: 00010912

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2016

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A Cash flows from Operating Activities :</b>				
Profit before Tax		767,469,934		1,940,877,084
Adjustments for :				
Interest Income from Inter-Corporate Deposits	(108,754,495)		(66,951,546)	
Dividend Income on Investments	(3,040,501)		(13,175,494)	
Excess Provision for incentives and other expenses no longer required written back	(9,463,098)		(31,578,288)	
Sundry Credit Balances written back	(9,752,449)		(2,223,886)	
Unrealised Foreign Exchange Gain	(4,123,491)		(2,031,306)	
Profit on Sale of Current Investments	(75,894,082)		(72,072,908)	
Profit on Sale of Assets	(65,408,931)		(62,224,848)	
Profit on Sale of Long-Term Investments	—		(469,659,902)	
Profit on sale/ scrapping of fixed assets	(732,225)		(534,575)	
Provision for Gratuity and Compensated Absences	17,144,423		12,583,145	
Interest Expense	1,434,116,964		572,398,841	
Contingent Provisions	66,689,404		49,300,000	
Provision for Doubtful Debts, Advances and Security Deposits	1,714,982		408,900	
Bad Debts / Advances written off	1,344,168		1,143,269	
Depreciation and Amortisation Expense	229,047,188		131,482,345	
		1,472,887,857		46,863,747
Operating Profit before Working Capital changes		2,240,357,791		1,987,740,831
Adjustments for:				
Trade Receivable and Other Assets	(2,856,306,390)		(3,793,487,114)	
Trade Payables and Other Liabilities	1,075,969,696		(418,707,471)	
		(1,780,336,694)		(4,212,194,585)
Cash (Used in) / Generated from Operations		460,021,097		(2,224,453,754)
Income Taxes Paid (net)	(357,618,788)		(455,624,747)	
		(357,618,788)		(455,624,747)
<b>Net Cash Generated from / (Used in) Operating Activities</b>		<b>102,402,309</b>		<b>(2,680,078,501)</b>
<b>B Cash flow from Investing Activities :</b>				
Purchase of Fixed Assets (including Capital Advances given (net))		(328,721,800)		(41,982,365)
Proceeds from Sale of Fixed Assets		3,543,138		1,266,929
Purchase of Long-Term Investments		(2,405,251,915)		(1,693,142,130)
Proceeds from Sale of Long-Term Investments		5,407,532		594,992,390
Proceeds from Sale of Rights		47,746,807		20,392,716
Redemption / (Purchase) of units of Mutual Fund		769,442,469		(422,990,630)
Inter-Corporate Deposits Received back / (Given) (net)		988,268,723		(1,810,489,425)
Dividend Income on Investments		3,040,501		13,175,494
Interest Income from Inter-Corporate Deposits		146,255,316		29,450,725
<b>Net Cash Used in Investing Activities</b>		<b>(770,269,229)</b>		<b>(3,309,326,296)</b>

## Consolidated Cash Flow Statement

for the year ended March 31, 2015 (contd.)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount (₹)		Amount (₹)	
<b>C Cash flows from Financing Activities</b>				
Proceeds from conversion of share warrants (including Securities Premium)		301,665,010		265,882,490
(Refund of) / Proceeds from share application money		(1,280,292)		10,948,776
Proceeds from issue of Equity Shares (including Securities Premium)		2,623,920		49,425,936
Proceeds from Bank Loans (net)		2,234,557,838		8,628,901,624
(Repayment of) / Proceeds from Other Secured Loans (net)		(600,000,000)		420,000,000
Proceeds from Commercial Papers (net)		1,500,000,000		1,500,000,000
Inter Corporate Deposits Taken (net)		1,000,000,000		1,000,000,000
Amount transferred to investor education and protection fund		(3,817,245)		—
Payment of Final Dividend on Equity Shares pertaining to prior years		(347,996)		(10,241)
Payment of Interim Dividend on Equity Shares		(873,464,032)		(1,034,263,643)
Corporate Dividend Tax on Interim Dividend on Equity Shares		(178,018,296)		(186,034,446)
Interest Paid		(1,419,752,501)		(710,167,526)
<b>Net Cash Generated from Financing Activities</b>		<b>1,962,166,406</b>		<b>9,944,682,970</b>
<b>D Net Increase in Cash and Cash equivalents (A+B+C)</b>		<b>1,294,299,486</b>		<b>3,955,278,173</b>
<b>E Cash and Cash equivalents at the beginning of the year</b>		<b>5,608,343,828</b>		<b>1,642,037,357</b>
<b>F Cash and bank balances on acquisition of subsidiaries during the year (net)</b>		<b>—</b>		<b>11,028,298</b>
<b>G Cash and Cash equivalents at the end of the year (D+E+F)</b>		<b>6,902,643,314</b>		<b>5,608,343,828</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on 'Cash Flow Statements'.
- Cash and Cash equivalents as at the end of the year include:

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Cash and Cash equivalents (Refer note - 23)	8,337,946,619	6,893,954,317
Less: in Fixed Deposit Accounts having Maturity of more than three months	1,435,303,305	1,285,610,489
<b>Cash and Cash Equivalents as restated</b>	<b>6,902,643,314</b>	<b>5,608,343,828</b>

- Unpaid dividend account balances in designated Bank accounts aggregating to ₹ 28,668,028 (Previous year ₹ 29,164,545) are not available for use by the Company (Refer note - 23).
- Previous year's figures are regrouped wherever considered necessary to conform with current year's groupings/classifications.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**A. Siddharth**  
Partner

For and on behalf of the Board of Directors

**Divyesh B. Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

**Ashok Sharma**  
Whole Time Director  
DIN: 00010912

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Mumbai, May 06, 2016

Mumbai, May 06, 2016

# Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016

## Note - 1

### Corporate Information:

Indiabulls Ventures Limited (“IBVL” or “the Company”) (formerly known as Indiabulls Securities Limited) carries on the business as stock and share brokers on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”); depository participants and other related ancillary services. The Group’s primary businesses are ‘Broking and Related activities’ and ‘Lease Rental activities’. Broking and related activities include business as a stock and share broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage / commission on sale of flats, and other related ancillary services relating to broker activities. Lease rental and related activities include business of developing, operating and maintaining of industrial parks. On February 1, 1996 IBVL received a certificate of registration from the Securities and Exchange Board of India (“SEBI”) under sub-section 1 of section 12 of the Securities and Exchange Board of India Act, 1992 to carry on the business as a stock broker. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and Rules and Regulations relating thereto are applicable to the Company. On April 2, 2008 the Equity shares of the Company were listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement.

Pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Incorporation) Rules, 2014 and subject to the approval of Registrar of Companies, NCT of Delhi and Haryana, the name of the Company has been changed from “Indiabulls Securities Limited” to “Indiabulls Ventures Limited” w.e.f. 12th March, 2015 to reflect various referral business activities carried on by the Company.

## Note - 2

### Significant Accounting Policies:

#### a) Basis of Consolidation:

The consolidated financial statements of the Company and its subsidiaries (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### b) Principles of Consolidation:

The consolidated financial statements relate to Indiabulls Ventures Limited (the ‘Company’) and its subsidiary companies (together the “Group”). The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2016.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

#### c) Goodwill / Capital Reserve on Consolidation:

Goodwill / Capital Reserve represents the difference between the Company’s share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company’s share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill on consolidation, if any. The Goodwill on consolidation is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may have been impaired. The Goodwill / Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.

#### d) Investments in Associates:

Investment in entities in which the Group has significant influence but not a controlling interest are reported according to the Equity method i.e. the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

e) Companies included in Consolidation:

Name of Subsidiaries (Ownership as on March 31, 2016)	Country of Incorporation	Year/Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Indiabulls Commodities Limited	India	April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
		April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
India Ethanol And Sugar Limited (Subsidiary of Indiabulls Commodities Limited)	India	April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
		April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
Devata Tradelink Limited	India	April 01, 2015 to March 31, 2016	100.00%	Sumit Mohit & Company
		April 01, 2014 to March 31, 2015	100.00%	Sumit Mohit & Company
Indiabulls Brokerage Limited	India	April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
		April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
Indiabulls Distribution Services Limited	India	April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
		April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
Auxesia Soft Solutions Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	Sumit Mohit & Company
		April 01, 2014 to March 31, 2015	100.00%	Sumit Mohit & Company
Pushpanjli Finsolutions Limited (formerly known as Pushpanjli Finsolutions Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited) (Subsidiary of Devata Tradelink Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited) (Subsidiary of Devata Tradelink Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		April 01, 2014 to March 31, 2015	100.00%	S A S & Co.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Name of Subsidiaries (Ownership as on March 31, 2016)	Country of Incorporation	Year/Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Shivshakti Financial Services Limited (formerly known as Shivshakti Financial Services Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		<i>April 01, 2014 to March 31, 2015</i>	<i>100.00%</i>	<i>S A S &amp; Co.</i>
Astraea Constructions Limited (formerly known as Astraea Constructions Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		<i>April 01, 2014 to March 31, 2015</i>	<i>100.00%</i>	<i>S A S &amp; Co.</i>
Silenus Buildtech Limited (formerly known as Silenus Buildtech Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		<i>April 01, 2014 to March 31, 2015</i>	<i>100.00%</i>	<i>S A S &amp; Co.</i>
Astilbe Builders Limited (formerly known as Astilbe Builders Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		<i>April 01, 2014 to March 31, 2015</i>	<i>100.00%</i>	<i>S A S &amp; Co.</i>
Pushpanjali Fincon Limited (formerly known as Pushpanjali Fincon Private Limited) (50% held by Arbutus Constructions Limited and 50% held by Gyansagar Buildtech Limited)	India	April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
		<i>April 01, 2014 to March 31, 2015</i>	<i>100.00%</i>	<i>S A S &amp; Co.</i>
India Land and Properties Limited (formerly known as India Land and Properties Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2015 to March 31, 2016	100.00%	Harish Mittal & Company
		<i>November 18, 2014 to March 31, 2015</i>	<i>100.00%</i>	<i>Harish Mittal &amp; Company</i>
Positive Housings Private Limited (Subsidiary of Auxesia Soft Solutions Limited)	India	April 01, 2015 to March 31, 2016	100.00%	Sumit Mohit & Company
		<i>February 04, 2015 to March 31, 2015</i>	<i>100.00%</i>	<i>Sumit Mohit &amp; Company</i>
Indiabulls Alternate Investments Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	February 10, 2016 to March 31, 2016	100.00%	Harish Mittal & Company

*(Previous year details are given in italics)*

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its independent financial statements.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

- f) Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share of profit or (loss)	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
<b>Parent Company</b>				
Indiabulls Ventures Limited	51.5933%	1,710,681,131	-10.9903%	(81,152,351)
<b>Subsidiary Companies</b>				
Indiabulls Commodities Limited	5.3669%	177,949,662	12.3902%	91,489,217
India Ethanol and Sugar Limited	0.0287%	950,515	-0.0480%	(354,833)
Devata Tradelink Limited	0.4284%	14,203,673	0.0230%	170,062
Indiabulls Brokerage Limited	0.7078%	23,470,498	0.0004%	2,587
Indiabulls Distribution Services Limited	-80.7416%	(2,677,152,667)	6.3594%	46,957,670
Auxesia Soft Solutions Limited	-18.0530%	(598,585,159)	-0.0674%	(497,433)
Pushpanjali Finsolutions Limited	-0.0061%	(203,577)	-0.2196%	(1,621,327)
Arbutus Constructions Limited	0.2857%	9,472,621	-0.0020%	(14,704)
Gyansagar Buildtech Limited	8.2432%	273,319,532	2.4936%	18,412,623
Shivshakti Financial Services Limited	20.1664%	668,657,185	5.0969%	37,635,817
Astraea Constructions Limited	0.0173%	575,471	-0.0105%	(77,258)
Silenus Buildtech Limited	0.0248%	823,646	-0.0066%	(48,414)
Astilbe Builders Limited	0.0242%	802,448	0.0017%	12,549
Pushpanjali Fincon Limited	2.7809%	92,205,785	-0.6644%	(4,906,072)
India Land and Properties Limited	88.8642%	2,946,476,001	85.7527%	633,199,949
Positive Housings Private Limited	20.2684%	672,040,551	-0.0437%	(322,790)
Indiabulls Alternate Investments Limited	0.0005%	16,680	-0.0654%	(483,320)
<b>Total</b>	<b>100%</b>	<b>3,315,703,996</b>	<b>100%</b>	<b>738,401,972</b>

- g) Use of Estimates:

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

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

h) Cash and Cash Equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

i) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

j) Revenue Recognition:

- Revenue from Securities Brokerage activities is accounted for on the trade date of the transaction.
- Income from Brokerage and commission on account of cross-selling of real estate products is recognised on an accrual basis when the services are determined to be completed, generally set out under the terms of contract/ agreements with respective customers.
- Income from fee based advisory services and consultancy is recognised on an accrual basis.
- Income from project management fee is recognised on accrual basis.
- Lease income from operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.
- Maintenance income is accounted on accrual basis upon rendering of services.
- Revenue from interest charged to customers on margin funding is recognised on a daily/ monthly basis up to the last day of accounting period.
- Depository income is accounted on an accrual basis as and when the right to receive the income is established. Annual Maintenance charges are recognised pro-rata over the period it is charged.
- Income from trading account maintenance is accounted on an accrual basis and when the right to receive the income is established.
- Revenue from interest on fixed deposits is recognised on an accrual basis.
- Commission on mutual funds is recognised on an accrual basis.
- Dividend income on Equity shares is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date.
- Dividend income on units of mutual funds is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date. Any gains/losses on sale / redemption of units are recognised on the date of sale / redemption.
- Interest income on Inter-Corporate Deposits is recognised on an accrual basis.
- Interest income on other deposits is recognised on an accrual basis.
- Interest Income from financing activities and others is recognised on an accrual basis.

k) Commercial Papers:

The liability is recognised at face value of the commercial paper at the time of issue of the commercial paper. The discount on issue of the commercial paper is amortised over the tenure of the instrument.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

l) Fixed Assets:

(i) Tangible Assets:

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

(ii) Intangible Assets:

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

(iii) Capital Work in Progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

m) Depreciation / Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction / scrapping, as the case may be. Assets costing ₹ 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of Membership Rights of the BSE Limited are amortised on a straight-line method basis over a period of five years from the date when the rights became available for use.

Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change pattern, if any.

n) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

o) Investments:

Investments are classified as long-term and current. Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

p) Foreign Currency Transactions and Translations:

Recognition & translation

i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

- ii. Monetary items denominated in foreign currencies at the year end are translated at year end exchange rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

### Exchange Differences

- i. Exchange differences arising on a monetary item that in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
- ii. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.
- iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognised as income or as expenses in the period in which they arise.

### q) Employee Benefits:

The Company has a defined contribution plan namely Provident Fund. Annual contribution to the Employees Provident Fund Organisation is charged to the Statement of Profit and Loss. The Company has unfunded / funded defined benefit plans namely gratuity and unfunded defined benefit plan namely long-term compensated absences for all eligible employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Actuarial gains / losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

### r) Deferred Employee Stock Compensation Cost:

The Company follows the intrinsic value method as per the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India for accounting for Employee Stock Options granted. Deferred employee stock compensation cost for stock options are recognised and measured by the difference between the intrinsic value of the Company's shares of the stock options at the grant date and the exercise price to be paid by the option holders. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purposes is measured on the basis of a fair valuation certified by an independent firm of Chartered Accountants in respect of the stock options granted.

### s) Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the provisions of the Income Tax Act, 1961.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

t) Leases:

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

u) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

v) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. All other borrowing costs are charged to the Statement of Profit and Loss.

w) Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segments.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

x) Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

y) Derivative Contracts:

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 3

#### Share Capital

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
<b>Authorised</b>				
Equity Shares of face value of ₹ 2 each	500,000,000	1,000,000,000	500,000,000	1,000,000,000
Preference Shares of face value of ₹ 4.61 each	25,000,000	115,250,000	25,000,000	115,250,000
		<b>1,115,250,000</b>		<b>1,115,250,000</b>
<b>Issued, subscribed and fully paid up</b> <sup>(i) to (v)</sup>				
Equity Shares of face value of ₹ 2 each fully paid up	292,869,542	585,739,084	261,223,081	522,446,162
The Company has only one class of Equity Shares having a face value of ₹ 2 per share. Each holder of Equity Share is entitled to one vote per share. The final dividend proposed by the Board of Directors if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
		<b>585,739,084</b>		<b>522,446,162</b>

- (i) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.
- (ii) Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares, less the fees and expenses payable under such Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the Deposited Shares. The GDRs may not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.
- (iii) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:**

	Equity Shares As at March 31, 2016		Equity Shares As at March 31, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Opening balance	261,223,081	522,446,162	231,112,511	462,225,022
Shares issued during the year by exercise of Employee Stock Option Plan	706,460	1,412,920	2,840,571	5,681,142
Shares issued during the year by exercise of Warrants	30,940,001	61,880,002	27,269,999	54,539,998
<b>Closing Balance</b>	<b>292,869,542</b>	<b>585,739,084</b>	<b>261,223,081</b>	<b>522,446,162</b>

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares of ₹ 2 each fully paid up</b>				
<b>Promoters and Promoter Group</b>				
Sameer Gehlaut	40,158,292	13.71%	34,171,089	13.08%
Orthia Properties Private Limited	39,981,305	13.65%	39,058,962	14.95%
<b>Public *</b>				
Rajiv Rattan	19,208,148	6.56%	17,330,253	6.63%
Saurabh K Mittal	8,296,886	2.83%	17,212,083	6.59%
	<u>107,644,631</u>	<u>36.75%</u>	<u>107,772,387</u>	<u>41.25%</u>

\* Consequent to the de-classification of the Promoters / Promoter Group Entities / Persons Acting in Concert with the Promoters (PACs) of the Company, intimated by the Company to the Exchanges on July 18, 2014, Mr. Rajiv Rattan, Priapus Land Development Private Limited, Inuus Constructions Private Limited, Mr. Saurabh K Mittal, Hespera Land Development Private Limited and Hespera Constructions Private Limited have ceased to be the Promoters / Promoter Group Entities / PACs of the Company, with effect from July 18, 2014 and their names shall not be included, as such, in any future correspondences / filings by the Company with the Stock Exchanges / other statutory authorities.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownerships of shares.

### (v) Shares reserved for issue under options:

- 15,384,894 Equity Shares (Previous year 6,713,404 Equity Shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 33).
- Nil Equity Shares (Previous year 30,940,001 Equity Shares) of face value of ₹ 2 each are reserved towards Share Warrants of the Company (Refer note - 5(i)).

Note - 4 Reserves and Surplus	As at	As at
	March 31, 2016 Amount (₹)	March 31, 2015 Amount (₹)
<b>Capital Reserve on Consolidation</b>		
Balance as per last Balance Sheet	228,490,531	76,188,608
Add : Effect of changes in Group's interest	—	152,301,923
Closing balance	<u>228,490,531</u>	<u>228,490,531</u>
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	370,036,184	370,036,184
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	361,761,473	18,046,690
Add : Premium on shares issued during the year	351,219,495	343,714,783
Closing Balance	<u>712,980,968</u>	<u>361,761,473</u>
<b>Foreign Currency Monetary Item Translation Difference Account <sup>(i)</sup></b>		
Opening Balance	12,898,516	11,711,656
Add : Additions during the year	4,740,188	3,218,166
Less: Amortised during the year	3,192,039	2,031,306
Less: Utilised during the year	892,771	—
Closing balance	<u>13,553,894</u>	<u>12,898,516</u>

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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<b>Reserve Fund (U/s 45-IC of RBI Act, 1934)</b>		
Balance as per last Balance Sheet	19,503,098	18,631,414
Add : Additions during the year	2,750,199	871,684
Closing balance	<u>22,253,297</u>	<u>19,503,098</u>
<b>General Reserve</b>		
Balance as per last Balance Sheet	419,755,476	419,755,476
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	1,252,402,665	800,371,006
Add: Profit for the year	738,401,972	1,506,383,012
<b>Amount available for appropriation (a)</b>	<b><u>1,990,804,637</u></b>	<b><u>2,306,754,018</u></b>
<b>Less: Appropriations :</b>		
Interim Dividend on Equity Shares	877,132,756	795,900,248
Corporate Dividend Tax on Interim Dividend on Equity Shares	148,027,120	174,344,124
Amount transferred during the year to Reserve Fund (U/s 45-IC of the RBI Act,1934)	2,750,199	871,684
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹ Nil (previous year ₹ 41,561,702) (Refer note - 15)	—	83,235,297
<b>Total Appropriations (b)</b>	<b><u>1,027,910,075</u></b>	<b><u>1,054,351,353</u></b>
<b>Balance of Profit Carried Forward (a)-(b)</b>	<b><u>962,894,562</u></b>	<b><u>1,252,402,665</u></b>
	<b><u>2,729,964,912</u></b>	<b><u>2,664,847,943</u></b>

- (i) Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items. Consequently, an amount of ₹ 13,553,894 (Previous year ₹ 12,898,516) is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on March 31, 2016, net of forex gain amounting to ₹ 3,192,039 (Previous year ₹ 2,031,306) amortised in the Statement of Profit and Loss and ₹ 892,771 (Previous year ₹ Nil) utilised towards the partial amount received from the Escrow Account.

### Note - 5

#### Money received against Share Warrants

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Money received against Share Warrants <sup>(i)</sup>	—	100,555,004
	—	<b><u>100,555,004</u></b>

- (i) The Board of Directors of the Company at their meeting held on October 21, 2013 and as approved at its Extra-Ordinary General Meeting held on November 20, 2013 have resolved to create, offer, issue and allot up to 58,210,000 warrants, convertible into 58,210,000 equity shares of ₹ 2/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 13/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on December 2, 2013 to the promoter, certain promoter entities, persons other than promoter and promoter group entity (erstwhile promoters and promoter group entities upto July 17, 2014) and to an executive director ("the warrant holders") and 25% application money amounting to ₹ 189,182,500/- was received from them. The warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before June 1, 2015. In the event the warrants are

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

not converted into equity shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. During the year ended March 31, 2015, the Company had allotted 27,269,999 Equity Shares on conversion of equivalent numbers of warrants to certain promoter group entities and an executive director on realisation of balance 75% towards these warrants. During the year ended March 31, 2016 the Company has allotted 20,111,217 Equity Shares on April 07, 2015 and 10,828,784 Equity Shares on April 10, 2015 on conversion of equivalent numbers of warrants to the warrant holders on realisation of balance 75% towards these warrants.

### Note - 6

#### Share application money pending allotment

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Share application money pending allotment (i)	—	10,948,776
	<u>—</u>	<u>10,948,776</u>

- (i) As at March 31, 2015, the Company had received an amount of ₹ 10,948,776/- towards share application money towards 629,240 Equity Shares of the Company at a premium of ₹ 15.40. The share application money was received pursuant to "Indiabulls Securities Limited Employees Stock Option Scheme - 2008" ("IBSL ESOP - 2008"). The Company has sufficient authorised capital to cover the allotment of these shares. Out of 629,240 Equity Shares applied, the Company has issued and allotted 555,660 Equity Share and refunded the application money amounting to ₹ 1,280,292 against balance 73,580 Equity Shares.

### Note - 7

#### Long-Term Borrowings

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>Term Loans</b>		
<b>Secured</b>		
From Banks <sup>(i) to (iii)</sup>	3,919,410,476	3,305,488,808
	<u>3,919,410,476</u>	<u>3,305,488,808</u>

- (i) Term loans of ₹ 4,776,575 are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 9% p.a. to 12% p.a. The term loans are repayable in equated monthly installments ranging for a period of 3 to 5 years.
- (ii) During the year ended March 31, 2016, the Company has taken Term loan facilities from Oriental Bank of Commerce:
- ₹ 394.18 crores had been disbursed during the year ending March 2016 out of Term Loan facility ₹ 405 crores
  - Term loan facility of ₹ 45 Crores has been sanction but no disbursement have been made Such loans are secured by hypothecation of respective assets as follows :
    - First exclusive charge upon all receivables (present and future) from tenants/ lessees in respect of commercial space at One Indiabulls Park, Chennai.
    - First Exclusive charge on all other movable and Immovable fixed assets of One Indiabulls Park, present and future.
    - First Exclusive charge on all escrow and Common Account Maintenance ( CAM ) charges accounts opened in relation to the facility.
  - Term Loan Facility of ₹ 405 crores is repayable in 144 equal monthly installments. Interest on loans 9.99% p.a. with monthly rests, and such interest is calculated on the amount of loan outstanding from time to time. The Tenure of this facility is 12 years
  - There is no continuing default as at March 31, 2016 in the repayment of the respective loan or interest amounts.
- (iii) During the previous year ended March 31, 2015, the Company had taken following term loan facilities from Indusind Bank:

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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- (1) Lease Rental Discounting Facility (LRD) of ₹ 1,500,000,000 (Outstanding as on March 31, 2016 ₹ Nil (previous year ₹ 1,500,000,000))
- (2) Loan Against Property Facility (LAP) of ₹ 1,850,000,000 (Outstanding as on March 31, 2016 ₹ Nil (previous year ₹ 1,850,000,000))

Such loans were secured by hypothecation of respective assets as follows:

- a) First exclusive charge upon all receivables (present and future) from tenants/ lessees in respect of commercial space at One Indiabulls Park, Chennai.
- b) First Exclusive charge on all other movable fixed assets of One Indiabulls Park, present and future for facilities aggregating ₹ 350 Crores
- c) First Exclusive charge by way of hypothecation of all current assets and non-current assets (including loans and advances given, whether short term or long term in nature), present & future of One Indiabulls Park, Chennai. Cash flows arising on account of realization of such current assets to be escrowed and charged to the Bank on exclusive basis.
- d) First Exclusive charge on all escrow and Common Account Maintenance ( CAM ) charges accounts opened in relation to the facility.

<b>Note - 8</b>		<b>As at</b>	<b>As at</b>
<b>Deferred Tax Liabilities (Net)</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
		<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Deferred Tax Liability:</b>			
Short Term Capital Gain (net)		—	13,146,687
	<b>(a)</b>	<b>—</b>	<b>13,146,687</b>
<b>Deferred Tax Asset:</b>			
Provision for doubtful debts and advances		—	996,853
Disallowances u/s. 43B of the Income-Tax Act, 1961		—	177,010
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961		—	848,478
Difference between book balance & tax balance of fixed assets		—	449,824
	<b>(b)</b>	<b>—</b>	<b>2,472,165</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>(a) - (b)</b>	<b>—</b>	<b>10,674,522</b>

<b>Note - 9</b>		<b>As at</b>	<b>As at</b>
<b>Other Long-Term Liabilities</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
		<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Others</b>			
Security deposits received (i)		525,030,150	194,961,719
Others - Amount received from Depository for GDR		99,786,644	99,786,644
		<b>624,816,794</b>	<b>294,748,363</b>

- (i) Security deposits collected by the company includes deposits in respect of operating leases for commercial infrastructure facility at One Indiabulls Park, Chennai. The deposits are repayable on completion of the lease tenure. In case of premature termination of the lease agreements by the lessee, certain contracts require the lessee to pay rentals for the unused portion of the lease.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 10</b> <b>Long-Term Provisions</b>	<b>As at</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>As at</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
Provision for Gratuity (Refer note - 34)	62,050,633	51,161,732
Provision for Compensated Absences (Refer note - 34)	18,878,426	13,104,473
Provision for Loan Assets	335,798	2,997,186
Contingent Provisions against Standard Assets	1,068,489	644,750
	<b>82,333,346</b>	<b>67,908,141</b>

<b>Note - 11</b> <b>Short-Term Borrowings</b>	<b>As at</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>As at</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
<b>Secured loans</b>		
From Banks <sup>(i)</sup>		
Bank Overdraft	9,583,769,511	5,183,163,293
Working Capital Loan	500,000,000	500,000,000
From Others <sup>(ii)</sup>		
Working Capital Loan	—	600,000,000
<b>Unsecured loans</b>		
From Banks		
Bank Overdraft	—	2,750,000,000
From Others		
Commercial Papers	5,000,000,000	3,500,000,000
(Maximum balance outstanding during the year ₹ 5,000,000,000 (Previous year ₹ 3,500,000,000))		
Inter Corporate Deposits	2,000,000,000	1,000,000,000
	<b>17,083,769,511</b>	<b>13,533,163,293</b>

(i) Bank overdraft amounting to ₹ 9,563,911,727 (Previous year ₹ 5,053,159,604) are secured against fixed deposit placed and ₹ 19,857,784 (Previous year ₹ 130,003,689) are secured against book debts placed with respective banks. Working capital loan amounting to ₹ 500,000,000 (Previous year ₹ 500,000,000) are secured against book debts and loans and advances placed with the Bank.

(ii) The secured loan from others as on March 31, 2015 amounting to ₹ 600,000,000 was secured against the investments in mutual funds (refer note - 21). The loan carried interest at the rate of 11.50% p.a.

<b>Note - 12</b> <b>Trade Payables</b>	<b>As at</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>As at</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
(a) Dues to Micro and Small Enterprises(i)	—	—
(b) Dues to Others	31,779,729	37,892,411
	<b>31,779,729</b>	<b>37,892,411</b>

(i) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

(a) An amount of ₹ Nil (Previous year ₹ Nil) and ₹ Nil (Previous year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of principal and interest respectively.

(b) No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006; no amount was paid to the supplier beyond the appointed date.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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- (c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
- (d) No amount of interest was accrued and unpaid at the end of the accounting year.
- (e) No amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the Auditors.

<b>Note - 13</b> <b>Other Current Liabilities</b>	<b>As at</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>As at</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
Current maturity of term loans (Refer note - 7 (i) to (iii))	27,124,715	57,094,763
Interest accrued but not due on working capital loan	2,634,949	4,162,020
Brokerage / depository income received in advance	4,315,546	3,759,513
Unclaimed dividends <sup>(i)</sup>	28,668,028	29,164,545
Margin from customers	588,055,671	614,371,830
Temporary overdrawn bank balances as per books	43,895,706	250,949,902
Others:		
Security deposit received (Refer note - 9(i))	876,498,158	23,149,538
Capital purchases	19,585,535	10,679,511
Current liabilities for expense provisions and statutory dues	369,117,433	368,306,843
Other payables <sup>(ii)</sup>	122,335,014	2,278,261,468
	<b>2,082,230,755</b>	<b>3,639,899,933</b>

- (i) In respect of amounts mentioned under Section 205(C) of the Companies Act, 1956, the Company has credited ₹ 3,817,245 (Previous year ₹ Nil) to the Investor Education and Protection Fund. Further, no dues were required to be credited to the Investor Education and Protection Fund as at March 31, 2016.
- (ii) Other payables as at March 31, 2015 includes balance amount payable on acquisition of shares of India Land and Properties Limited, a step down subsidiary by Indiabulls Distribution Services Limited, a Subsidiary of the Holding Company.

<b>Note - 14</b> <b>Short-Term Provisions</b>	<b>As at</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>As at</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
Provision for Gratuity (Refer note - 34)	2,196,095	1,892,789
Provision for Compensated Absences (Refer note - 34)	616,311	438,048
Provision for Taxation (net of advance tax ₹ 967,997,363, Previous year ₹ 477,502,666)	53,058,984	30,424,679
Provision for Corporate Dividend Tax on Interim Dividend on Equity Shares	—	29,991,176
Provision for Loan Assets	292,957	5,404,053
Contingent Provisions against Standard Assets	932,173	1,162,512
	<b>57,096,520</b>	<b>69,313,257</b>



## Consolidated Notes forming part of the financial statements

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<b>Note - 16</b>	<b>As at</b>	<b>As at</b>
<b>Goodwill on Consolidation</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Balance as per last Balance Sheet	1,086,426,249	31,977,072
Add : On acquisition of Subsidiaries <sup>(i)</sup>	130,292,865	1,054,449,177
Closing balance	<b>1,216,719,114</b>	<b>1,086,426,249</b>

(i) During the year ended March 31, 2015, the Company through Indiabulls Distribution Services Limited, a subsidiary of the Holding Company, had acquired 11,435,007 equity shares of India Land and Properties Limited ("ILPL") for a total consideration of ₹3,915,506,741 (Rupees Three Hundred Ninety One Crores Fifty Five Lacs Six Thousand Seven Hundred Forty One Only) pursuant to share purchase agreements (SPAs) executed with the erstwhile shareholders of ILPL. Accordingly, ILPL became the wholly owned subsidiary of the Company with effect from November 18, 2014. In terms of the SPAs, as amended from time to time, the Company was liable to discharge balance consideration of ₹ 2,278,261,468 (Rupees Two Hundred Twenty Seven Crores Eighty Two Lacs Sixty One Thousand Four Hundred Sixty Eight only) and the same has been appropriately discharged during the year ended March 31, 2016. Further, during the year ended March 31, 2016, in terms of the SPAs, the Company has paid an additional ₹ 130,292,865 to the erstwhile shareholders of the ILPL as additional cost. Consequently, the Company's investment in equity shares of ILPL stands increased to ₹ 4,048,116,267 as at March 31, 2016.

<b>Note - 17</b>	<b>As at</b>	<b>As at</b>
<b>Non-Current Investments</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Long-term - Trade - Unquoted (at cost unless otherwise stated)</b>		
Investments in Equity Instruments :		
130,000 (Previous year 130,000) fully paid up Equity Shares of face value of Re. 1 each in BSE Limited	10,000	10,000
Investments in Government or trust securities :		
Investment in 6 Years National Saving Certificate VIII Issue <sup>(i)</sup> (Including interest accrued thereon)	39,534	36,555
<b>Total</b>	<b>49,534</b>	<b>46,555</b>

(i) Investment in 6 Years National Saving Certificate (VIII Issue) is pledged with sales tax authorities.

<b>Aggregate market value of quoted investments</b>	—	—
<b>Aggregate book value of quoted investments</b>	—	—
<b>Aggregate book value of unquoted investments</b>	49,534	46,555
<b>Aggregate provision for diminution in value of investments</b>	—	—

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 18

#### Deferred Tax Assets (Net)

In compliance with Accounting Standard - 22 'Accounting for Taxes on Income', deferred tax (net) of ₹ 70,385,255 has been credited (Previous year debited ₹ 10,239,413) to the Statement of Profit and Loss for the year ended March 31, 2016. The breakup of deferred tax into major components is as under:

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>Deferred Tax Assets:</b>		
Provision for Doubtful Debts and Advances	18,498,849	16,910,772
Disallowances u/s. 43B of the Income-Tax Act, 1961	5,671,265	4,160,452
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	20,995,567	16,772,606
Difference between tax balance and book balance of fixed assets	51,527,089	52,368,442
Others	61,380,298	3,967,579
<b>(a)</b>	<b>158,073,068</b>	<b>94,179,851</b>
<b>Deferred Tax Liability:</b>		
Difference between book balance and tax balance of fixed assets	14,225,352	10,042,868
<b>(b)</b>	<b>14,225,352</b>	<b>10,042,868</b>
<b>Deferred Tax Asset (Net)</b>	<b>(a) - (b)</b>	<b>143,847,716</b>
		<b>84,136,983</b>

### Note - 19

#### Long-Term Loans and Advances

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>Unsecured</b>		
(a) Capital Advances		
Considered Good	37,736,712	13,601,811
(b) Security Deposits		
(i) Deposits (including margin money) with Exchanges (considered good)	35,493,489	41,705,631
(ii) Deposits with Others		
Considered Good	80,666,211	31,936,194
Considered Doubtful	5,981,902	4,573,557
	86,648,113	36,509,751
Less: Provision for Doubtful Deposits	5,981,902	4,573,557
	80,666,211	31,936,194
(c) Loan Notes, Escrow Receivable account and others <sup>(i)</sup>		
Considered Good	442,442,212	343,557,651
Considered Doubtful	1,522,303	1,222,303
	443,964,515	344,779,954
Less: Provision for Doubtful Advances	1,522,303	1,222,303
	442,442,212	343,557,651

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
(d) Advance Income Tax/ Tax Deducted At Source (Net of provision for tax ₹ 3,113,130; Previous year ₹ Nil)	206,170,777	—
(e) MAT credit entitlement (considered good)	113,531,048	5,053,459
	<b>916,040,449</b>	<b>435,854,746</b>

- (i) During the year ended March 31, 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 231,992,806 vide the Share Purchase Deed. Out of the total consideration of ₹ 231,992,806 receivable from Moody's Group UK LTD, ₹ 59,369,946 (excluding foreign exchange gain of ₹ 20,863,545) [Previous year ₹ 63,412,482 (excluding foreign exchange gain of ₹ 17,449,672)] is receivable as at the year ended March 31, 2016 in the form of Loan Notes and Escrow account of the Moody's Group UK LTD. During the year ended March 31, 2016, the Company had received partial amount of ₹ 5,407,531 (excluding foreign exchange gain of ₹ 1,364,995) [Previous year ₹ Nil] towards Escrow Account.

### Note - 20

#### Other Non-Current Assets

#### Unsecured, Considered Good

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Unamortised expenses - Ancillary borrowing cost	69,933,205	89,911,852
In fixed deposit accounts with Banks (Refer note - 23(i) & (ii))	28,003,689	77,475,177
Lease equalisation	80,463,421	—
	<b>178,400,315</b>	<b>167,387,029</b>

### Note - 21

#### Current Investments

#### Investments in Mutual Funds - Unquoted <sup>(i)</sup>

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
JM Arbitrage Advantage Fund - Bonus Option No. of units: Nil (Previous year : 69,772,347.434) NAV: NA (Previous year: ₹ 10.4644 per unit <sup>(ii)</sup> )	—	693,548,387
	—	<b>693,548,387</b>
<b>Aggregate market value of quoted investments</b>	—	—
<b>Aggregate book value of quoted investments</b>	—	—
<b>Aggregate book value of unquoted investments</b>	—	<b>693,548,387</b>
<b>Aggregate provision for diminution in value of investments</b>	—	—

- (i) The investment in Mutual Funds were under lien as security against short term borrowing.  
(ii) Acquired by way of bonus at NAV of ₹ Nil.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 22</b>	<b>As at</b>	<b>As at</b>
<b>Trade Receivables</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Unsecured	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Outstanding for a period exceeding six months		
Considered Good	1,425,294,774	1,038,567,017
Considered Doubtful	46,293,967	46,293,967
	<u>1,471,588,741</u>	<u>1,084,860,984</u>
Less: Provision for Doubtful Debts	46,293,967	46,293,967
	<u>1,425,294,774</u>	<u>1,038,567,017</u>
Others		
Considered Good	1,752,657,411	1,442,961,902
	<u><b>3,177,952,185</b></u>	<u><b>2,481,528,919</b></u>

<b>Note - 23</b>	<b>As at</b>	<b>As at</b>
<b>Cash and Cash Equivalents</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Cash on Hand	317,363	153,800
Balance with Banks		
- in Current Accounts	333,533,504	599,025,483
- in fixed deposits with original maturity of less than three months <sup>(i)</sup>	6,540,124,419	4,980,000,000
	<u>6,873,657,923</u>	<u>5,579,025,483</u>
Other bank balances		
Deposit accounts		
- in Fixed Deposit Accounts having original maturity of more than twelve months <sup>(i) &amp; (ii)</sup>	1,291,513,305	751,512,281
- in Fixed Deposit Accounts having original maturity upto twelve months <sup>(i)</sup>	143,790,000	534,098,208
In earmarked accounts		
- in unpaid dividend account	28,668,028	29,164,545
	<u>1,463,971,333</u>	<u>1,314,775,034</u>
	<u><b>8,337,946,619</b></u>	<u><b>6,893,954,317</b></u>

(i) Fixed deposits includes:

- a. ₹ 563,750,000 (Previous year ₹ 614,050,000) pledged with the banks against bank guarantees issued by banks for base capital and additional base capital to National Stock Exchange of India, BSE Limited, National Securities Clearing Corporation Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited.
- b. ₹ 62,500,000 (Previous year ₹ 12,500,000) pledged with National Stock Exchange of India, BSE Limited, National Securities Clearing Corporation Limited, Multi Commodity Exchange of India Limited and National Commodity & Derivatives Exchange Limited for the purpose of base capital and additional base capital.
- c. ₹ 6,944,700,000 (Previous year ₹ 5,424,700,000) pledged with banks for overdraft facilities.
- d. ₹ 8,791,408 (Previous year ₹ 11,154,481) pledged for arbitration matters.
- e. ₹ 190,000 (Previous year ₹ 190,000) pledged with VAT / Sales Tax Authorities.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

- f. ₹ 25,000 (Previous year ₹ 25,000) pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.
- g. The Company has maintained the Debt Service Reserve Account (DSR) with the bank from whom the Company has borrowed the money for the business purpose. An amount equal to one month (previous year - three months) interest on each disbursement under the term loan is being transferred directly by the lender to the DSR Account out of the proceeds of such disbursement. The Company is required to maintain and operate this account during the entire tenure of the facility. As at March 31, 2016, the outstanding balance in DSR Account for ₹ 34,613,487 (previous year ₹ 115,000,000) and DSR account for negative cash flow is ₹ 30,909,143 and is included in the balances lying in Fixed Deposit Accounts.
- h. ₹ 10,825,000 (Previous year ₹ 108,445,270) pledged with the bank against bank guarantees issued by bank to Chennai Metropolitan Development Authority.
- i. ₹ 14,219,231 (Previous year ₹ 10,950,000) pledged with NSE and ₹ 4,545,732 (Previous year ₹ 3,500,000) pledged with National Securities Clearing Corporation Limited (NSCCL) for surrender of membership of the NSE by Indiabulls Brokerage Limited, a wholly owned subsidiary company.

As per the revised surrender norms of the NSE these fixed deposits shall be released after three years from the date of issue of public notification or on receipt of confirmation from the Securities and Exchange Board of India (SEBI) regarding cancellation of registration whichever is later, subject to fulfillment of all dues under Rules/Regulations/Bye-Laws of the NSE/NSCCL and circulars issued thereunder, including arbitration awards and valid investors/other grievances/claims against the member. Subsequent to the year ended March 31, 2016, the NSE vide its letters dated April 4, 2016 confirmed the release of payment of the aforesaid fixed deposits in favour of the Company. On April 7, 2016, the proceeds of the aforesaid fixed deposits, including interest accrued thereon were credited to the Company's bank account.

- (ii) Balances with banks include deposit of ₹ 16,087,281 (Previous year ₹ 262,281) with remaining maturity of more than twelve months from balance sheet date.

### Note - 24

#### Short-Term Loans and Advances

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
(a) Inter-Corporate Deposits (Unsecured, Considered Good)	324,731,277	1,313,000,000
(b) Margin Funding Loan Receivables (Secured, Considered Good)	12,289,939	19,232,297
Less: Margin received	3,382,823	3,804,384
	8,907,116	15,427,913
(c) Security Deposits (Unsecured Considered Good)	6,398,726,189	4,300,256,399
(d) Deposits (including margin money) with stock exchanges, (unsecured, considered good)	—	40,000,000
(e) Prepaid Expenses, Cenvat Credit Receivable and Others (Unsecured, Considered Good)	103,198,821	318,355,947
(f) Advance Income Tax / Tax Deducted At Source (Net of provision for tax ₹ 375,391,308; Previous year ₹ 690,372,442)	219,651,332	253,499,822
(g) Other Loan Given (Unsecured, Considered Good)	95,200,874	256,668,691
	<b>7,150,415,609</b>	<b>6,497,208,772</b>

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 25</b>	<b>As at</b>	<b>As at</b>
<b>Other Current Assets</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Others		
Interest Accrued on Fixed Deposits	24,278,545	27,890,899
Interest accrued on Loans	173,173,562	122,490,794
Interest Receivable on Other Deposits	—	37,500,821
Other receivable	59,494,256	41,832,132
Unamortised expenses - Ancillary borrowing cost	19,978,648	20,033,384
Lease equalisation	49,163,127	—
	<b>326,088,138</b>	<b>249,748,030</b>

<b>Note - 26</b>	<b>For the Year ended</b>	<b>For the Year ended</b>
<b>Revenue from operations</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Sale of Services <sup>(i)</sup>	3,081,019,199	3,101,068,712
(b) Other Operating Revenues <sup>(ii)</sup>	683,758,240	252,500,110
	<b>3,764,777,439</b>	<b>3,353,568,822</b>
(i) Sale of Services includes :		
Brokerage Income	2,287,860,759	2,731,332,528
Interest on Margin Funding / Delayed Payments	56,311,316	61,604,301
Interest from Financing Activities	87,945,843	41,536,218
Income from Depository Services	63,564,467	82,781,834
Rental income (Refer note - 37)	439,191,991	98,364,637
Maintenance income	93,313,191	29,730,071
Other Charges including Transaction Charges	28,990,981	31,214,372
Stamp Duty Charges	23,840,651	24,504,751
	<b>3,081,019,199</b>	<b>3,101,068,712</b>
(ii) Other Operating Revenues includes :		
Interest on Deposits	160,387,697	135,940,370
Consultancy Fees and Advisory Income	519,532,496	111,789,506
Income from IPO commission, Mutual Funds commission, Account Opening and other Miscellaneous Income	3,838,047	4,770,234
	<b>683,758,240</b>	<b>252,500,110</b>

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 27</b>		
<b>Other income</b>	<b>For the Year ended</b>	<b>For the Year ended</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Interest Income		
Interest Income from Inter-Corporate Deposits	108,754,495	66,951,546
Interest Income from Income Tax Refund	6,622,483	4,110,621
	<u>115,376,978</u>	<u>71,062,167</u>
Dividend Income		
Dividend Income on Other Long-Term Investments	1,105,000	9,791,866
Dividend Income on Current Investments	1,935,501	3,383,628
	<u>3,040,501</u>	<u>13,175,494</u>
Other Non-Operating Income		
Excess Provision for incentives and other expenses no longer required written back	9,463,098	31,578,288
Sundry Credit Balances written back	9,752,449	2,223,886
Gain on Foreign Exchange Fluctuations (Refer note - 4(i))	4,123,491	2,031,306
Bad Debt Recovered	32,718,753	3,238,395
Profit on Sale of Current Investments	75,894,082	72,072,908
Profit on Sale of Assets	65,408,931	62,224,848
Profit on Sale of Long Term Investments	—	469,659,902
Profit on sale/ scrapping of fixed assets	732,225	534,575
Miscellaneous Income	15,007,707	1,426,683
	<u>213,100,736</u>	<u>644,990,791</u>
	<b><u>331,518,215</u></b>	<b><u>729,228,452</u></b>

<b>Note - 28</b>		
<b>Operating expenses</b>	<b>For the Year ended</b>	<b>For the Year ended</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Stamp Duty	25,143,414	29,499,660
Demat Charges	3,015	3,000
SEBI Charges	1,761,672	1,892,823
Commission	213,917,270	240,688,762
Depository Charges	6,186,877	6,641,194
Transaction Charges	25,528,182	27,945,517
Membership Fees	2,789,950	1,138,291
Web Hosting Expenses	9,269,259	9,067,513
VSAT Charges	785,568	1,101,909
Leased Line Expenses	5,577,079	5,330,678
Content Expenses	900,759	1,087,338
Software Expenses	2,224,856	2,374,325
	<u>294,087,901</u>	<u>326,771,010</u>

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 29</b> <b>Employee benefits expense</b>	<b>For the Year ended</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>For the Year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
Salaries	838,781,545	692,260,895
Contribution to Provident Fund and Other Funds	4,599,175	3,555,920
Staff Welfare Expenses	15,489,019	8,293,556
Provision for Gratuity and Compensated Absences (Refer note - 34)	26,913,589	20,850,997
	<b>885,783,328</b>	<b>724,961,368</b>

<b>Note - 30</b> <b>Finance costs</b>	<b>For the Year ended</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>For the Year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
Bank Charges	32,271,316	12,582,060
Interest on Inter-Corporate Deposits	599,108,635	209,787,746
Interest on Bank Overdraft	89,796,449	52,384,519
Interest on Working Capital Loan	42,825,616	13,882,534
Interest on Short Term Loans	49,785,245	71,724,102
Interest On Term Loan	342,699,187	1,120,548
Interest on Vehicle Loans	842,330	1,504,002
Interest on Commercial Papers	309,059,502	221,995,390
Interest on Taxes	18,158,866	21,713,070
	<b>1,484,547,146</b>	<b>606,693,971</b>

<b>Note - 31</b> <b>Other expenses</b>	<b>For the Year ended</b> <b>March 31, 2016</b> <b>Amount (₹)</b>	<b>For the Year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>
Lease Rent (Refer note - 37)	79,273,822	99,721,469
Rates and Taxes	16,011,385	27,114,957
Electricity Expenses	30,762,982	19,562,300
Insurance	3,861,807	655,506
Communication Expenses	17,797,252	20,221,114
Professional Charges	34,977,669	13,006,448
Travelling & Conveyance	21,676,611	16,685,606
Printing and Stationery	9,848,688	11,656,316
Office Maintenance	19,219,014	20,469,660
Repairs and Maintenance - Others	71,452,333	31,229,518
Business Promotion	32,904,207	20,712,948

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Note - 31 Other expenses (Continued)	For the Year ended March 31, 2016 Amount (₹)	For the Year ended March 31, 2015 Amount (₹)
Payment to Statutory Auditors' (Net of Service Tax of ₹ 620,600 Previous year ₹ 504,597)		
- For Statutory Audit	3,340,000	3,057,500
- For Tax Audit	75,000	75,000
- For Certification	500,000	500,000
- Reimbursement of Expenses	450,000	450,000
Loss on Erroneous Transactions (net) (Refer note - 40)	24,365	43,934
Donation (Refer note - 39)	22,460,000	15,133,000
Contingent Provisions	66,689,404	49,300,000
Provision for Doubtful Debts, Advances and Security Deposits	1,714,982	408,900
Bad Debts / advances written off	1,350,805	17,458,585
Less : Adjusted against provision of earlier years	6,637	16,315,316
	1,344,168	1,143,269
Miscellaneous Expenses	976,468	864,051
	<b>435,360,157</b>	<b>352,011,496</b>

### Note - 32

#### A. Contingent liabilities not provided for in respect of:

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
- Claims against the Company not acknowledged as debts in respect of:		
Penalty for synchronised trading under SEBI regulations <sup>(i)</sup>	1,500,000	1,500,000
Court Cases <sup>(ii)</sup>	5,918,966	9,829,313

- (i) During the year ended March 31, 2011, the Securities Appellate Tribunal ("SAT") had passed an order dated October 26, 2010 in favour of the Company setting aside the penalty imposed by SEBI. However, during the year ended March 31, 2012, SEBI had preferred an appeal at the Honourable Supreme Court of India against the judgment of the SAT. The matter is pending adjudication.
- (ii) The Company is involved in various legal proceedings as respondents / defendants for various claims including those related to conduct of its business. In respect of these claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements / position.

#### B. Commitments :

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
- Capital Commitments for purchase of fixed assets	2,114,131,162	2,515,528,096

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 33

#### Employee Stock Option Schemes:

##### a) Employees Stock Option Scheme - 2008

Pursuant to a resolution passed by the Shareholders on January 19, 2009, the Company had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock options and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Securities Limited Employees Stock Option Scheme - 2008"), 20,000,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 17.40, being the latest available closing market price on the National Stock Exchange of India Ltd., as on January 23, 2009 following the intrinsic method of accounting as is prescribed in the Guidance Note on Accounting for Employees Share-Based Payments ("the Guidelines") issued by the Institute of Chartered Accountants of India. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

S. No.	Particulars	IBSL ESOP - 2008
1	Exercise price	₹ 17.40
2	Expected volatility	79.00%
3	Expected forfeiture percentage on each vesting date	Nil
4	Option Life (Weighted Average)	11 Years
5	Expected Dividends yield	22.99%
6	Risk Free Interest rate	6.50%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		Re. 0.84

The expected volatility was determined based on historical volatility data.

##### b) Employees Stock Option Scheme - 2009

The Shareholders of the Company at their Annual General Meeting held on September 30, 2009 have authorised the Board of Directors to grant 20,000,000 options, representing equivalent number of Equity Shares of face value ₹ 2 each in one or more tranches, pursuant to an Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009"). The options covered under the Scheme would be granted at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

The Compensation Committee constituted by the Board of Directors of the Company, at its meeting held on December 1, 2009, granted, under the IBVL ESOP - 2009 10,000,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., on November 30, 2009. The Stock Options so granted, shall vest uniformly over 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on April 12, 2010, granted, under the IBVL ESOP - 2009 2,050,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., on April 9, 2010. The Stock Options so granted, shall vest uniformly over 10 years beginning from April 13, 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on August 25, 2015, regranted under the IBVL ESOP - 2009 1,00,00,000 Stock Options (i.e., surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of ₹ 2/- each in the Company, at an exercise price of ₹ 27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from August 26, 2016, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

S. No.	Particulars	IBVL ESOP – 2009		
		10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted
1	Exercise price	₹ 35.25	₹ 31.35	₹ 27.45
2	Expected volatility	77.00%	48.96%	38.59%
3	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
4	Option Life (Weighted Average)	10 Years	10 Years	7 Years
5	Expected Dividends yield	13.48%	6.86%	9.16%
6	Risk Free Interest rate	7.50%	8.05%	6.50%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		₹ 6.48	₹ 9.39	₹ 4.77

The expected volatility was determined based on historical volatility data.

Had the compensation cost for the stock options granted under the IBSL ESOP - 2008 and IBSL ESOP - 2009 been determined based on the fair value approach, the Company's net profit and Basic/Diluted earnings per Equity Share would have been as per the pro forma amounts indicated below:

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit attributable to Equity Shareholders (₹) (Refer note - 38)	738,401,972	1,506,383,012
Less: Stock-based compensation expense determined under the fair value based method (₹): [Gross ₹ 16,638,640 (Previous Year ₹ 16,589,166)] (pro forma)	835,588	867,622
Net Profit considered for computing Earnings per Equity Share (₹) (pro forma)	737,566,384	1,505,515,390
<b>Basic / Diluted Earnings Per Equity Share:</b>		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	291,937,356	258,749,486
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	1,528,205	2,957,646
Add: Potential number of Equity Shares that could arise on exercise of Warrants	274,685	17,638,846

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Weighted average number of Equity Shares used for computing Diluted Earnings per Equity Share	293,740,246	279,345,978
Basic earnings per Equity Share (₹) (as reported)	2.53	5.82
Basic earnings per Equity Share (₹) (pro forma)	2.53	5.82
Diluted earnings per Equity Share (₹) (as reported)	2.51	5.39
Diluted earnings per Equity Share (₹) (pro forma)	2.51	5.39

The other disclosures in respect of the above Stock Option Schemes are as under:

	IBVL ESOP - 2008	IBVL ESOP - 2009		
<b>Total Options under the Scheme (Nos.)</b>	<b>20,000,000</b>	<b>20,000,000</b>		
Options granted (Nos.)	20,000,000	10,000,000	2,050,000	10,000,000 (Regrant)
Vesting Period and Percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years
Vesting Date	January 25th each year, commencing January 25, 2010	December 2nd each year, commencing December 2, 2010	April 13th each year, commencing April 13, 2011	August 24th each year, commencing August 24, 2016
Exercise Price (₹)	17.40	35.25	31.35	27.45
Outstanding at the beginning of the year (Nos.)	6,213,404	-	500,000	-
Options vested during the year (Nos.)*	915,808	-	50,000	-
Exercised during the year (Nos.)	706,460	-	-	-
Expired during the year (Nos.)	281,900	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	340,150	-	-	-
Outstanding at the end of the year (Nos.)	4,884,894	-	500,000	10,000,000
Exercisable at the end of the year (Nos.)	2,599,127	-	250,000	-
Remaining contractual Life (Weighted Months)	58	-	54	89

\* Net of options surrendered before vesting.

### Note - 34

#### Employee Benefits:

Provident Fund, Gratuity and Long-Term Compensated Absences - disclosures as per Accounting Standard - 15 (Revised) - 'Employee Benefits':

Contributions are made to Government Provident Fund and Family Pension Fund and other statutory funds which cover all regular employees eligible under the respective acts. Both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of ₹ 3,652,238 (Previous year ₹ 2,634,578) towards Employer's Contribution for the above mentioned funds.

Provision for unfunded / funded Gratuity and Compensated Absences for eligible employees is based on an actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains / losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Disclosures in respect of Gratuity and Compensated Absences:

(Amount in ₹)

Particulars	Gratuity (funded) * 2015-16	Gratuity (funded) * 2014-15	Gratuity (unfunded) 2015-16	Gratuity (unfunded) 2014-15	Compensated Absences (unfunded) 2015-16	Compensated Absences (unfunded) 2014-15
<b>Reconciliation of Liability recognised in the Balance Sheet :</b>						
Present Value of Commitments (as per Actuarial valuation)	3,107,781	1,810,658	61,138,947	51,243,863	19,494,737	13,542,521
Fair Value of Plans	(1,132,837)	(1,045,535)	-	-	-	-
Net Liability in the Balance Sheet (as per Actuarial valuation)	1,974,944	765,123	61,138,947	51,243,863	19,494,737	13,542,521
<b>Movement in net Liability recognised in the Balance Sheet :</b>						
Net Liability as at beginning of the year	1,810,658	-	51,243,863	40,025,926	13,542,521	11,543,385
Amount Paid during the year	-	-	10,070,339	7,775,458	164,295	492,453
Net expense / (gain) recognised in the Statement of Profit and Loss	526,691	203,910	20,255,139	18,993,395	6,083,719	1,653,690
Actual return on plan assets	87,302	-	-	-	-	-
Acquired on consolidation / Acquisition adjustment on transfer of employees	683,130	1,606,748	(289,716)	-	32,792	837,899
Contribution during the year	-	-	-	-	-	-
Net Liability as at end of the year	3,107,781	1,810,658	61,138,947	51,243,863	19,494,737	13,542,521
<b>Expense recognised in the Statement of Profit and Loss :</b>						
Current Service Cost	530,397	232,145	8,898,690	7,199,410	3,421,602	2,617,603
Past Service Cost	-	-	-	-	-	-
Interest Cost	149,379	48,379	4,422,833	3,637,695	1,147,657	1,130,483
Expected return on plan assets	(94,098)	(33,688)	-	-	-	-
Actuarial losses / (gains)	(58,987)	(42,926)	6,933,616	8,156,290	1,514,460	(2,094,396)
Expense charged / (reversal) to the Statement of Profit and Loss	526,691	203,910	20,255,139	18,993,395	6,083,719	1,653,690
<b>Return on plan assets :</b>						
Acquired on consolidation during the year	-	59,749	-	-	-	-
Expected return on plan assets	94,098	35,929	-	-	-	-
Actuarial losses / (gains)	(6,796)	(1,270)	-	-	-	-
Actual return on plan assets	87,302	94,408	-	-	-	-

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

(Amount in ₹)

Particulars	Gratuity	Gratuity	Gratuity	Gratuity	Compensated	Compensated
	(funded) * 2015-16	(funded) * 2014-15	(unfunded) 2015-16	(unfunded) 2014-15	Absences (unfunded) 2015-16	Absences (unfunded) 2014-15
<b>Reconciliation of defined-benefit Commitments :</b>						
Commitments as at beginning of the year	1,810,658	-	51,243,863	40,025,926	13,542,521	11,543,385
Current Service Cost	530,397	232,145	8,898,690	7,199,410	3,421,602	2,617,603
Past Service Cost	-	-	-	-	-	-
Interest Cost	149,379	48,379	4,422,833	3,637,695	1,147,657	1,130,483
Acquired on consolidation / Acquisition adjustment on transfer of employees	683,130	1,606,748	(289,716)	-	32,792	837,899
Paid benefits	-	-	(10,070,339)	(7,775,458)	(164,295)	(492,453)
Expected return on plan assets	-	(33,688)	-	-	-	-
Actuarial losses / (gains)	(65,783)	(42,926)	6,933,616	8,156,290	1,514,460	(2,094,396)
Commitments as at end of the year	3,107,781	1,810,658	61,138,947	51,243,863	19,494,737	13,542,521
<b>Reconciliation of plan assets :</b>						
Plan assets as at beginning of the year	1,045,535	-	-	-	-	-
Acquired on consolidation during the year	-	1,010,876	-	-	-	-
Expected return on plan assets	94,098	35,929	-	-	-	-
Contributions during the year	-	-	-	-	-	-
Paid benefits	-	-	-	-	-	-
Actuarial losses / (gains)	(6,796)	(1,270)	-	-	-	-
Plan assets as at end of the year	1,132,837	1,045,535	-	-	-	-

\* Represents funded defined benefit plan on acquisition during the previous year.

(Amount in ₹)

Experience adjustment:	Gratuity (Funded and Unfunded)				
	2015-16	2014-15	2013-14	2012-13	2011-12
On plan liabilities ((losses) /gains))	(4,297,270)	(5,939,583)	(9,018,049)	(3,698,836)	2,270,722
On plan assets (gains/ (losses))	(6,796)	(3,458)	-	-	-
Present value of benefit obligation	64,246,728	53,054,521	40,025,926	42,597,506	40,942,576
Fair value of plan assets	1,132,837	1,045,535	-	-	-
Excess of obligation over plan assets / (plan assets over obligation)	63,113,891	52,008,986	40,025,926	42,597,506	40,942,576

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

(Amount in ₹)

Experience adjustment:	Compensated Absences (Unfunded)				
	2015-16	2014-15	2013-14	2012-13	2011-12
On plan liabilities (gains / (losses))	(924,277)	80,297	80,297	9,703,942	9,934,485
On plan assets (gains/ (losses))	-	-	-	-	-
Present value of benefit obligation	19,494,737	13,542,521	11,543,325	12,730,680	14,554,821
Fair value of plan assets	-	-	-	-	-
Excess of obligation over plan assets / (plan assets over obligation)	19,494,737	13,542,521	11,543,325	12,730,680	14,554,821

The actuarial calculations used to estimate commitments and expenses in respect of unfunded Gratuity and Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate		
Gratuity and Compensated Absences	8.00%	8.25%
Expected return on plan assets	8.35%	9.00%
Expected rate of salary increase	5.00%	5.00%
Mortality	IALM (2006-08)	IALM (2006-08)

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet Date, towards Gratuity and Compensated Absences are ₹ 19,109,955 (Previous Year ₹ 17,227,524) and ₹ 5,899,511 (Previous Year ₹ 4,092,486) respectively.

### Note - 35

#### Segment Reporting:

Segment information for the year ended March 31, 2016 as per Accounting Standard 17 - 'Segment Reporting':

(a) Primary segment information (by Business Segments): (Amount in ₹)

	Broking & related activities	Lease Rentals & related activities	Other Operations	Total
(i) Segment Revenue	3,122,034,540 3,176,725,437	551,629,791 133,042,880	91,113,108 43,800,505	3,764,777,439 3,353,568,822
(ii) Segment Results	1,706,266,617 1,864,871,018	277,718,993 26,154,484	41,641,190 (10,646,445)	2,025,626,800 1,880,379,057
Add: Unallocated Income net of other Unallocated Expenditure				194,118,964 654,609,938
Less: Interest expenditure				1,452,275,830 594,111,911
Less: Income taxes				29,067,962 434,494,072
Less: Minority Interest				- -
Total Profit after tax				738,401,972 1,506,383,012

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

(Amount in ₹)

	Broking & related activities	Lease Rentals & related activities	Other Operations	Total
(iii) Segment Assets	11,280,176,113	7,440,082,010	671,799,197	19,392,057,320
Unallocated Corporate Assets	<i>8,211,422,809</i>	<i>7,517,861,730</i>	<i>564,367,101</i>	<i>16,293,651,640</i>
Total Assets				7,805,083,807
				<i>7,964,234,973</i>
				27,197,141,127
				<i>24,257,886,613</i>
(iv) Segment Liabilities	9,669,041,911	7,011,698,457	3,377,442	16,684,117,810
Unallocated Corporate Liabilities	<i>6,883,298,308</i>	<i>7,238,363,778</i>	<i>10,880,764</i>	<i>14,132,542,850</i>
Total Liabilities				7,197,319,321
				<i>6,826,545,878</i>
				23,881,437,131
				<i>20,959,088,728</i>
(v) Capital Expenditure including Capital Advances Given (net)	53,136,517	277,167,049	49,866	330,353,432
Unallocated Capital Expenditure including Capital Advances	<i>(59,726,130)</i>	<i>20,493,435</i>	-	<i>(39,232,695)</i>
Total Capital Expenditure including Capital Advances				(1,631,632)
				<i>81,215,060</i>
				328,721,800
				<i>41,982,365</i>
(vi) Depreciation and Amortisation	49,025,522	176,389,180	123,067	225,537,769
Unallocated Depreciation and Amortisation	<i>53,279,031</i>	<i>66,053,676</i>	<i>136,764</i>	<i>119,469,471</i>
Total Depreciation and Amortisation				3,509,419
				<i>12,012,874</i>
				229,047,188
				<i>131,482,345</i>
(vii) Non cash expenditure other than Depreciation	16,759,226	-	66,737,119	83,496,345
Unallocated Non cash expenditure other than Depreciation	<i>12,889,906</i>	-	<i>49,635,390</i>	<i>62,525,296</i>
Non cash expenditure other than Depreciation				3,396,632
				<i>910,018</i>
				86,892,977
				<i>63,435,314</i>

(Previous year's figures are stated in Italics)

- (b) The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- (c) The Company's primary business segments are reflected based on principal business activities carried on by the Company. The Company's primary businesses are 'Broking and Related activities' and 'Lease Rentals & Related activities'. Broking and related activities include business as a stock and share broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage/commission on sale of flats, and other related ancillary services relating to broking activities. Lease rental and related activities include business of developing, operating and maintaining of industrial parks.
- (d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (e) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note - 2 .

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 36

#### Related Party Disclosures :

Disclosures in respect of Accounting Standard - 18 'Related Party Disclosures':

#### (a) Detail of related parties :

<u>Nature of Relationship</u>	<u>Name of the Party</u>
Key Management Personnel	Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer
	Mr. Ashok Sharma, Whole Time Director
	Mr. Sameer Gehlaut, Dominant Promoter
	Mr. Rajiv Rattan, Dominant Promoter (upto July 17, 2014) [Refer note - 3 (iv)]
	Mr. Saurabh K. Mittal, Dominant Promoter (upto July 17, 2014) [Refer note - 3 (iv)]

#### (b) Significant transactions with Related Parties during the year ended March 31, 2016: (Amount in ₹)

Nature of Transaction	Key Management Personnel	Total
<b>Expenses</b>		
Remuneration	41,079,996	41,079,996
	<i>31,599,996</i>	<i>31,599,996</i>
<b>Finance</b>		
Money received against ESOP	-	-
	<i>6,525,000</i>	<i>6,525,000</i>
Money received against conversion of Share Warrants	73,000,229	73,000,229
	<i>24,375,000</i>	<i>24,375,000</i>

(Previous year's figures are stated in Italics)

#### (c) Statement of Material Transactions :

Particulars	Year ended March 31, 2016 Amount (₹)	Year ended March 31, 2015 Amount (₹)
<b>Money received against conversion of Share Warrants</b>		
- Mr. Sameer Gehlaut	58,375,229	-
- Mr. Divyesh B. Shah	14,625,000	24,375,000
<b>Money received against ESOP</b>		
- Mr. Ashok Sharma	-	6,525,000
<b>Remuneration</b>		
- Mr. Divyesh B. Shah	41,079,996	31,599,996

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

**(d) Outstanding as at March 31, 2016:**

(Amount in ₹)

Nature of Transaction	Key Management Personnel	Total
<b>Money received against Share Warrants</b>		
- Mr. Sameer Gehlaut	- 19,458,410	- 19,458,410
- Mr. Divyesh B. Shah	- 4,875,000	- 4,875,000
<b>Money received against ESOP</b>		
- Mr. Ashok Sharma	- 1,305,000	- 1,305,000

*(Previous year's figures are stated in Italics)*

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

**Note - 37**

**Leases**

**Lease Expenses**

The Company has taken office premises on operating lease at various locations in India and lease rent in respect of the same amounting to ₹ 79,273,822 (Previous year ₹99,721,469) has been charged to the Statement of Profit and Loss. The minimum lease rental outstanding are as under:

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Future minimum lease payments		
not later than one year	78,028,279	50,900,657
later than one year and not later than five years	224,376,630	69,652,313
later than five years	21,165,654	34,015,154

The agreements are executed for a period ranging from 11 months to 10 years with a renewable clause and in many cases, also provide for termination at will by either party giving a prior notice period between 30 to 90 days.

**Lease Income**

The Company's significant leasing arrangements are in respect of operating leases given for commercial premises:

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Class of Asset	One Indiabulls Park	
Gross Carrying amount	4,922,631,566	4,920,860,331
Accumulated Depreciation	830,372,383	654,407,486
Depreciation recognised in the Statement of Profit and Loss	175,636,462	64,384,311

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

**Future minimum lease rentals expected to receive under non-cancellable leases are as given below:**

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
not later than one year	342,992,396	275,518,853
later than one year and not later than five years	974,332,458	385,434,282
later than five years	—	—

**Note - 38**

**Earnings per Equity Share (EPS) :**

Disclosure in respect of Accounting Standard - 20 'Earnings Per Share':

The basic earnings per Equity Share is computed by dividing the net profit/(loss) attributable to Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the reporting year. Diluted earnings per Equity Share is computed by considering the weighted average number of Equity Shares and also the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares. The dilutive potential Equity Shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential Equity Shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of Equity Shares and potential dilutive Equity Shares are adjusted for the potential dilutive effect of Employee Stock Option Plan and warrants as appropriate.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit available for Equity Shareholders (₹)	738,401,972	1,506,383,012
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	291,937,356	258,749,486
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	1,528,205	2,957,646
Add: Potential number of Equity Shares that could arise on exercise of Warrants	274,685	17,638,846
Weighted average number of Equity Shares used in computing Diluted Earnings per Equity Share	293,740,246	279,345,978
Face Value of Equity Share (₹)	2.00	2.00
Earnings Per Equity Share - Basic (₹)	2.53	5.82
Earnings Per Equity Share - Diluted (₹)	2.51	5.39

**Note - 39**

Donation represents amount contributed toward Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.

**Note - 40**

**Loss on Erroneous Transactions :**

The loss on squaring off of erroneous transactions on account of trading in securities amounting to ₹ 24,365 (Net) (Previous Year loss ₹ 43,934 (Net)) has been debited to the Statement Profit and Loss Statement.

## Consolidated Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 41

#### Derivative Instruments:

The Company has not entered into any derivative contract for hedging any foreign currency exposure. The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below :

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Amount receivable on loan notes and escrow receivable account (in USD)	1,209,558	1,291,918
Amount receivable on loan notes and escrow receivable account (in INR)	80,233,492	80,862,154

### Note - 42

During the year ended March 31, 2016 borrowing cost of ₹ 27,464,450/- (Previous year ₹ Nil) has been transferred to Capital work in Progress.

### Note - 43

As per the best estimate of the Management, no provision is required to be made as per Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

### Note - 44

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

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For and on behalf of the Board of Directors

#### Divyesh B. Shah

Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

Mumbai, May 06, 2016

#### Ashok Sharma

Whole Time Director  
DIN: 00010912

#### Rajeev Lochan Agrawal

Chief Financial Officer

#### Lalit Sharma

Company Secretary

# Independent Auditor's Report

for the Financial Year Ended 31st March, 2016

## TO THE MEMBERS OF INDIABULLS VENTURES LIMITED (FORMERLY KNOWN AS INDIABULLS SECURITIES LIMITED)

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDIABULLS VENTURES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

## Independent Auditor's Report

for the Financial Year Ended 31st March, 2016 (contd.)

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32(A) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A. Siddharth**

Partner

Mumbai, 6<sup>th</sup> May, 2016

(Membership No. 31467)

# Annexure to the Independent Auditor's Report

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Indiabulls Ventures Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Annexure to the Independent Auditor's Report

for the Financial Year Ended 31st March, 2016 (contd.)

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A. Siddharth**

Partner

Mumbai, 6<sup>th</sup> May, 2016

(Membership No. 31467)

### ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied

with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Dues relating to Employee's State Insurance, Sales Tax, Customs Duty, Excise Duty and Value Added Tax are not applicable to the Company.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable.
  - c) Details of dues of Income-tax which have not been deposited as on 31<sup>st</sup> March, 2016 on account of disputes are given below:

## Annexure to the Independent Auditor's Report

for the Financial Year Ended 31st March, 2016 (contd.)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
The Income-Tax Act, 1961	Disallowance u/s. 32	Commissioner of Income Tax (Appeals)	Year ended 31 <sup>st</sup> March, 2012	5,254,210	5,254,210
The Income-Tax Act, 1961	Disallowance u/s. 32	Commissioner of Income Tax (Appeals)	Year ended 31 <sup>st</sup> March, 2013	1,736,810	1,736,810

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures. During the year the Company has not taken any loans or borrowings from Government.

(ix) According to information and explanation given to us, term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A. Siddharth**

Partner

Mumbai, 6<sup>th</sup> May, 2016

(Membership No. 31467)

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	585,739,084	522,446,162
(b) Reserves and surplus	4	1,432,912,785	1,937,545,425
(c) Money received against share warrants	5	—	100,555,004
		<u>2,018,651,869</u>	<u>2,560,546,591</u>
<b>(2) Share application money pending allotment</b>	6	—	10,948,776
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	7	—	106,716
(b) Other long-term liabilities	8	99,786,644	99,786,644
(c) Long-term provisions	9	29,122,583	25,362,987
		<u>128,909,227</u>	<u>125,256,347</u>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	10	5,903,882,705	4,130,003,689
(b) Trade payables	11		
(i) Total outstanding due to micro enterprises and small enterprises		—	—
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		4,600,132	3,427,328
(c) Other current liabilities	12	740,638,722	790,630,687
(d) Short-term provisions	13	29,740,001	21,052,194
		<u>6,678,861,560</u>	<u>4,945,113,898</u>
<b>TOTAL</b>		<b><u>8,826,422,656</u></b>	<b><u>7,641,865,612</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	14		
(i) Tangible assets		40,692,149	64,895,770
(ii) Intangible assets		4,331,046	1,470,253
		<u>45,023,195</u>	<u>66,366,023</u>
(b) Non-current investments	15	61,510,000	61,510,000
(c) Deferred tax assets	16	80,119,273	78,840,083
(d) Long-term loans and advances	17	165,561,122	233,493,894
(e) Other non-current assets	18	14,078,689	11,179,481
		<u>366,292,279</u>	<u>451,389,481</u>
<b>(2) Current assets</b>			
(a) Trade receivables	19	324,048,792	348,738,264
(b) Cash and cash equivalents	20	7,803,913,542	6,313,323,387
(c) Short-term loans and advances	21	319,275,060	510,970,792
(d) Other current assets	22	12,892,983	17,443,688
		<u>8,460,130,377</u>	<u>7,190,476,131</u>
<b>TOTAL</b>		<b><u>8,826,422,656</u></b>	<b><u>7,641,865,612</u></b>
Notes forming part of the financial statements	1 - 41		

In terms of our report attached

For Deloitte Haskins & Sells LLP Chartered Accountants For and on behalf of the Board of Directors

**A. Siddharth**  
Partner

**DivYESH B. Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

**Ashok Sharma**  
Whole Time  
Director  
DIN: 00010912

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Mumbai, May 06, 2016

Mumbai, May 06, 2016

# Statement of Profit and Loss

for the year ended March 31, 2016

Particulars	Note No.	For the year ended March 31, 2016 Amount (₹)	For the year ended March 31, 2015 Amount (₹)
I. Revenue from operations	23	763,420,757	808,932,903
II. Other income	24	281,792,574	1,220,975,835
III. Total revenue (I + II)		<b>1,045,213,331</b>	<b>2,029,908,738</b>
IV. Expenses :			
Operating expenses	25	74,529,665	82,295,752
Employee benefits expense	26	201,874,948	197,609,492
Finance costs	27	401,522,209	264,242,987
Depreciation and amortisation expense	14	25,677,731	48,046,695
Other expenses	28	80,287,581	92,476,135
Total expenses		<b>783,892,134</b>	<b>684,671,061</b>
V. Profit before tax (III-IV)		261,321,197	1,345,237,677
VI. Tax expense / (benefit) :			
(1) Current tax		92,800,000	200,100,000
(2) Short/(Excess) provision for tax relating to prior years		1,148,024	(36,401,242)
(3) Deferred tax	16	(1,279,190)	(1,086,720)
		92,668,834	162,612,038
VII. Profit for the year (V-VI)		<b>168,652,363</b>	<b>1,182,625,639</b>
VIII. Earnings per Equity Share:	29		
(1) Basic		0.58	4.57
(2) Diluted		0.57	4.23
Face value per Equity Share		2.00	2.00
Notes forming part of the financial statements	1 - 41		

In terms of our report attached

For Deloitte Haskins & Sells LLP Chartered Accountants For and on behalf of the Board of Directors

**A. Siddharth**  
Partner

**Divyesh B. Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

**Ashok Sharma**  
Whole Time  
Director  
DIN: 00010912

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Mumbai, May 06, 2016

Mumbai, May 06, 2016

# Cash Flow Statement

for the year ended March 31, 2016

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A Cash flows from operating activities :</b>				
Profit before tax		261,321,197		1,345,237,677
Adjustments for :				
Depreciation and amortisation expense	25,677,731		48,046,695	
Provision for Gratuity and Compensated Absences	3,875,194		3,465,093	
Provision for doubtful debts, advances and security deposits	300,000		408,900	
Bad debts / advances written off	39,841		310,471	
(Profit) on sale / scrapping of fixed assets	(1,484,836)		(534,575)	
Sundry credit balances written back	(9,752,449)		(2,221,450)	
Excess provision for expenses no longer required written back	(2,939,636)		(5,111,531)	
Profit on sale of long-term investments	—		(469,659,902)	
Unrealised foreign exchange gain	(4,123,491)		(2,031,306)	
Dividend income on investments	(1,105,000)		(419,791,866)	
Interest income from inter corporate deposits	(249,934,791)		(318,386,810)	
Interest income from Non-Convertible Debentures	(18,448)		—	
Interest expense	391,158,008		253,556,433	
		151,692,123		(911,949,848)
Operating Profit before working capital changes		413,013,320		433,287,829
Adjustments for:				
Trade receivables and other assets	82,068,568		111,120,196	
Trade payables and other liabilities	(34,169,659)		(63,956,631)	
		47,898,909		47,163,565
Cash generated from operations		460,912,229		480,451,394
Income tax (paid) (net)	(86,194,284)		(195,196,332)	
		(86,194,284)		(195,196,332)
<b>Net cash generated from operating activities</b>		<b>374,717,945</b>		<b>285,255,062</b>
<b>B Cash flows from investing activities :</b>				
Purchase of fixed assets (including capital advances given) / received back	(5,115,329)		99,326,130	
Proceeds from sale of fixed assets	2,240,262		1,266,932	
Proceeds from escrow account	5,407,532		—	
Proceeds from sale of long-term investment	—		594,992,389	
Dividend income on other long-term investments	1,105,000		9,791,866	
Dividend income from subsidiary company	150,000,000		430,000,000	
Inter-corporate deposits received back from subsidiary (net)	62,180,000		908,370,000	
Proceeds from sale of investment in subsidiary company	—		500,000	
Interest income from inter-corporate deposits to subsidiary	249,934,791		318,386,810	
Interest income from non-convertible debentures	18,448		—	
<b>Net cash generated from investing activities</b>		<b>465,770,704</b>		<b>2,362,634,127</b>

## Cash Flow Statement

for the year ended March 31, 2016 (contd.)

Particulars	For the year ended March 31, 2016 Amount (₹)	For the year ended March 31, 2015 Amount (₹)
<b>C Cash flows from financing activities</b>		
Interest paid	(396,131,638)	(271,479,733)
Payment of final dividend on equity shares pertaining to prior years	(347,996)	(10,241)
Amount transferred to investor education and protection fund	(3,817,245)	—
Payment of interim dividend on equity shares	(873,464,032)	(1,034,263,643)
Corporate dividend tax on interim dividend on equity shares	(148,027,120)	(112,955,946)
Proceeds from bank loans (net)	273,143,181	628,604,015
Proceeds from commercial papers (net)	1,500,000,000	1,500,000,000
Proceeds from issue of equity shares (including securities premium)	2,623,920	49,425,936
Proceeds from conversion of share warrants (including securities premium)	301,665,009	265,882,490
Proceeds from / (Refund of) share application money	(1,280,292)	10,948,776
<b>Net cash generated from financing activities</b>	<b>654,363,787</b>	<b>1,036,151,654</b>
<b>D Net Increase in cash and cash equivalents (A+B+C)</b>	<b>1,494,852,436</b>	<b>3,684,040,843</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>5,261,811,106</b>	<b>1,577,770,263</b>
<b>F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)</b>	<b>6,756,663,542</b>	<b>5,261,811,106</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on 'Cash Flow Statements'.
- Cash and cash equivalents at the end of the year include:

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Cash and cash equivalents (Refer Note - 20)	7,803,913,542	6,313,323,387
Less: In Fixed Deposit Accounts having maturity of more than three months	1,047,250,000	1,051,512,281
<b>Cash and Cash Equivalents as restated</b>	<b>6,756,663,542</b>	<b>5,261,811,106</b>

- Unpaid dividend account balances in designated Bank accounts aggregating to ₹. 28,668,028 (Previous year ₹. 29,164,545) are not available for use by the Company (Refer note - 20).
- Previous year's figures are regrouped wherever considered necessary to conform with current year's groupings/classifications.

In terms of our report attached

For Deloitte Haskins & Sells LLP For and on behalf of the Board of Directors  
Chartered Accountants

**A. Siddharth**  
Partner

**Divyesh B. Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

**Ashok Sharma**  
Whole Time  
Director  
DIN: 00010912

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Mumbai, May 06, 2016

Mumbai, May 06, 2016

# Notes forming part of the financial statements

for the year ended March 31, 2016

## Note - 1

### Corporate Information:

Indiabulls Ventures Limited (“IBVL” or “the Company”, CIN: L74999DL1995PLC069631) (formerly known as Indiabulls Securities Limited) carries on the business as stock and share brokers on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”); depository participants and other related ancillary services. On February 1, 1996 IBVL received a certificate of registration from the Securities and Exchange Board of India (“SEBI”) under sub-section 1 of section 12 of the Securities and Exchange Board of India Act, 1992 to carry on the business as a stock broker. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and Rules and Regulations relating thereto are applicable to the Company. On April 2, 2008 the Equity shares of the Company were listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement.

Pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Incorporation) Rules, 2014 and subject to the approval of Registrar of Companies, NCT of Delhi and Haryana, the name of the Company has been changed from “Indiabulls Securities Limited” to “Indiabulls Ventures Limited” w.e.f. 12th March, 2015 to reflect various referral business activities carried on by the Company.

## Note - 2

### Significant Accounting Policies:

#### a) Basis of Accounting and Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Use of Estimates:

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

#### c) Cash and Cash Equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### d) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### e) Revenue Recognition:

- Revenue from brokerage activities is accounted for on the trade date of the transaction.
- Income from fee based advisory services and consultancy is recognised on an accrual basis.
- Revenue from interest charged to customers on margin funding is recognised on a daily/monthly basis up to the last day of accounting period.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

- Depository income is accounted on an accrual basis as and when the right to receive the income is established. Annual Maintenance charges are recognised pro-rata over the period it is charged.
- Income from trading account maintenance is accounted on an accrual basis and when the right to receive the income is established.
- Revenue from interest on fixed deposits is recognised on an accrual basis.
- Commission on mutual funds is recognised on an accrual basis.
- Dividend income on Equity shares is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date.
- Dividend income on units of mutual funds is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date. Any gains/losses on sale / redemption of units are recognised on the date of sale / redemption.
- Interest income on Inter-Corporate Deposits is recognised on an accrual basis.

f) Commercial Papers:

The liability is recognised at face value of the commercial paper at the time of issue of the commercial paper. The discount on issue of the commercial paper is amortised over the tenure of the instrument.

g) Fixed Assets:

(i) Tangible Assets:

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

(ii) Intangible Assets:

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

h) Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction / scrapping, as the case may be. Assets costing ₹. 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of Membership Rights of the BSE Limited are amortised on a straight-line method basis over a period of five years from the date when the rights became available for use.

Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change pattern, if any.

i) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

j) Investments:

Investments are classified as long-term and current. Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

k) Foreign Currency Transactions and Translations:

Recognition & translation

- i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii. Monetary items denominated in foreign currencies at the year end are translated at year end exchange rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Exchange Differences

- i. Exchange differences arising on a monetary item that in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
- ii. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.
- iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognised as income or as expenses in the period in which they arise.

l) Employee Benefits:

The Company has a defined contribution plan namely Provident Fund. Annual contribution to the Employees Provident Fund Organisation is charged to the Statement of Profit and Loss. The Company has unfunded defined benefit plans namely long-term compensated absences and gratuity for all eligible employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Actuarial gains / losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

m) Deferred Employee Stock Compensation Cost:

The Company follows the intrinsic value method as per the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India for accounting for Employee Stock Options granted. Deferred employee stock compensation cost for stock options are recognised and measured by the difference between the intrinsic value of the Company's shares of the stock options at the grant date and the exercise price to be paid by the option holders. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purposes is measured on the basis of a fair valuation certified by an independent firm of Chartered Accountants in respect of the stock options granted.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

n) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

o) Leases:

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

p) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

q) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. All other borrowing costs are charged to the Statement of Profit and Loss.

r) Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segments.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

s) Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

t) Derivative Contracts:

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Note - 3 Share capital	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
<b>Authorised</b>				
Equity Shares of face value of ₹ 2 each	500,000,000	1,000,000,000	500,000,000	1,000,000,000
Preference Shares of face value of ₹ 4.61 each	25,000,000	115,250,000	25,000,000	115,250,000
		<b>1,115,250,000</b>		<b>1,115,250,000</b>
<b>Issued, subscribed and fully paid up</b> <sup>(i) to (iv)</sup>				
Equity Shares of face value of ₹ 2 each fully paid up	292,869,542	585,739,084	261,223,081	522,446,162
The Company has only one class of Equity Shares having a face value of ₹ 2 per share. Each holder of Equity Share is entitled to one vote per share. The final dividend proposed by the Board of Directors if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
		<b>585,739,084</b>		<b>522,446,162</b>

(i) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(ii) Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares, less the fees and expenses payable under such Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the Deposited Shares. The GDRs may not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

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

	Equity Shares As at March 31, 2016		Equity Shares As at March 31, 2015	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Opening balance	261,223,081	522,446,162	231,112,511	462,225,022
Shares issued during the year by exercise of Employee Stock Option Plan	706,460	1,412,920	2,840,571	5,681,142
Shares issued during the year by exercise of Warrants	30,940,001	61,880,002	27,269,999	54,539,998
<b>Closing Balance</b>	<b>292,869,542</b>	<b>585,739,084</b>	<b>261,223,081</b>	<b>522,446,162</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity shares of ₹ 2 each fully paid up</b>				
<b>Promoters and Promoter Group</b>				
Sameer Gehlaut	40,158,292	13.71%	34,171,089	13.08%
Orthia Properties Private Limited	39,981,305	13.65%	39,058,962	14.95%
<b>Public *</b>				
Rajiv Rattan	19,208,148	6.56%	17,330,253	6.63%
Saurabh K Mittal	8,296,886	2.83%	17,212,083	6.59%
	<b>107,644,631</b>	<b>36.75%</b>	<b>107,772,387</b>	<b>41.25%</b>

\* Consequent to the de-classification of the Promoters / Promoter Group Entities / Persons Acting in Concert with the Promoters (PACs) of the Company, intimated by the Company to the Exchanges on July 18, 2014, Mr. Rajiv Rattan, Priapus Land Development Private Limited, Inuus Constructions Private Limited, Mr. Saurabh K Mittal, Hespera Land Development Private Limited and Hespera Constructions Private Limited have ceased to be the Promoters / Promoter Group Entities / PACs of the Company, with effect from July 18, 2014 and their names shall not be included, as such, in any future correspondences / filings by the Company with the Stock Exchanges / other statutory authorities.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(v) Shares reserved for issue under options:

- (a) 15,384,894 Equity Shares (Previous year 6,713,404 Equity Shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 33).
- (b) Nil Equity Shares (Previous year 30,940,001 Equity Shares) of face value of ₹ 2 each are reserved towards Share Warrants of the Company (Refer note - 5(i)).

Note - 4 Reserves and surplus	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	360,036,184	360,036,184
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	361,761,473	18,046,690
Add : Premium on shares issued during the year	351,219,495	343,714,783
Closing balance	712,980,968	361,761,473
<b>Foreign Currency Monetary Item Translation Difference Account <sup>(i)</sup></b>		
Opening balance	12,898,516	11,711,656
Add : Additions during the year	4,740,188	3,218,166
Less: Amortised during the year	3,192,039	2,031,306
Less: Utilised during the year	892,771	—
Closing balance	13,553,894	12,898,516
<b>General Reserve</b>		
Balance as per last Balance Sheet	338,177,977	338,177,977
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	864,671,275	656,642,890
Add: Profit for the year	168,652,363	1,182,625,639
<b>Amount available for appropriation</b>	<b>(a) 1,033,323,638</b>	<b>1,839,268,529</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Less: Appropriations :

Interim Dividend on Equity Shares		877,132,756	795,900,248
Corporate Dividend Tax on Interim Dividend on Equity Shares		148,027,120	100,165,948
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹ Nil (Previous year ₹ 41,561,702)) (Refer note - 14)		—	78,531,058
<b>Total Appropriations</b>	<b>(b)</b>	<b>1,025,159,876</b>	<b>974,597,254</b>
<b>Balance of Profit Carried Forward</b>	<b>(a)-(b)</b>	<b>8,163,762</b>	<b>864,671,275</b>
		<b>1,432,912,785</b>	<b>1,937,545,425</b>

- (i) Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items. Consequently, an amount of ₹ 13,553,894 (Previous year ₹ 12,898,516) is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on March 31, 2016, net of forex gain amounting to ₹ 3,192,039 (Previous year ₹ 2,031,306) amortised in the Statement of Profit and Loss and ₹ 892,771 (Previous year ₹ Nil) utilised towards the partial amount received from the Escrow Account.

### Note - 5

#### Money received against share warrants

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Money received against Share Warrants <sup>(i)</sup>	—	100,555,004
	—	<b>100,555,004</b>

- (i) The Board of Directors of the Company at their meeting held on October 21, 2013 and as approved at its Extra-Ordinary General Meeting held on November 20, 2013 have resolved to create, offer, issue and allot up to 58,210,000 warrants, convertible into 58,210,000 equity shares of ₹ 2/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 13/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on December 2, 2013 to the promoter, certain promoter entities, persons other than promoter and promoter group entity (erstwhile promoters and promoter group entities upto July 17, 2014) and to an executive director ("the warrant holders") and 25% application money amounting to ₹ 189,182,500/- was received from them. The warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before June 1, 2015. In the event the warrants are not converted into equity shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. During the year ended March 31, 2015, the Company has allotted 27,269,999 Equity Shares on conversion of equivalent numbers of warrants to certain promoter group entities and an executive director on realisation of balance 75% towards these warrants. During the year ended March 31, 2016 the Company has allotted 20,111,217 Equity Shares on April 07, 2015 and 10,828,784 Equity Shares on April 10, 2015 on conversion of equivalent numbers of warrants to the warrant holders on realisation of balance 75% towards these warrants.

### Note - 6

#### Share application money pending allotment

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Share application money pending allotment <sup>(i)</sup>	—	10,948,776
	—	<b>10,948,776</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

- (i) As at March 31, 2015, the Company had received an amount of ₹ 10,948,776/- towards share application money towards 629,240 Equity Shares of the Company at a premium of ₹ 15.40. The share application money was received pursuant to “Indiabulls Securities Limited Employees Stock Option Scheme - 2008” (“IBSL ESOP - 2008”). The Company has sufficient authorised capital to cover the allotment of these shares. Out of 629,240 Equity Shares applied, the Company has issued and allotted 555,660 Equity Share and refunded the application money amounting to ₹ 1,280,292 against balance 73,580 Equity Shares.

<b>Note - 7</b>	<b>As at</b>	<b>As at</b>
<b>Long-term borrowings</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Term Loans</b>		
<b>Secured</b>		
From Banks <sup>(i)</sup>	—	106,716
	—	<b>106,716</b>

- (i) Term loans are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 9% p.a. to 12% p.a. The term loans are repayable in equated monthly installments ranging for a period of 3 to 5 years.

<b>Note - 8</b>	<b>As at</b>	<b>As at</b>
<b>Other long-term liabilities</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Other Liabilities - Amount received from Depository for GDR	99,786,644	99,786,644
	<b>99,786,644</b>	<b>99,786,644</b>

<b>Note - 9</b>	<b>As at</b>	<b>As at</b>
<b>Long-term provisions</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (Refer note - 36)	23,250,763	19,733,174
Provision for Compensated Absences (Refer note - 36)	5,871,820	5,629,813
	<b>29,122,583</b>	<b>25,362,987</b>

<b>Note - 10</b>	<b>As at</b>	<b>As at</b>
<b>Short-term borrowings</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Secured loans</b>		
From Banks <sup>(i)</sup>		
Bank Overdraft	403,882,705	130,003,689
Working capital loan	500,000,000	500,000,000
<b>Unsecured loans</b>		
From Others		
Commercial papers	5,000,000,000	3,500,000,000
(Maximum balance outstanding during the year ₹ 5,000,000,000 (Previous year ₹ 3,500,000,000))		
	<b>5,903,882,705</b>	<b>4,130,003,689</b>

- (i) Bank overdraft amounting to ₹ 19,857,784 (Previous year ₹ 130,003,689) is secured against book debts and amounting to ₹ 384,024,921 (Previous year ₹ Nil) is secured against fixed deposits. Working capital loan amounting to ₹ 500,000,000 (Previous year ₹ 500,000,000) is secured against book debts and loans and advances.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 11</b>	<b>As at</b>	<b>As at</b>
<b>Trade payables</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	—	—
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	4,600,132	3,427,328
	<b>4,600,132</b>	<b>3,427,328</b>

- (i) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:
- An amount of ₹ Nil (Previous year ₹ Nil) and ₹ Nil (Previous year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of principal and interest respectively.
  - No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006; no amount was paid to the supplier beyond the appointed date.
  - No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
  - No amount of interest was accrued and unpaid at the end of the accounting year.
  - No amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the Auditors.

<b>Note - 12</b>	<b>As at</b>	<b>As at</b>
<b>Other current liabilities</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Current maturity of long-term loans (Refer note - 7(i))	106,720	735,839
Interest accrued but not due on loans	2,205,479	3,037,260
Brokerage/Depository income received in advance	4,315,546	3,759,513
Unpaid dividends <sup>(i)</sup>	28,668,028	29,164,545
Margin from customers	560,966,181	587,678,547
Temporary overdrawn bank balances as per books	3,906,331	6,598,506
Others - Current liabilities for expense provisions and Statutory dues	140,470,437	159,656,477
	<b>740,638,722</b>	<b>790,630,687</b>

- (i) In respect of amounts mentioned under Section 205(C) of the Companies Act, 1956, the Company has credited ₹ 3,817,245 (Previous year ₹ Nil) to the Investor Education and Protection Fund. Further, no dues were required to be credited to the Investor Education and Protection Fund as at March 31, 2016.

<b>Note - 13</b>	<b>As at</b>	<b>As at</b>
<b>Short-term provisions</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Provision for Gratuity (Refer note - 36)	824,939	727,581
Provision for Compensated Absences (Refer note - 36)	183,777	165,537
Provision for Taxation (net of advance tax ₹ 547,350,825 (Previous year ₹ 461,183,433))	28,731,285	20,159,076
	<b>29,740,001</b>	<b>21,052,194</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Amount (₹)

**Note: 14 Fixed Assets**

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION					NET BLOCK	
	As at April 01, 2015	Addition during the year	Adjustments/sales during the year	As at March 31, 2016	As at April 01, 2015	Transition Adjustment recorded against surplus balance in the Statement of Profit and Loss	Provided during the year	Adjustments/sales during the year	As at March 31, 2016	As at March 31, 2015
<b>A. Tangible Assets</b>										
Furniture and Fixtures	17,349,430	—	648,167	16,701,263	15,237,409	—	552,740	646,967	15,143,182	2,112,021
Vehicles*	52,489,147	—	11,215,513	41,273,634	45,957,276	—	3,024,042	10,583,844	38,397,474	6,531,871
Office equipment	134,524,574	172,725	620,539	134,076,760	127,769,676	—	4,060,613	600,586	131,229,703	6,754,898
Computers	392,183,076	81,924	24,495,846	367,769,154	384,104,449	—	4,223,869	24,492,365	363,835,953	8,078,627
Leasehold improvements	106,236,002	—	1,020,379	105,215,623	64,817,649	—	11,841,580	921,256	75,737,973	41,418,353
<b>Total (a)</b>	<b>702,782,229</b>	<b>254,649</b>	<b>38,000,444</b>	<b>665,036,434</b>	<b>637,886,459</b>	<b>—</b>	<b>23,702,844</b>	<b>37,245,018</b>	<b>624,344,285</b>	<b>64,895,770</b>
Previous year (i)	801,273,261	198,870	98,689,902	702,782,229	569,086,722	120,092,760	46,664,522	97,957,545	637,886,459	64,895,770
<b>B. Intangible Assets</b>										
Membership rights of BSE Limited	7,005,000	—	—	7,005,000	7,005,000	—	—	—	7,005,000	—
Software	592,312,630	4,835,680	—	597,148,310	590,842,377	—	1,974,887	—	592,817,264	1,470,253
Indiabulls.com website	5,262,584	—	—	5,262,584	5,262,584	—	—	—	5,262,584	—
<b>Total (b)</b>	<b>604,580,214</b>	<b>4,835,680</b>	<b>—</b>	<b>609,415,894</b>	<b>603,109,961</b>	<b>—</b>	<b>1,974,887</b>	<b>—</b>	<b>605,084,848</b>	<b>1,470,253</b>
Previous year (ii)	604,580,214	—	—	604,580,214	601,727,788	—	1,382,173	—	603,109,961	1,470,253
<b>Current year total ((a) + (b))</b>	<b>1,307,362,443</b>	<b>5,090,329</b>	<b>38,000,444</b>	<b>1,274,452,328</b>	<b>1,240,996,420</b>	<b>—</b>	<b>25,677,731</b>	<b>37,245,018</b>	<b>1,229,429,133</b>	<b>66,366,023</b>
Previous year total ((i) + (ii))	1,405,853,475	198,870	98,689,902	1,307,362,443	1,170,814,510	120,092,760	48,046,695	97,957,545	1,240,996,420	66,366,023

\* Includes vehicles having carrying cost of ₹ 295,972 (Previous year ₹ 3,416,624) which are hypothecated to banks against the respective loans.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Note - 15 Non-current investments	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>Long-term - Trade - Unquoted (at cost unless otherwise stated)</b>		
Investments in Equity Instruments		
130,000 (Previous year 130,000) fully paid up Equity Shares of face value of Re. 1 each in BSE Limited	10,000	10,000
<b>Total (A)</b>	<b>10,000</b>	<b>10,000</b>
<b>Long-term - Others - Unquoted (at cost unless otherwise stated)</b>		
Investments in Equity Instruments		
(i) In wholly owned subsidiary companies		
600,000 (Previous year 600,000) fully paid up Equity Shares of face value	6,000,000	6,000,000
₹10 each in Indiabulls Commodities Limited		
5,500,000 (Previous year 5,500,000) fully paid up Equity Shares of face value	55,000,000	55,000,000
₹10 each in Indiabulls Brokerage Limited		
50,000 (Previous year 50,000) fully paid up Equity Shares of face value	500,000	500,000
₹10 each in Indiabulls Distribution Services Limited		
50,000 (Previous year 50,000) fully paid up Equity Shares of face value	500,000	500,000
₹10 each in Devata Tradelink Limited		
Less: Provision for diminution in the value of investment	500,000      —	500,000      —
<b>Total (B)</b>	<b>61,500,000</b>	<b>61,500,000</b>
<b>Total (A)+(B)</b>	<b>61,510,000</b>	<b>61,510,000</b>
Aggregate market value of quoted investments	—	—
Aggregate book value of quoted investments	—	—
Aggregate book value of unquoted investments	62,010,000	62,010,000
Aggregate provision for diminution in value of investments	500,000	500,000

### Note - 16

#### Deferred tax assets

In compliance with Accounting Standard 22 - 'Accounting for Taxes on Income', deferred tax (net) of ₹ 1,279,190 has been credited (Previous year credited ₹ 1,086,720) to the Statement of Profit and Loss for the year ended March 31, 2016. The breakup of deferred tax into major components is as under:

	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
<b>Deferred tax assets:</b>		
Provision for doubtful debts, advances and security deposits	17,012,299	16,910,772
Disallowances u/s. 43B of the Income-Tax Act, 1961	2,095,721	2,005,655
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	8,332,119	7,081,058
Difference between tax balance and book balance of fixed assets	51,029,529	52,344,888
Others	1,649,605	497,710
	<b>80,119,273</b>	<b>78,840,083</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 17</b>	<b>As at</b>	<b>As at</b>
<b>Long-term loans and advances</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Unsecured</b>		
(a) Capital advances		
Considered good	500,000	475,000
(b) Security deposits		
(i) Deposits (including margin money) with stock exchanges, (considered good)	25,950,000	32,162,142
(ii) Deposits with others		
Considered good	51,500,050	2,169,101
Considered doubtful	4,566,920	4,573,557
	<u>56,066,970</u>	<u>6,742,658</u>
Less: Provision for doubtful deposits	4,566,920	4,573,557
	<u>51,500,050</u>	<u>2,169,101</u>
(c) Loans and advances to related parties - (considered good)		
Devata Tradelink Limited	—	113,030,000
(Maximum balance outstanding at any time during the year ₹ 113,060,000, Previous year ₹ 113,250,000)		
(d) Loan Notes, Escrow Receivable account and others <sup>(i)</sup>		
Considered good	87,611,072	85,657,651
Considered doubtful	1,522,303	1,222,303
	<u>89,133,375</u>	<u>86,879,954</u>
Less: Provision for doubtful advances	1,522,303	1,222,303
	<u>87,611,072</u>	<u>85,657,651</u>
	<b><u>165,561,122</u></b>	<b><u>233,493,894</u></b>

- (i) During the year ended March 31, 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 231,992,806 vide the Share Purchase Deed. Out of the total consideration of ₹ 231,992,806 receivable from Moody's Group UK LTD, ₹ 59,369,946 (excluding foreign exchange gain of ₹ 20,863,545) [Previous year ₹ 63,412,482 (excluding foreign exchange gain of ₹ 17,449,672)] is receivable as at the year ended March 31, 2016 in the form of Loan Notes and Escrow account of the Moody's Group UK LTD. During the year ended March 31, 2016, the Company had received partial amount of ₹ 5,407,531 (excluding foreign exchange gain of ₹ 1,364,995) [Previous year ₹ Nil] towards Escrow Account.

<b>Note - 18</b>	<b>As at</b>	<b>As at</b>
<b>Other non-current assets</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
In fixed deposit accounts with Banks (Refer note - 20(i))	14,078,689	11,179,481
	<u>14,078,689</u>	<u>11,179,481</u>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 19</b>	<b>As at</b>	<b>As at</b>
<b>Trade receivables</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Unsecured</b>		
Outstanding for a period exceeding six months		
Considered good	198,187,437	180,140,214
Considered doubtful	43,067,907	43,067,907
	<u>241,255,344</u>	<u>223,208,121</u>
Less: Provision for doubtful debts	43,067,907	43,067,907
	<u>198,187,437</u>	<u>180,140,214</u>
Others		
Considered good	125,861,355	168,598,050
	<u><b>324,048,792</b></u>	<u><b>348,738,264</b></u>
<b>Note - 20</b>	<b>As at</b>	<b>As at</b>
<b>Cash and cash equivalents</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Cash on hand	17,397	23,741
Balance with banks		
— in current accounts	227,978,117	252,622,820
— in fixed deposits with original maturity of less than three months <sup>(i)</sup>	6,500,000,000	4,980,000,000
	<u>6,727,978,117</u>	<u>5,232,622,820</u>
Other bank balances		
Deposit accounts		
— in fixed deposit accounts having original maturity of more than twelve months <sup>(i) &amp; (ii)</sup>	968,450,000	751,512,281
— in fixed deposit accounts having original maturity upto twelve months <sup>(i)</sup>	78,800,000	300,000,000
In earmarked accounts		
— in unpaid dividend accounts	28,668,028	29,164,545
	<u>1,075,918,028</u>	<u>1,080,676,826</u>
	<u><b>7,803,913,542</b></u>	<u><b>6,313,323,387</b></u>

(i) Fixed deposits includes:

- a. ₹ 543,750,000 (Previous year ₹ 594,050,000) pledged with the banks against bank guarantees issued by banks for base capital and additional base capital to the National Stock Exchange of India, BSE Limited and the National Securities Clearing Corporation Limited.
- b. ₹ 62,500,000 (Previous year ₹ 12,500,000) pledged with the National Stock Exchange of India, BSE Limited and National Securities Clearing Corporation Limited for the purpose of base capital and additional base capital.
- c. ₹ 444,700,000 (Previous year ₹ Nil) pledged with banks for overdraft facilities availed by the Company.
- d. ₹ 6,500,000,000 (Previous year ₹ 5,424,700,000) pledged with banks for overdraft facilities availed by Indiabulls Distribution Services Limited for general / corporate business purpose.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

- e. ₹ 8,791,408 (Previous year ₹ 11,154,481) pledged for arbitration matters.
- f. ₹ 25,000 (Previous year ₹ 25,000) pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.
- (ii) Balances with banks include deposit of ₹ 5,262,281 (Previous year ₹ 262,281) with remaining maturity of more than twelve months from balance sheet date.

<b>Note - 21</b>	<b>As at</b>	<b>As at</b>
<b>Short-term loans and advances</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Loans and advances to related parties (unsecured, considered good) Indiabulls Distribution Services Limited <sup>(i)</sup> (Maximum balance outstanding at any time during the year ₹ 10,317,200,000, Previous year ₹ 6,052,900,000)	246,200,000	195,350,000
(b) Margin funding loan receivables (secured, considered good) Less: Margin received	12,289,939 3,382,823	19,232,297 3,804,384
	<u>8,907,116</u>	<u>15,427,913</u>
(c) Security deposits (unsecured, considered good)	119,798	52,364,561
(d) Deposits (including margin money) with stock exchanges, (unsecured, considered good)	—	40,000,000
(e) Prepaid Expenses, Cenvat Credit Receivable and Others (unsecured, considered good)	63,229,677	57,828,318
(f) Dividend receivable from subsidiary company (unsecured, considered good)	—	150,000,000
(g) Advance income tax/tax deducted at source (Net of provision for tax ₹ Nil; Previous year ₹ Nil)	818,469	—
	<u><b>319,275,060</b></u>	<u><b>510,970,792</b></u>

- (i) The company has given inter corporate deposit to Indiabulls Distribution Services Limited ( a wholly owned subsidiary) for the general / corporate business purpose.

<b>Note - 22</b>	<b>As at</b>	<b>As at</b>
<b>Other current assets</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Interest accrued on fixed deposits	12,892,983	17,443,688
	<u><b>12,892,983</b></u>	<u><b>17,443,688</b></u>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

<b>Note - 23</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Revenue from operations</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Sale of services <sup>(i)</sup>	622,360,235	676,803,290
(b) Other operating revenues <sup>(ii)</sup>	141,060,522	132,129,613
	<b>763,420,757</b>	<b>808,932,903</b>
(i) Sale of services includes :		
Brokerage income	452,943,363	478,870,238
Interest on margin funding / delayed payments	56,251,600	61,518,414
Income from depository services	63,564,467	82,781,834
Other charges including transaction charges	26,629,558	29,128,053
Stamp duty recoveries	22,971,247	24,504,751
	<b>622,360,235</b>	<b>676,803,290</b>
(ii) Other operating revenues includes :		
Interest on fixed deposits	137,692,116	127,202,941
Advisory income	5,676	229,196
Income from IPO commission, Mutual Funds commission, Account Opening and Other miscellaneous income	3,362,730	4,697,476
	<b>141,060,522</b>	<b>132,129,613</b>
<b>Note - 24</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Other income</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Interest Income		
Interest income from inter-corporate deposits	249,934,791	318,386,810
Interest income from non-convertible debentures	18,448	—
	<b>249,953,239</b>	<b>318,386,810</b>
Dividend Income		
Dividend income on other long-term investments	1,105,000	9,791,866
Dividend income from subsidiary company	—	410,000,000
	<b>1,105,000</b>	<b>419,791,866</b>
Other non-operating income		
Profit on sale of long-term investments	—	469,659,902
Excess provision for expenses no longer required written back	2,939,636	5,111,531
Profit on sale/ scrapping of fixed assets	1,484,836	534,575
Sundry credit balances written back	9,752,449	2,221,450
Gain on foreign exchange fluctuations (Refer Note - 4(i))	4,123,491	2,031,306
Bad debts recovered	2,718,753	3,238,395
Miscellaneous income	9,715,170	—
	<b>30,734,335</b>	<b>482,797,159</b>
	<b>281,792,574</b>	<b>1,220,975,835</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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<b>Note - 25</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Operating expenses</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Stamp duty	24,072,634	28,425,103
Demat charges	3,015	3,000
SEBI charges	1,688,343	1,892,823
Commission	460,000	1,101,000
Depository charges	6,186,877	6,641,194
Transaction charges	23,803,687	26,504,964
Membership fees	1,474,248	940,291
Web hosting expenses	9,269,259	9,067,513
VSAT charges	735,180	1,031,521
Leased line expenses	5,028,307	4,807,178
Content expenses	900,759	1,087,338
Software expenses	907,356	793,827
	<b>74,529,665</b>	<b>82,295,752</b>
<b>Note - 26</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Employee benefits expense</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Salaries	190,091,122	186,348,770
Contribution to Provident fund and other funds	1,048,159	865,843
Staff welfare expenses	233,026	3,040,357
Provision for Gratuity and Compensated Absences (Refer note - 36)	10,502,641	7,354,522
	<b>201,874,948</b>	<b>197,609,492</b>
<b>Note - 27</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Finance costs</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Bank charges	8,458,099	8,847,809
Interest on bank overdraft	39,238,788	17,532,949
Interest on working capital loan	42,825,616	13,882,534
Interest on vehicle loans	34,102	145,560
Interest on commercial papers	309,059,502	221,995,390
Interest on taxes	1,906,102	1,838,745
	<b>401,522,209</b>	<b>264,242,987</b>

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Note - 28 Other expenses	For the year ended March 31, 2016 Amount (₹)	For the year ended March 31, 2015 Amount (₹)
Lease rent <sup>(i) &amp; (ii)</sup> (Refer note 30)	14,145,727	19,369,091
Rates and taxes	1,627,416	15,824,164
Electricity expenses	6,443,161	2,951,530
Insurance	900,921	502,619
Communication expenses	9,682,799	13,084,757
Legal and professional charges	12,027,878	6,855,437
Travelling and conveyance	1,481,349	3,036,819
Printing and stationery	5,017,842	6,888,402
Office maintenance <sup>(i) &amp; (ii)</sup>	3,956,246	2,332,378
Repairs and maintenance - others	10,640,659	10,111,254
Business promotion	727,617	670,855
Payment to Statutory Auditors (net of service tax of ₹ 522,000; Previous year ₹ 444,960)		
— For Statutory Audit	2,650,000	2,650,000
— For Certification	500,000	500,000
— Reimbursement of Expenses	450,000	450,000
Loss on erroneous transactions (net) (Refer note - 31)	24,365	43,934
Donation (Refer note - 38)	9,360,000	5,911,000
Provision for doubtful debts, advances and security deposits	300,000	408,900
Bad debts / advances written off	46,478	16,625,787
Less : Adjusted against provision of earlier years	6,637	16,315,316
	39,841	310,471
Miscellaneous expenses	311,760	574,524
	<b>80,287,581</b>	<b>92,476,135</b>

- (i) During the year, lease rent amounting to ₹ 32,636,338 (Previous Year ₹ 39,845,809) and office maintenance amounting to ₹ 4,398,241 (Previous Year ₹ Nil) was apportioned to Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.
- (ii) During the year, lease rent amounting to ₹ 1,801,379 (Previous Year ₹ 2,701,584) and office maintenance amounting to ₹ 144,398 (Previous Year ₹ Nil) was apportioned to the Company by Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 29

#### Earnings per Equity Share (EPS) :

Disclosure in respect of Accounting Standard – 20 'Earnings Per Share' :

The basic earnings per Equity Share is computed by dividing the net profit attributable to Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the reporting year. Diluted earnings per Equity Share is computed by considering the weighted average number of Equity Shares and also the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares. The dilutive potential Equity Shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential Equity Shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of Equity Shares and potential dilutive Equity Shares are adjusted for the potential dilutive effect of Employee Stock Option Plan and warrants as appropriate.

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit available for Equity Shareholders (₹)	168,652,363	1,182,625,639
<b>Basic / Diluted Earnings per Equity Share:</b>		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	291,937,356	258,749,486
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	1,528,205	2,957,646
Add: Potential number of Equity Shares that could arise on exercise of Warrants	274,685	17,638,846
Weighted average number of Equity Shares used in computing Diluted Earnings per Equity Share	293,740,246	279,345,978
Face Value of Equity Share (₹)	2.00	2.00
Earnings Per Equity Share - Basic (₹)	0.58	4.57
Earnings Per Equity Share - Diluted (₹)	0.57	4.23

### Note - 30

#### Leases :

The Company has taken office premises on operating lease at various locations in India and lease rent in respect of the same amounting to ₹ 14,145,727 (Previous Year ₹ 19,369,091) net of apportionment has been charged to the Statement of Profit and Loss. (Refer note - 28(i) & (ii)). The minimum lease rental outstanding are as under:

(Amount in ₹)

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Future minimum lease payments :-		
not later than one year	47,484,724	21,785,362
later than one year and not later than five years	163,642,790	4,584,722
later than five years	—	—

The agreements are executed for a period ranging from 11 months to 10 years with a renewable clause and in many cases, it also provides for termination at will by either party giving a prior notice period between 30 to 90 days.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 31

#### Loss on Erroneous Transactions :

The loss on squaring off of erroneous transactions on account of trading in securities amounting to ₹ 24,365 (net) (Previous year ₹ 43,934 (net)) has been debited to the Statement of Profit and Loss.

### Note - 32

#### A. Contingent liabilities not provided for in respect of:

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
– Claims against the Company not acknowledged as debts in respect of:		
Penalty for synchronised trading under SEBI regulations <sup>(i)</sup>	1,500,000	1,500,000
Court Cases <sup>(ii)</sup>	5,918,966	9,289,313
– Fixed Deposits pledged against overdraft facility availed by Subsidiary Company (refer note - 20 (i) (d))	6,500,000,000	5,424,700,000

(i) During the year ended March 31, 2011, the Securities Appellate Tribunal (“SAT”) had passed an order dated October 26, 2010 in favour of the Company setting aside the penalty imposed by SEBI. However, during the year ended March 31, 2012, SEBI had preferred an appeal at the Honourable Supreme Court of India against the judgment of the SAT. The matter is pending adjudication.

(ii) The Company is involved in various legal proceedings as respondents / defendants for various claims including those related to conduct of its business. In respect of these claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements / position.

#### B. Commitments :

Particulars	As at March 31, 2016 Amount (₹)	As at March 31, 2015 Amount (₹)
Capital Commitments for purchase of fixed assets	—	1,425,000

### Note - 33

#### Employee Stock Option Schemes:

##### a) Employees Stock Option Scheme - 2008

Pursuant to a resolution passed by the Shareholders on January 19, 2009, the Company had cancelled and withdrawn the existing “Employee Stock Option Scheme - 2007”, covering 15,000,000 stock options and established a new Employee Stock Option Scheme titled “Employee Stock Option Scheme - 2008” in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”).

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee at its meeting held on January 24, 2009, had granted, under the “Indiabulls Ventures Limited Employees Stock Option Scheme - 2008” (“IBVL ESOP - 2008”) (title changed by Compensation Committee at its meeting

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

held on August 28, 2015 from “Indiabulls Securities Limited Employees Stock Option Scheme - 2008”) , 20,000,000 Stock Options representing an equal number of Equity Shares of face value Rs. 2 each in the Company, to the Eligible Employees, at an exercise price of Rs. 17.40, being the latest available closing market price on the National Stock Exchange of India Ltd., as on January 23, 2009 following the intrinsic method of accounting as is prescribed in the Guidance Note on Accounting for Employees Share-Based Payments (“the Guidelines”) issued by the Institute of Chartered Accountants of India. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

S. No.	Particulars	IBVL ESOP - 2008
1	Exercise price	₹ 17.40
2	Expected volatility	79.00%
3	Expected forfeiture percentage on each vesting date	Nil
4	Option Life (Weighted Average)	11 Years
5	Expected Dividends yield	22.99%
6	Risk Free Interest rate	6.50%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		₹ 0.84

The expected volatility was determined based on historical volatility data.

### b) **Employees Stock Option Scheme - 2009**

The Shareholders of the Company at their Annual General Meeting held on September 30, 2009 have authorised the Board of Directors to grant 20,000,000 options, representing equivalent number of Equity Shares of face value Rs. 2 each in one or more tranches, pursuant to an Employee Stock Option Scheme titled as ‘Indiabulls Ventures Limited Employees Stock Option Scheme - 2009’ (“IBVL ESOP - 2009”) (title changed by Compensation Committee at its meeting held on August 28, 2015 from “Indiabulls Ventures Limited Employees Stock Option Scheme - 2009”). The options covered under the Scheme would be granted at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

The Compensation Committee constituted by the Board of Directors of the Company, at its meeting held on December 1, 2009, granted, under the IBVL ESOP - 2009 10,000,000 Stock Options representing an equal number of Equity Shares of face value Rs. 2 each in the Company, at an exercise price of Rs. 35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., on November 30, 2009. The Stock Options so granted, shall vest uniformly over 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on April 12, 2010, granted, under the IBVL ESOP - 2009 2,050,000 Stock Options representing an equal number of Equity Shares of face value Rs. 2 each in the Company, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., on April 9, 2010. The Stock Options so granted, shall vest uniformly over 10 years beginning from April 13, 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on August 25, 2015, regranted under the IBVL ESOP - 2009 1,00,00,000 Stock Options (i.e., surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2/- each in

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

the Company, at an exercise price of Rs.27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from August 26, 2016, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

S. No.	Particulars	IBVL ESOP - 2009		
		10,000,000 Options	2,050,000 Options	10,000,000 Options Re-granted
1	Exercise price	₹ 35.25	₹ 31.35	₹ 27.45
2	Expected volatility	77.00%	48.96%	38.59%
3	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
4	Option Life (Weighted Average)	10 Years	10 Years	7 Years
5	Expected Dividends yield	13.48%	6.86%	9.16%
6	Risk Free Interest rate	7.50%	8.05%	6.50%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		₹ 6.48	₹ 9.39	₹4.77

The expected volatility was determined based on historical volatility data.

Had the compensation cost for the stock options granted under the IBSL ESOP - 2008 and IBSL ESOP - 2009 been determined based on the fair value approach, the Company's net profit and Basic/Diluted earnings per Equity Share would have been as per the pro forma amounts indicated below:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit attributable to Equity Shareholders (refer note - 29) (₹)	168,652,363	1,182,625,639
Less: Stock-based compensation expense (₹) determined under the fair value based method: [Gross ₹ 16,638,640 (Previous Year Rs. 16,589,166)] (pro forma)	835,588	867,622
Net Profit considered for computing Earnings per Equity Share (pro forma) (₹)	167,816,775	1,181,758,017
<b>Basic / Diluted Earnings Per Equity Share:</b>		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	291,937,356	258,749,486
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	1,528,205	2,957,646
Add: Potential number of Equity Shares that could arise on exercise of Warrants	274,685	17,638,846
Weighted average number of Equity Shares used for computing Diluted Earnings per Equity Share	293,740,246	279,345,978
Basic earnings per Equity Share (as reported) (₹)	0.58	4.57
Basic earnings per Equity Share (pro forma) (₹)	0.57	4.57
Diluted earnings per Equity Share (as reported) (₹)	0.57	4.23
Diluted earnings per Equity Share (pro forma) (₹)	0.57	4.23

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

The other disclosures in respect of the above Stock Option Schemes are as under:

	IBVL ESOP - 2008	IBVL ESOP - 2009		
<b>Total Options under the Scheme (Nos.)</b>	<b>20,000,000</b>	<b>20,000,000</b>		
Options granted (Nos.)	20,000,000	10,000,000	2,050,000	10,000,000 (Regrant)
Vesting Period and Percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years
Vesting Date	January 25 <sup>th</sup> each year, commencing January 25, 2010	December 2 <sup>nd</sup> each year, commencing December 2, 2010	April 13 <sup>th</sup> each year, commencing April 13, 2011	August 24 <sup>th</sup> each year, commencing August 24, 2016
Exercise Price (Rs.)	17.40	35.25	31.35	27.45
Outstanding at the beginning of the year (Nos.)	6,213,404	-	500,000	-
Options vested during the year (Nos.)*	915,808	-	50,000	-
Exercised during the year (Nos.)	706,460	-	-	-
Expired during the year (Nos.)	281,900	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	340,150	-	-	-
Outstanding at the end of the year (Nos.)	4,884,894	-	500,000	10,000,000
Exercisable at the end of the year (Nos.)	2,599,127	-	250,000	-
Remaining contractual Life (Weighted Months)	58	-	54	89

\* Net of options surrendered before vesting

### Note - 34

#### Segment Reporting :

The Company operates in one reportable business segment i.e., "Broking & related activities" and operates in one reportable geographical segment, i.e. "within India". Hence, no separate information for segment wise disclosure is required in accordance with the requirements of Accounting Standard (AS) 17 - "Segment Reporting".

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 35

#### Related Party Disclosures :

Disclosures in respect of Accounting Standard 18 - 'Related Party Disclosures' :

<b>Nature of Relationship</b>	<b>Name of the Party</b>
<b>(a) Related parties where control exists:</b>	
Subsidiary Companies *	Indiabulls Commodities Limited India Ethanol and Sugar Limited Devata Tradelink Limited Indiabulls Brokerage Limited Indiabulls Distribution Services Limited Auxesia Soft Solutions Limited Pushpanjli Finsolutions Limited (formerly known as Pushpanjli Finsolutions Private Limited) Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited) Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited) Shivshakti Financial Services Limited (formerly known as Shivshakti Financial Services Private Limited) Astraea Constructions Limited (formerly known as Astraea Constructions Private Limited ) Silenus Buildtech Limited (formerly known as Silenus Buildtech Private Limited) Astilbe Builders Limited (formerly known as Astilbe Builders Private Limited ) Pushpanjli Fincon Limited (formerly known as Pushpanjli Fincon Private Limited ) India Land and Properties Limited (w.e.f. November 18, 2014) (formerly known as India Land and Properties Private Limited) Positive Housings Private Limited (w.e.f. February 04, 2015) Indiabulls Alternate investments Limited (w.e.f. February 10, 2016)

\* These Companies include step down subsidiaries and step down subsidiaries of the subsidiaries of the company

#### (b) Other Related Parties:

Key Management Personnel	Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer Mr. Ashok Sharma, Whole Time Director Mr. Sameer Gehlaut, Dominant Promoter Mr. Rajiv Rattan, Dominant Promoter (upto July 17, 2014) [Refer note - 3 (iv)] Mr. Saurabh K. Mittal, Dominant Promoter (upto July 17, 2014) [Refer note - 3 (iv)]
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## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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(c) Significant transactions with Related Parties during the year ended March 31, 2016

Nature of Transaction	Subsidiaries	Key Management Personnel	Total
<b>Income</b>			
Consultancy Fees	— <i>2,000,000</i>	—	— <i>2,000,000</i>
Interest Income from Non Convertible Debentures	18,448 —	— —	18,448 —
Dividend Income	— <i>410,000,000</i>	— —	— <i>410,000,000</i>
<b>Expenses</b>			
Reimbursement of expenses paid	1,961,573 <i>2,701,584</i>	— —	1,961,573 <i>2,701,584</i>
Reimbursement of expenses received	37,034,579 <i>39,845,809</i>	— —	37,034,579 <i>39,845,809</i>
Rent Expense	105,327 —	— —	105,327 —
Office Maintenance Expense	31,598 —	— —	31,598 —
Printing & Stationery Expenses	11,600 —	— —	11,600 —
Remuneration	— —	10,269,993 <i>31,599,996</i>	10,269,993 <i>31,599,996</i>
<b>Finance</b>			
Inter-Corporate Deposits Given (Maximum balance outstanding during the year)	10,430,260,000 <i>6,166,150,000</i>	— —	10,430,260,000 <i>6,166,150,000</i>
Interest income on Inter-Corporate Deposits	249,934,791 <i>318,386,810</i>	— —	249,934,791 <i>318,386,810</i>
Money received against conversion of Share Warrants	— —	73,000,229 <i>24,375,000</i>	73,000,229 <i>24,375,000</i>
Money received against ESOP	— —	— <i>6,525,000</i>	— <i>6,525,000</i>
<b>Investment</b>			
Sale of investment in Subsidiary Company	— <i>500,000</i>	— —	— <i>500,000</i>
Investment in Non Convertible Debentures	12,833,000,000 —	— —	12,833,000,000 —
Redemption of Non Convertible Debentures	12,833,000,000 —	— —	12,833,000,000 —
<b>Liabilities</b>			
Employee Benefits Liabilities Paid	3,719,739 —	— —	3,719,739 —
Employee Benefits Liabilities Received	374,282 —	— —	374,282 —
<b>Assets</b>			
Security Deposit Given	270,738 —	— —	270,738 —
<b>Contingent Liability</b>			
Fixed Deposits pledged against overdraft facility availed by Subsidiary Company	6,500,000,000 <i>5,424,700,000</i>	— —	6,500,000,000 <i>5,424,700,000</i>

(Previous year's figures are stated in Italics)

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

**(d) Outstanding as at March 31, 2016:**

(Amount in ₹)

Nature of Transaction	Subsidiaries	Key Management Personnel	Total
<b>Inter-Corporate Deposits Given</b>			
- Indiabulls Distribution Services Limited	246,200,000	—	246,200,000
	<i>195,350,000</i>	—	<i>195,350,000</i>
- Devata Tradelink Limited	—	—	—
	<i>113,030,000</i>	—	<i>113,030,000</i>
<b>Dividend Receivable</b>			
- Indiabulls Distribution Services Limited	—	—	—
	<i>150,000,000</i>	—	<i>150,000,000</i>
<b>Money received against Share Warrants</b>			
- Mr. Sameer Gehlaut	—	—	—
	—	19,458,410	19,458,410
- Mr. Divyesh B. Shah	—	—	—
	—	4,875,000	4,875,000
<b>Money received against ESOP</b>			
- Mr. Ashok Sharma	—	—	—
	—	1,305,000	1,305,000
<b>Fixed Deposits pledged against overdraft facility availed by Subsidiary Company</b>			
- Indiabulls Distribution Services Limited	6,500,000,000	—	6,500,000,000
	<i>5,424,700,000</i>	—	<i>5,424,700,000</i>
<b>Security Deposit Given</b>			
- India Land and Properties Limited	270,738	—	270,738
	—	—	—

(Previous year's figures are stated in Italics)

**(e) Statement of Material Transactions :**

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Consultancy Fees</b>		
- Indiabulls Distribution Services Limited	—	2,000,000
<b>Dividend Income</b>		
- Indiabulls Distribution Services Limited	—	410,000,000
<b>Reimbursement of Expenses paid</b>		
- India Land and Properties Limited	15,796	—
- Indiabulls Distribution Services Limited	1,945,777	2,701,584
<b>Reimbursement of Expenses received</b>		
- Indiabulls Distribution Services Limited	37,034,579	39,845,809
<b>Inter-Corporate Deposits Given (maximum balance outstanding during the year)</b>		
- Indiabulls Distribution Services Limited	10,317,200,000	6,052,900,000
- Devata Tradelink Limited	113,060,000	113,250,000
<b>Interest Income from Inter-Corporate Deposits Given</b>		
- Indiabulls Distribution Services Limited	249,934,791	318,386,810
<b>Interest Income from Non Convertible Debentures</b>		
- Indiabulls Distribution Services Limited	18,448	—

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

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(e) **Statement of Material Transactions : (continued)**

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Rent Expense</b>		
- India Land and Properties Limited	105,327	—
<b>Office Maintenance Expense</b>		
- India Land and Properties Limited	31,598	—
<b>Printing &amp; Stationery Expenses</b>		
- India Land and Properties Limited	11,600	—
<b>Money received against conversion of Share Warrants</b>		
- Mr. Sameer Gehlaut	58,375,229	—
- Mr. Divyesh B. Shah	14,625,000	24,375,000
<b>Money received against ESOP</b>		
- Mr. Ashok Sharma	—	6,525,000
<b>Security Deposit Given</b>		
- India Land and Properties Limited	270,738	—
<b>Employee Benefits Liabilities paid</b>		
- Indiabulls Distribution Services Limited	1,206,415	—
- India Land and Properties Limited	2,513,324	—
<b>Employee Benefits Liabilities received</b>		
- Indiabulls Distribution Services Limited	276,070	—
- Indiabulls Commodities Limited	98,212	—
<b>Fixed Deposits pledged against overdraft facility availed by subsidiary company</b>		
- Indiabulls Distribution Services Limited	6,500,000,000	5,424,700,000
<b>Remuneration</b>		
- Mr. Divyesh B. Shah	10,269,993	31,599,996
<b>Investment in Non Convertible Debentures</b>		
- Indiabulls Distribution Services Limited	12,833,000,000	—
<b>Redemption of investment in Non Convertible Debentures</b>		
- Indiabulls Distribution Services Limited	12,833,000,000	—
<b>Sale of Investment</b>		
- Indiabulls Distribution Services Limited	-	500,000

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

**Note - 36**

**Employee Benefits:**

Provident Fund, Gratuity and Compensated Absences - disclosures as per Accounting Standard 15 (Revised) - 'Employee Benefits' :

Contributions are made to Government Provident Fund and Family Pension Fund and other statutory funds which cover all regular employees eligible under the respective acts. Both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs. 1,048,159 (Previous year Rs. 865,843) towards Employer's Contribution for the above mentioned funds.

Provision for unfunded Gratuity and Compensated Absences for eligible employees is based on an actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains / losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Disclosures in respect of Gratuity and Compensated Absences:

(Amount in ₹)

Particulars	Gratuity (unfunded) 2015-16	Gratuity (unfunded) 2014-15	Compensated Absences (unfunded) 2015-16	Compensated Absences (unfunded) 2014-15
<b>Reconciliation of Liability recognised in the Balance Sheet :</b>				
Present Value of Commitments (as per Actuarial valuation)	24,075,702	20,460,755	6,055,597	5,795,350
Fair Value of Plans	—	—	—	—
Net Liability in the Balance Sheet (as per Actuarial valuation)	24,075,702	20,460,755	6,055,597	5,795,350
<b>Movement in net Liability recognised in the Balance Sheet :</b>				
Net Liability as at beginning of the year	20,460,755	17,412,601	5,795,350	5,378,411
Amount Paid during the year	3,126,222	3,636,283	155,767	253,146
Acquisition adjustment on account of transfer of employees	1,182,952	—	2,162,505	—
Net expense / (gain) recognised in the Statement of Profit and Loss	7,924,121	6,684,437	2,578,519	670,085
Contribution during the year	—	—	—	—
Net Liability as at end of the year	24,075,702	20,460,755	6,055,597	5,795,350
<b>Expense recognised in the Statement of Profit and Loss :</b>				
Current Service Cost	2,666,018	2,231,973	811,030	691,869
Past Service Cost	—	—	—	—
Interest Cost	1,783,016	1,544,269	509,483	517,877
Expected return on plan assets	—	—	—	—
Actuarial losses / (gains)	3,475,087	2,908,195	1,258,006	(539,661)
Expense charged / (reversal) to the Statement of Profit and Loss	7,924,121	6,684,437	2,578,519	670,085
<b>Return on plan assets :</b>				
Expected return on plan assets	—	—	—	—
Actuarial (gains) / losses	—	—	—	—
Actual return on plan assets	—	—	—	—
<b>Reconciliation of defined-benefit Commitments :</b>				
Commitments as at beginning of the year	20,460,755	17,412,601	5,795,350	5,378,411
Current Service Cost	2,666,018	2,231,973	811,030	691,869
Past Service Cost	—	—	—	—
Interest Cost	1,783,016	1,544,269	509,483	517,877
Paid benefits	(3,126,222)	(3,636,283)	(155,767)	(253,146)
Acquisition adjustment on account of transfer of employees	(1,182,952)	—	(2,162,505)	—
Actuarial losses / (gains)	3,475,087	2,908,195	1,258,006	(539,661)
Commitments as at end of the year	24,075,702	20,460,755	6,055,597	5,795,350

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

Particulars	Gratuity (unfunded) 2015-16	Gratuity (unfunded) 2014-15	Compensated Absences (unfunded) 2015-16	Compensated Absences (unfunded) 2014-15
<b>Reconciliation of plan assets :</b>				
Plan assets as at beginning of the year	—	—	—	—
Expected return on plan assets	—	—	—	—
Contributions during the year	—	—	—	—
Paid benefits	—	—	—	—
Actuarial (gains) / losses	—	—	—	—
Plan assets as at end of the year	—	—	—	—

(Amount in ₹)

Experience adjustment:	Gratuity (Unfunded)				
	2015-16	2014-15	2013-14	2012-13	2011-12
On plan liabilities ((losses) / gains)	(2,597,855)	(2,146,701)	(2,659,739)	(2,683,314)	1,372,332
On plan assets (gains/ (losses))	—	—	—	—	—
Present value of benefit obligation	24,075,702	20,460,755	17,412,601	35,022,593	34,479,164
Fair value of plan assets	—	—	—	—	—
Excess of obligation over plan assets / (plan assets over obligation)	24,075,702	20,460,755	17,412,601	35,022,593	34,479,164

(Amount in ₹)

Experience adjustment:	Compensated Absences (Unfunded)				
	2015-16	2014-15	2013-14	2012-13	2011-12
On plan liabilities (Gain)	(1,020,390)	746,059	940,374	4,397,849	8,313,277
On plan assets (Gain/ (Loss))	—	—	—	—	—
Present value of benefit obligation	6,055,597	5,795,350	5,378,411	10,496,925	12,654,848
Fair value of plan assets	—	—	—	—	—
Excess of obligation over plan assets / (plan assets over obligation)	6,055,597	5,795,350	5,378,411	10,496,925	12,654,848

The actuarial calculations used to estimate commitments and expenses in respect of unfunded Gratuity and Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate - Gratuity and Compensated Absences	8.00%	8.25%
Expected return on plan assets	NA	NA
Expected rate of salary increase	5.00%	5.00%
Mortality	IALM (2006 - 08)	IALM (2006 - 08)

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet Date, towards Gratuity and Compensated Absences is ₹ 6,078,943 (Previous Year ₹ 5,066,423) and ₹ 1,287,854 (Previous Year ₹ 1,308,562) respectively.

## Notes forming part of the financial statements

for the year ended March 31, 2016 (contd.)

### Note - 37

#### Earnings in Foreign Currency:

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Advisory Income	5,676	—
Dividend on Long-Term Investments	—	9,271,866
<b>Total</b>	<b>5,676</b>	<b>9,271,866</b>

### Note - 38

Donation represents amount contributed toward Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.

### Note - 39

#### Derivative Instruments:

The Company has not entered into any derivative contract for hedging any foreign currency exposure. The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below :

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Amount receivable on loan notes and escrow receivable account (in USD)	1,209,558	1,291,918
Amount receivable on loan notes and escrow receivable account (in INR)	80,233,492	80,862,154

### Note - 40

As per the best estimate of the Management, no provision is required to be made as per Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

### Note - 41

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

For and on behalf of the Board of Directors

Divyesh B. Shah  
Whole Time Director &  
Chief Executive Officer  
DIN: 00010933

Ashok Sharma  
Whole Time Director  
DIN: 00010912

Rajeev Lochan Agrawal  
Chief Financial Officer

Lalit Sharma  
Company Secretary

Mumbai, May 06, 2016

**ANNEXURE: STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES  
[FORM AOC-1: PURSUANT TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014]**

**Part A: Subsidiaries**

Sr. No.	Name of the Subsidiary Companies	Year	Share Capital	Reserves and Surplus (Surplus / (Deficit))	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
1	Indiabulls Commodities Limited	2015-16	6,000,000	235,349,662	292,175,686	52,765,558	1,939,534	163,282,301	75,656,783	(13,405,990)	89,062,773	-	100%
2	India Ethanol And Sugar Limited	2015-16	1,900,000	(949,485)	1,051,847	101,332	-	414,670	26,290	(18,877)	45,167	-	100%
3	Devata Tradelink Limited	2015-16	500,000	(1,806,244.873)	13,394,827	1,840,149,700	21,010,000	200,000	83,160	-	83,160	-	100%
4	Indiabulls Brokerage Limited	2015-16	55,000,000	(7,829,502)	47,919,080	748,582	-	5,169,372	3,104,692	964,714	2,139,978	-	100%
5	Indiabulls Distribution Services Limited	2015-16	500,000	(20,995,132)	7,694,567,615	12,670,885,014	4,955,882,267	1,662,470,637	(190,382,094)	(56,714,779)	(133,667,315)	-	100%
6	Auxesia Soft Solutions Limited	2015-16	500,000	392,619	580,788,246	600,173,405	20,277,778	7,027,719	1,085,587	167,800	917,787	-	100%
7	Pushpanjali Finsolutions Limited (Formerly known as Pushpanjali Finsolutions Private Limited)	2015-16	60,100,000	(4,444,558)	56,674,093	1,018,651	-	4,700,469	4,499,142	1,420,000	3,079,142	-	100%
8	Arbutus Constructions Limited (Formerly known as Arbutus Constructions Private Limited)	2015-16	1,100,000	3,543,150	17,420,084	32,826,934	20,050,000	1,539,512	(1,229,201)	-	(1,229,201)	-	100%
9	Gyansagar Buildtech Limited (Formerly known as Gyansagar Buildtech Private Limited)	2015-16	1,100,000	11,762,068	265,729,391	272,917,323	20,050,000	18,476,296	(1,030,546)	-	(1,030,546)	-	100%
10	Shivshakti Financial Services Limited (Formerly known as Shivshakti Financial Services Private Limited)	2015-16	23,166,000	895,730,094	928,827,000	9,990,906	-	142,889,163	16,390,455	2,639,461	13,750,994	-	100%
11	Astraea Constructions Limited (Formerly known as Astraea Constructions Private Limited)	2015-16	500,000	75,471	603,921	28,450	-	100,701	84,384	61,642	22,742	-	100%
12	Silenus Buildtech Limited (Formerly known as Silenus Buildtech Private Limited)	2015-16	500,000	323,646	852,096	28,450	-	100,000	82,272	30,686	51,586	-	100%

**ANNEXURE: STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES [FORM AOC-1: PURSUANT TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014] (contd.)**

Sr. No.	Name of the Subsidiary Companies	Year	Share Capital	Reserves and Surplus (Surplus / (Deficit))	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
13	Astibe Builders Limited (Formerly known as Astibe Builders Private Limited)	2015-16	500,000	302,448	823,898	21,450	-	45,760	26,309	13,760	12,549	-	100%
14	Pushpanji Fincin Limited (Formerly known as Pushpanji Fincin Private Limited)	2015-16	40,100,000	(41,857,003)	93,099,588	94,856,591	-	-	(12,620,788)	-	(12,620,788)	-	100%
15	India Land And Properties Limited (Formerly known as India Land And Properties Private Limited)	2015-16	144,350,070	2,689,518,223	7,768,764,365	4,934,896,072	-	1,423,884,023	495,343,607	1,240,711	494,102,896	-	100%
16	Positive Housings Private Limited	2015-16	174,363,610	(13,323,059)	672,084,176	511,043,625	-	1,083,847	(4,629,190)	-	(4,629,190)	-	100%
17	Indiabulls Alternate Investments Limited *	2015-16	500,000	(483,320)	240,000	223,320	-	-	(483,320)	-	(483,320)	-	100%

**Note:**

\* Being Subsidiary of the Company w.e.f. February 10, 2016

For and on behalf of the Board

<b>Divyesh B. Shah</b> Whole Time Director & Chief Executive Officer Mumbai, May 6, 2016	<b>Ashok Sharma</b> Whole Time Director Chief Financial Officer	<b>Rajeev Lochan Agrawal</b> Chief Financial Officer	<b>Lalit Sharma</b> Company Secretary
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**Indiabulls**  
VENTURES

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Registered Office  
M-62 & 63, 1st Floor,  
Connaught Place,  
New Delhi - 110001

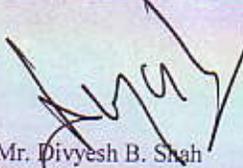
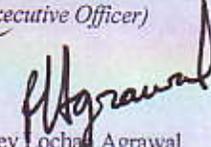
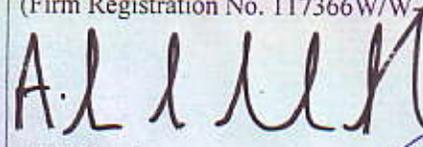
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Corporate Offices  
Indiabulls House  
448-451, Udyog Vihar,  
Phase V, Gurgaon - 122016

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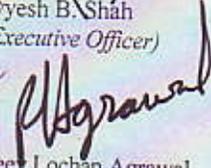
<https://www.indiabulls.com/indiabulls-ventures/>

**FORM A**  
**Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

1.	<i>Name of the Company:</i>	INDIABULLS VENTURES LIMITED
2.	<i>Annual financial statements for the year ended:</i>	Annual Consolidated Financial Statements for the year ended 31 <sup>st</sup> March 2016
3.	<i>Type of Audit observation</i>	Un Modified
4.	<i>Frequency of observation</i>	Not Applicable
5.	<i>To be signed by-</i>	
	<i>CEO</i>	 Mr. Divyesh B. Shah (Chief Executive Officer) 
	<i>CFO</i>	 Mr. Rajeev Lochan Agrawal 
	<i>Audit Committee Chairman</i>	 Mr. Aishwarya Katoch 
	<i>Auditor of the company</i>	Refer our Audit Report dated May 6, 2016 on the consolidated financial statements of the "Indiabulls Ventures Limited"  For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)  A. Siddharth (Partner) (Membership No.031467) 

Date: May 6, 2016

**FORM A**  
**Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

1.	Name of the Company:	INDIABULLS VENTURES LIMITED
2.	Annual financial statements for the year ended:	Annual Standalone Financial Statements for the year ended 31 <sup>st</sup> March 2016
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	CEO	 Mr. Divyesh B. Shah (Chief Executive Officer)
	CFO	 Mr. Rajeev Lochan Agrawal
	Audit Committee Chairman	 Mr. Aishwarya Katoch
	Auditor of the company	Refer our Audit Report dated May 6, 2016 on the standalone financial statements of the "Indiabulls Ventures Limited"  For DELOITTE HASKINS & SELLS LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)  A. Siddharth (Partner) (Membership No.031467)

Date: May 6, 2016

