

# CREATING OPPORTUNITIES FOR SMART INVESTMENTS.



**Indiabulls**  
VENTURES

ANNUAL REPORT  
*2014 - 2015*

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Company Information .....	1
Letter from the CEO .....	2
Management Discussion and Analysis .....	3
Directors' Report .....	7
Report on Corporate Governance .....	38
Consolidated Financials .....	54
Standalone Financials .....	99
Statement Pursuant to Section 129 of the Companies Act, 2013 .....	135

# Company Information

1

## Board of Directors:

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

## Company Secretary:

Ms. Richa Jaiswal

## Internal Auditors:

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

## 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.

## 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:

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  
ING Vyasa Bank  
Karnataka Bank Ltd.  
Karur Vysya Bank  
Oriental Bank of Commerce  
Punjab and Sind Bank  
Punjab National Bank  
The Ratnakar Bank Ltd.  
State Bank of India  
Syndicate Bank  
UCO Bank  
Union Bank of India  
Vijaya Bank  
Yes Bank Ltd.

## Letter from the CEO

As I pen this your Company now has a new name, a new identity – Indiabulls Ventures Ltd. (IBVL) The diversification into other businesses necessitated this change and I am confident that IBVL will scale greater heights under a new identity.

The newly elected government under the dynamic leadership of Mr. Narendra Modi presented its first Union Budget, which set a positive tone by emphasizing on the need to deal with pressing macroeconomic challenges. The need for time bound implementation of policies and projects, following the government’s mantra of “minimum government and maximum governance” may see the economy clocking 7-8% growth in the coming 3-4 years.

The favorable external shock was the decline in crude prices by almost 50% since July 2014. This would work towards improving growth prospects and easing inflation pressures further.

Reposing faith in a stable and result oriented government, FIIs pumped in a staggering USD 33 bn during the period Apr-Dec, 2014 which helped the capital markets scale newer highs. The markets however continue to be volatile and will closely look at the speed of execution of the announced policy measures. Global cues will impact the markets which could lead to further volatility.

A revival in economic sentiment, rising income levels of borrowers and cooling property prices have resulted in improved outlook for the housing sector. Softening of interest rates combined with tepid property price inflation compared to increase in disposable incomes has made the house buying more affordable. In fact, the centre’s push towards affordable housing is expected to substantially boost home sales over the next few years. IBVL through its subsidiary companies is ideally poised to partake of this opportunity through its realty distribution team.

The expansion of your Company’s business into distribution of non discretionary wealth management products augured well for the Company as it continued to perform consistently amidst margin pressures. Another significant step was the acquisition of India Land and Properties Ltd. The acquisition was a foray into the commercial leasing space and opened up an approx 2 million sq ft opportunity in Ambattur, Chennai.

It gives me great pleasure to inform you that the Company reported a PAT of ₹ 151 cr, growing by a healthy 49%, and is now poised to grow aggressively in the coming years. The shareholders were yet again rewarded by way of a pay-out of ₹ 3/- per equity share as Interim Dividends, in aggregate, on a face value of ₹ 2/- per share, for the fiscal year 2014-15.

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 year under review has been one of change. The economy has grown despite a very challenging environment with the GDP growth rate increasing by around 7.3% in 2014-15. The new government has swung into action and the economy is set to grow faster with a number of business friendly reforms already set in motion.

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

Over the past decade, the Indian economy has passed through phases of growth and slowdown. Multiple issues have plagued the economy, yet India Inc. has steered through and remains confident of an economic rebound.

A number of key business-friendly initiatives will further empower corporate India and improve business sentiment. Clarity of policy making and its implementation, stimulus to infrastructure sector and further strengthening of capital markets will go a long way in promoting growth and inclusive development across the country.

## Capital Markets Overview

Reposing faith in a stable and result oriented government, FIIs pumped in a staggering USD 33 bn during the period Apr-Dec, 2014, which helped the capital markets scale newer highs. The markets however continue to be volatile and will closely look at the speed of execution of the announced policy measures. Global cues will impact the markets which could lead to further volatility.

## 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 MCX-SX 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 expansion of your Company's business into distribution of non-discretionary wealth management products augured well for the Company as it continued to perform consistently amidst margin pressures. Another significant step was the acquisition of India Land and Properties Ltd. The acquisition was a foray into the commercial leasing space and opened up an approx 2 million sq ft opportunity in Ambattur, Chennai.

## 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

## Management Discussion and Analysis (contd.)

trade execution to its customers. Investors have full access to personalised portfolio tracking, charting and quote 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 satellite/leased lines-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 Trading Portal, 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) 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 funds 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 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 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 handheld 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.

## Management Discussion and Analysis (contd.)

### 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 includes dematerialization, Rematerialisation, settlement of trades through market transfers, off market transfers. It performs clearing services for all securities and commodities transactions. Clients of the brokerage business are able to use the depository services in respect of transaction executed on stock exchange and commodity 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

Reposing faith in a stable and result oriented government, FIs pumped in a staggering USD 33 bn during the period Apr-Dec, 2014 which helped the capital markets scale newer highs. The markets however continue to be volatile and will closely look at the speed of execution of the announced policy measures. Global cues will impact the markets which could lead to further volatility.

A revival in economic sentiment, rising income levels of borrowers and cooling property prices have resulted in improved outlook for the housing sector. Softening of interest rates combined with tepid property price inflation compared to increase in disposable incomes has made the house buying more affordable. In fact, the centre's push towards affordable housing is expected to substantially boost home sales over the next few years. Your company is ideally poised to partake of this opportunity through its realty distribution team.



## Management Discussion and Analysis (contd.)

### Human Resources

Your Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The structured recruitment process, which the Company employs, focuses on recruiting people who have the right mindset for working at IBVL, supported by structured training programmes and internal growth opportunities. The basic objective has been to unlock the people potential and further developing their functional, operational and behavioral competencies so as to build a team of dedicated employees who work with passion, zeal and a sense of belongingness and play a defining role in significantly accelerating the growth and transformation of the Company, thereby, consolidating its position in the market as one of the top corporate brokerage houses in the country. It is in continuation of this process that the Company has in place, Employee Stock Option Schemes which aim at rewarding and nurturing talent so that the Company gets to retain what is best in the industry.

### 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

7

## Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report and the audited accounts of the Company for the year ended March 31, 2015.

## FINANCIAL RESULTS

The highlights of the standalone financial results for the year ended March 31, 2015 are as under:

	Year ended March 31, 2015 (Amount in ₹)	Year ended March 31, 2014 (Amount in ₹)
<b>Profit before Depreciation &amp; Amortisation expenses and Tax</b>	1,393,284,372	1,068,730,731
Less: Depreciation & Amortisation expenses	48,046,695	46,426,894
Profit before Tax	1,345,237,677	1,022,303,837
Less: Provision for Taxation & prior period tax adjustments	162,612,038	149,735,647
Profit after Tax and prior period tax adjustment	1,182,625,639	872,568,190
Add: balance of profit brought forward	656,642,890	963,856,309
<b>Amount available for appropriation</b>	<b>1,839,268,529</b>	<b>1,836,424,499</b>
<b>Appropriations</b>		
Interim Dividend on Equity Shares (including ₹ 13,125,095 provided of previous financial year)	795,900,248	938,594,948
Corporate Dividend Tax on Interim Dividend on Equity Shares (including ₹ 2,230,160 paid for previous financial year)	100,165,948	57,544,211
Transfer to General Reserves	—	183,642,450
Depreciation on transition to Schedule II of the 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>864,671,275</b>	<b>656,642,890</b>

## OPERATIONS 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 MCX-SX 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 ₹ 202.99 crores with a net profit of ₹ 118.26 crores. The consolidated revenue of the Company was ₹ 408.28 crores and the consolidated net profit was ₹ 150.64 crores.

## FUTURE BUSINESS OUTLOOK

The Indian Capital Market turned out to be among the world's best performers in 2014. It is most likely that this stellar run will continue in 2015 on the back of reforms, strong foreign fund inflows, revival of manufacturing and improvement in the macro economic situation.

The government's recent policy measures, such as diesel price deregulation, a greater focus on local manufacturing, as well as the Reserve Bank's efforts to contain inflationary pressures and raise banking system efficiency, could increase savings, investment and productivity in the economy. Although optimism is good it is the pace of change that will really determine how things will unfold. Any delay or deferment of policy implementation could have an adverse effect on the sentiment and markets.

Geopolitical risks such as the situation in Russia and Ukraine, and ISIS-related problems in Iraq and the Middle East are

## Directors' Report (contd.)

some of the biggest uncertainties for the markets. The Eurozone is already facing slowdown-related issues. On top of this, talks of Greece exiting the Eurozone are back. Markets are speculating whether EU countries will slip into recession again. If that happens, markets around the world may slump. This could affect Indian markets too. The US economy, which faced a recession after the 2008 financial crisis, is finally picking up. The US Central Bank, Federal Reserve, indicated that it is confident about the recovery and, thus, may raise interest rates this year. Brokerage firms expect the Fed to raise rates in mid-2015. If the US hikes rates sooner than anticipated, it could lead to the exit of foreign investments from India and cause volatility in the markets.

Your Company has over the years scaled up its operations in the distribution of non discretionary wealth management product space. The Centre's push towards affordable housing augurs well and is an opportunity waiting to be tapped. The recent acquisition of India Land and Properties Limited has also opened up a huge potential in the commercial leasing space. All in all your Company is geared up to withstand any margin pressures and volatility in the Capital Markets.

### DIVIDEND

In keeping with the Company's policy of rewarding its shareholders, the Board of Directors of the Company, had, for the year 2014-15, declared three interim dividends aggregating to ₹ 3/- per share on shares of face value ₹ 2/- each (₹ 1/- for the quarter ended June 30, 2014, ₹ 1/- for the quarter ended September 30, 2014 and ₹ 1/- for the quarter ended December 31, 2014), with the total outflow of ₹ 88.07 Cr. (inclusive of Corporate Dividend Tax).

The Board of Directors of the Company, had, in its meeting held on April 24, 2015, declared an interim dividend of ₹ 1/- per share on shares of face value ₹ 2/- each, for the Financial Year 2015-16. Further, the Board of Directors of the Company, had, in its meeting held on July 21, 2015, declared second interim dividend of ₹ 1/- per share of face value of ₹ 2/- each, for the Financial Year 2015-16.

### DIRECTORS

To achieve the highest standards of Corporate Governance in its management, and to introduce a true sense of professionalism in the Board of the Company, during the financial year 2014-15, the Board of Directors of the Company (Board) was re-constituted with the appointments of Mr. Aishwarya Katoch, Mr. Prem Prakash Mirdha, Brig Labh Singh Sitara (Ex-Army official and Dhyan Chand Award winner sportsman), as Independent Directors of the Company and the appointment of Ms. Pia Johnson, as Non-Executive Woman Director of the Company and cessation of Mr. Karan Singh Khara, Independent Director. The Board has placed on record its appreciation for the contribution made by Mr. Khara, during his tenure of office.

All the present Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Act and Clause 49 of the Listing Agreement.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Divyesh B Shah (DIN: 00010933), Director of the Company, retire 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 Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, are provided in the Report on Corporate Governance forming part of the Annual Report.

### SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2015, was ₹ 522,446,162 comprising of 261,223,081 equity shares of ₹ 2/- each. Subsequently, from April 1, 2015 till date, the Company had allotted 30,940,001 equity shares of face value ₹ 2/- each against conversion of 30,940,001 warrants, as a result of which the paid up equity share capital of the Company stands increased to ₹ 584,326,164 comprising of 292,163,082 equity shares of ₹ 2/- each.

### EMPLOYEE STOCK OPTIONS

With a view to reward performance and to retain talented employees of the Company and its subsidiaries, the Company had introduced two employee stock option schemes titled 'Indiabulls Securities Limited Employees Stock Option

## Directors' Report (contd.)

9

Scheme – 2008' and 'Indiabulls Securities Limited Employees Stock Option Scheme – 2009', covering 40 million stock options, convertible into equal number of Equity Shares of face value ₹ 2/- each.

The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, in respect of the aforesaid Schemes of the Company are set out in the Annexure to this Report.

### CHANGE OF NAME OF THE COMPANY

Pursuant to issuance by the Registrar of Companies, NCT of Delhi & Haryana, of the Fresh Certificate of Incorporation dated March 12, 2015, the name of the Company stands changed from Indiabulls Securities Limited to Indiabulls Ventures Limited with effect from the said date.

### 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 2015-16 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's Registration 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 First 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 2014-15. 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 2014-15, 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 and Education, 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 Clause 49 of the Listing Agreement with the Stock Exchanges, Management's Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

### CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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' Report (contd.)

### 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, 2015, 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, 2015 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 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 LISTING AGREEMENT

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 Listing Agreement, not elsewhere mentioned in this Report, are given in "Annexure A" forming part of this Report.

### GREEN INITIATIVES

Electronic copies of the Annual Report 2015 and Notice of the 20th 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 2015 and Notice of the 20th 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 20th 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 Clause 35B of the Listing Agreement. The instructions for e-voting are provided in the Notice.

### ACKNOWLEDGEMENT

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

Date: August 5, 2015  
Place: Mumbai

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

**Ashok Kumar Sharma**  
Whole-time Director

### 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, 2015, 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 2014-15, 15 (Fifteen) 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 Clause 49 of the Listing Agreement, 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 March 25, 2015, without the attendance of Non-Independent Directors and the members of the Company Management.

##### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 2014-15, 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. Significant audit observations and recommendations alongwith the corrective actions taken thereon are presented to the Audit Committee of the Board.

##### MATERIAL CHANGES AND COMMITMENTS

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, 2015 and the date of this Report.

## Directors' Report (contd.)

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:

#### **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 continues 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 ₹ 0.93 Cr. and there was no foreign exchange outgo. The details of earnings are shown in Note No. 37 of Notes to the Accounts, forming part 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 Clause 49 of the Listing Agreement, 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



## Directors' Report (contd.)

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.

### SUBSIDIARY COMPANIES

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statement along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing 20th 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, 2015, 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 Accounts, of Consolidated Financial Statements of the Company and the Annexure as captured at the end of this Annual Report.

### 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

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 2014-15, 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 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

Indiabulls Securities Limited Employees Stock Option Scheme – 2008 - As on March 31, 2015

Particulars	IBSL ESOP 2008
a. Options Granted	20,000,000
b. Exercise price	₹ 17.40
c. Options vested during the year	1,003,708*
d. Options exercised during the year	2,840,571
e. The total number of Shares arising as a result of exercise of option	2,840,571
f. Options lapsed	9,774,162
g. Variation in terms of options	Nil
h. Money realized by exercise of options	49,425,935
i. Total number of options in force	6,213,404
j. Employee wise details of options granted to; <ul style="list-style-type: none"> <li>i. Senior 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 of the company.</li> </ul>	Mr. Divyesh B Shah - 2,500,000 Options Nil  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']	₹ 4.23
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: ₹ 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: <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(a) of financial statements (standalone) forming part of the Annual Report.

\*Net of options surrendered before vesting.

## Directors' Report (contd.)

### ANNEXURE TO THE DIRECTORS' REPORT

#### Indiabulls Securities Limited Employees Stock Option Scheme – 2009 - As on March 31, 2015

Particulars	IBSL ESOP 2009			
	10,000,000 Options		2,050,000 Options	
	Weighted average exercise price:	Weighted average fair value:	Weighted average exercise price:	Weighted average fair value:
a. Options Granted	12,050,000*			
b. Exercise price	10,000,000 options @ ₹ 35.25 and 2,050,000 options @ ₹ 31.35			
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	500,000			
j. Employee wise details of options granted to;				
i. Senior Management personnel	Mr. Divyesh B Shah - 500,000 Options			
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 of the company.	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']	₹ 4.23			
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.	₹ 35.25 per option	₹ 6.48 per option	₹ 31.35 per option	₹ 9.39 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 (b) 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				

\*balance 7,950,000 options under the scheme are yet to be granted.

## Annexure 1

### SECRETARIAL AUDIT REPORT

for the Financial Year ended on March 31, 2015

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

#### To The Members

##### Indiabulls Ventures Limited

(Earlier Indiabulls Securities Limited)

M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110001

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

Based on our verification of the Indiabulls Ventures Limited's (Earlier Indiabulls Securities Limited) 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 on 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the 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 Indiabulls Ventures Limited (Earlier Indiabulls Securities Limited) ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 1992;
  - 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- (vi) Other Laws;
- a) The Securities and Exchange Board of India Act, 1992 (15 of 1992);
  - b) The SEBI (Depositories and Participants) Regulations, 1996;
  - c) The Bye Laws and Business Rules of NSDL;
  - d) Directives / Circulars / 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 there under by SEBI or Statutory / 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as 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, Woman 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 i.e. F.Y. 2014-2015 the Company has:-

- I. Issued 30,110,570 Equity Shares of the face value of ₹ 2/- per share during the financial year 2014-15 i.e. 27,269,999 equity shares upon conversion of equivalent number of warrants and 2,840,571 equity shares to the employees upon exercise of option under the Company's Employees Stock Option Scheme;
- II. Changed its Name from Indiabulls Securities Limited to Indiabulls Ventures Limited;

- III. The earlier Promoters of Indiabulls Group have agreed to restructure their inter-se roles and to re-organize the management control of different group companies amongst themselves, pursuant to which Mr. Sameer Gehlaut, Promoter of the Company and the entities promoted by him, have continued as Promoters / Promoter Group / PACs with the promoters of the Company. Further, with effect from July 18, 2014, Mr. Rajiv Rattan, Mr. Saurabh Kumar Mittal and the entities promoted by them, have ceased to be the Promoters / Promoter Group / PACs with the promoters of the Company;
- IV. Shareholders have accorded their approval, pursuant to the provisions of Section 180 (1)(a) and (1)(c) of the Companies Act, 2013, for the Company to borrow monies and to create security on the borrowings;
- V. The Board of Directors of the Company, had, for the year 2014-15, declared three 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: 11.05.2015

## 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/aboutindiabulls.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 (WTD)

4. **Average Net Profit of the Company for last three financial years:** ₹ 28.25 Crore

5. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 56.51 Lacs

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

a. **Total amount spent for the financial year:** ₹ 59.11 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 Programson		Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cumulative Expenditure up to 31st March 2015	Amount Spent Direct or through implementing agency *
			District	State				
1	Distribution of School Bags in Ashram Schools	Education	Mumbai Thane Palghar Raigad	Maharastra	2,000,000	464,009	464,009	Implementing Agency (Indiabulls Foundation)
2	Scholarships	Education	Mumbai Pune Kolhapur Lucknow Kharagpur Delhi	Maharashtra Uttar Pradesh West Bengal Delhi	3,000,000	1,640,341	2,104,350	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 Programson		Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cummulative Expenditure up to 31st March 2015	Amount Spent Direct or through implementing agency *
			District	State				
3	Health Camps	Health	Mumbai	Maharashtra	911,000	—	2,104,350	Implementing Agency (Indiabulls Foundation)
	<b>Total</b>				<b>5,911,000</b>	<b>2,104,350</b>	<b>2,104,350</b>	

\*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 2014-15, the Company has contributed its CSR expenditure aggregating to ₹ 59.11 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 2014-15, the implementation and monitoring of CSR Policy of the Company were environmental friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For Indiabulls Ventures Limited

Date: April 24, 2015

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 31.03.2015

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	39.85%



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

SI 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

SI 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

**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	68,713,425	0	68,713,425	29.73	34,171,089	0	34,171,089	13.08	-16.65
b) Central Govt.	0	0	0		0	0	0	0	0.00
c) State Govt.	0	0	0		0	0	0	0	0.00
d) Bodies Corporates	32,807,000	0	32,807,000	14.20	45,666,496	0	45,666,496	17.48	3.28
e) Bank/FI	0	0	0		0	0	0	0	0.00
f) Any other	0	0	0		0	0	0	0	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>101,520,425</b>	<b>0</b>	<b>101,520,425</b>	<b>43.93</b>	<b>79,837,585</b>	<b>0</b>	<b>79,837,585</b>	<b>30.56</b>	<b>-13.37</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/FI	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>101,520,425</b>	<b>0</b>	<b>101,520,425</b>	<b>43.93</b>	<b>79,837,585</b>	<b>0</b>	<b>79,837,585</b>	<b>30.56</b>	<b>-13.37</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	2,507	0	2,507	0	1,987	0	1,987	0	0.00
b) Banks/FI	287,747	0	287,747	0.12	211,401	0	211,401	0.08	-0.04
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	3,982,368	0	3,982,368	1.72	75,690	0	75,690	0.03	-1.69
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>4,272,622</b>	<b>0</b>	<b>4,272,622</b>	<b>1.85</b>	<b>289,078</b>	<b>0</b>	<b>289,078</b>	<b>0.11</b>	<b>-1.74</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	24,572,682	0	24,572,682	10.63	39,662,665	0	39,662,665	15.18	4.55
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	72,988,494	36,713	73,025,207	31.60	69,210,444	37051	69,247,495	26.51	-5.09
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	23,583,790	273,800	23,857,590	10.32	50,372,696	273800	50,646,496	19.39	9.07
c) Others (specify)									
Non-Resident Indians	3,056,706	0	3,056,706	1.32	20,983,345	0	20,983,345	8.03	6.71
Clearing Members	741,202	0	741,202	0.32	490,340	0	490,340	0.19	-0.13
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>124,942,874</b>	<b>310,513</b>	<b>125,253,387</b>	<b>54.20</b>	<b>180,719,490</b>	<b>310,851</b>	<b>181,030,341</b>	<b>69.30</b>	<b>15.10</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>129,215,496</b>	<b>310,513</b>	<b>129,526,009</b>	<b>56.04</b>	<b>181,008,568</b>	<b>310,851</b>	<b>181,311,941</b>	<b>69.41</b>	<b>13.37</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	66,077	0	66,077	0.03	0.00
<b>Grand Total (A+B+C)</b>	<b>230,801,998</b>	<b>310,513</b>	<b>231,112,511</b>	<b>100</b>	<b>260,912,230</b>	<b>310,851</b>	<b>261,223,081</b>	<b>100</b>	<b>0.00</b>

(ii) SHAREHOLDING OF PROMOTERS

SI 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	14.79	0	34,171,089	13.08	0.00	-1.71
2	Orthia Properties Private Limited	23,400,000	10.12	0	39,058,962	14.95	0.00	4.83
3	Mr. Rajiv Rattan*	17,330,253	7.50	0			*	
4	Mr. Saurabh Kumar Mittal*	17,212,083	7.45	0			*	
5	Zelkova Builders Private Limited	6,607,534	2.86	0	6,607,534	2.53	0.00	-0.33
6	Inuus Constructions Private Limited	2,799,466	1.21	0			*	
	<b>Total</b>	<b>101,520,425</b>	<b>43.93</b>	<b>0</b>	<b>79,837,585</b>	<b>30.56</b>	<b>0.00</b>	<b>-13.37</b>

\*To impart greater focus and undivided accountability at the leadership level and to rationalize operations of the diverse businesses of the Indiabulls group, so as to put the Company firmly on the growth path, the promoters, during the year under review, had mutually decided to reorganize the management control of different group companies amongst themselves. As part of the restructuring, Mr. Sameer Gehlaut, Chairman of the Company and the entities promoted by him, namely, Orthia Properties Private Limited, Zelkova Builders Private Limited, Inuus Developers Private Limited, Inuus Properties Private Limited, Orthia Constructions Private Limited have continued as Promoters / Promoter Group / PACs with the promoters of the Company.

Further, with effect from July 18, 2014, Mr. Rajiv Rattan and the entities promoted by him, namely, Priapus Land Development Private Limited, Inuus Constructions Private Limited, and Mr. Saurabh Kumar Mittal and the entities promoted by him, namely, Hespera Land Development Private Limited, Hespera Constructions Private Limited, have ceased to be the Promoters / Promoter Group / PACs with the promoters of the Company.

**(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	101,520,425	43.93		
	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	79,837,585	30.56		

**# Date wise increase/decrease in Promoters Shareholding**

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Sameer Gehlaut	34,171,089	14.79	01-Apr-2014				
		34,171,089	13.08	31-Mar-2015			34,171,089	13.08
2	Orthia Properties Private Limited	23,400,000	10.12	01-Apr-2014				
				11-Apr-2014	14,144,904 (Increase)	Shares were allotted upon conversion of warrants	37,544,904	15.31
				2-May-2014	1,514,058 (Increase)	Shares were allotted upon conversion of warrants	39,058,962	15.12
				31-Mar-2015	39,058,962	14.95	39,058,962	14.95
3	Zelkova Builders Private Limited	6,607,534	2.86	01-Apr-2014				
		6,607,534	2.53	31-Mar-2015			6,607,534	2.53

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Mr. Rajiv Rattan	17,330,253	7.50	01-Apr-2014				
				31-Mar-2015			NA**	
5	Mr. Saurabh Kumar Mittal	17,212,083	7.45	01-Apr-2014				
				31-Mar-2015			NA**	
6	Inuus Constructions Private Limited	2,799,466	1.21	01-Apr-2014				
				31-Mar-2015			NA**	

*\*To impart greater focus and undivided accountability at the leadership level and to rationalize operations of the diverse businesses of the Indiabulls group, so as to put the Company firmly on the growth path, the promoters, during the year under review, had mutually decided to reorganize the management control of different group companies amongst themselves. As part of the restructuring, Mr. Sameer Gehlaut, Chairman of the Company and the entities promoted by him, namely, Orthia Properties Private Limited, Zelkova Builders Private Limited, Inuus Developers Private Limited, Inuus Properties Private Limited, Orthia Constructions Private Limited have continued as Promoters / Promoter Group / PACs with the promoters of the Company.*

*Further, with effect from July 18, 2014, Mr. Rajiv Rattan and the entities promoted by him, namely, Priapus Land Development Private Limited, Inuus Constructions Private Limited, and Mr. Saurabh Kumar Mittal and the entities promoted by him, namely, Hespera Land Development Private Limited, Hespera Constructions Private Limited, have ceased to be the Promoters / Promoter Group / PACs with the promoters of the Company.*



**(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.	Global Strong Growth Fund <sup>###</sup>	3,806,678	1.65	0	0
2.	Jasol Investment and Trading Co. Pvt. Ltd. <sup>##</sup>	2,273,322	0.98	0	0
3.	Alchemist Holdings Limited <sup>##</sup>	2,000,000	0.87	0	0
4.	Tejinderpal Singh Miglani <sup>*</sup>	1,801,075	0.78	1,801,075	0.69
5.	Globe Capital Market Ltd. <sup>*</sup>	1,604,543	0.69	1,011,354	0.39
6.	India Infoline Finance Limited <sup>##</sup>	1,240,279	0.54	0	0
7.	Chatura M Rao <sup>##</sup>	1,015,000	0.44	1	0
8.	Harsh Deep Singh Munjal <sup>##</sup>	915,000	0.40	132,108	0.05
9.	Gagan Banga <sup>##</sup>	770,040	0.33	770,040	0.29
10.	SwarnimTradecom Private Limited <sup>##</sup>	724,257	0.31	0	0
11.	Rajiv Rattan <sup>***</sup>	17,330,253	7.50	17,330,253	6.63
12.	Saurabh K Mittal <sup>***</sup>	17,212,083	7.45	17,212,083	6.59
13.	Mahima Stocks Private Limited <sup>#</sup>	0	0	8,977,522	3.44
14.	Inuus Constructions Pvt Ltd <sup>***</sup>	2,799,466	1.21	7,710,922	2.95
15.	Hespera Constructions Pvt Ltd <sup>***</sup>	0	0	4,199,581	1.61
16.	Madhusudan Kela <sup>#</sup>	0	0	3,500,000	1.34
17.	Blue Star Investments and Financial Service Private Limited <sup>#</sup>	0	0	1,240,279	0.47
18.	Kotak Mahindra Investments Ltd <sup>#</sup>	5	0	941,447	0.36

<sup>###</sup> Top 10 Shareholders as on April 1, 2014 only

<sup>#</sup> Top 10 Shareholders as on March 31, 2015 only

<sup>\*</sup> Top 10 shareholders as on April 1, 2014 and March 31, 2015

<sup>\*\*</sup> Ceased to be a Promoter w.e.f July 18, 2014

#### 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 (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	<b>Mr. Divyesh B Shah, Whole time Director &amp; Chief Executive Officer</b>	769,000	0.33	01-Apr-2014	-			
		-	-	02-May-2014	2,500,000 (Increase)	conversion of warrants	3,269,000	1.26
		3,269,000	1.25	31-Mar-2015			3,269,000	1.25
2.	<b>Mr. Ashok Kumar Sharma, Executive Director</b>	288,500	0.12	01-Apr-2014	-			
				03-July-2014	300,000 (Increase)	ESOP Allotment	588,500	0.22
		588,500	0.23	31-Mar-2015			588,500	0.23
3.	<b>Mr. Prem Prakash Mirdha, Non-Executive Independent Director</b>	1,250	0.0	01-Apr-2014				
		1,250	0.0	31-Mar-2015		Nil movement during the year	1,250	0.00
4.	<b>Mr. Aishwarya Katoch, Non-Executive Independent Director</b>	0	0	01-Apr-2014	0			
		0	0	31-Mar-2015		Nil movement during the year	0	0
5.	<b>Brig Labh Singh Sitara (Retd.), Non-Executive Independent Director</b>	0	0	01-Apr-2014	0			
		0	0	31-Mar-2015		Nil movement during the year	0	0

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
6.	Ms. Pia Johnson, Non-Executive Director (Appointed w.e.f. 10.03.2015)	*		01-Apr-2014			*	*
		0	0	31-Mar-2015		Nil movement during the year	0	0
7.	Mr. Karan Singh Khara, (ceased to be Director w.e.f. 07.11.2014)	0	0	01-Apr-2014	0		0	0
		@		31-Mar-2015			@	

@ Ceased to be Director during the Financial Year 2014-15.

\* Appointed as Director during the Financial Year 2014-15.

#### B) Shareholding of KMP

1	Mr. Rajeev Lochan Agrawal, CFO	0	0	01-Apr-2014	-	-	-	-
				03-July-2014	6,000	ESOP Allotment	6,000	0.00
		6,000	0	31-Mar-2015			6,000	0.00
2	Mr. Ram Mehar Garg, Company Secretary (Appointed w.e.f. 26.08.2014)	*		01-Apr-2014			*	*
		0	0	31-Mar-2015		Nil movement during the year	0	0
3	R. K. Agarwal, Company Secretary (ceased w.e.f. 18.08.2014)	0	0	01-Apr-2014	0		0	0
		@		31-Mar-2015			@	

@ Ceased to be KMP during the Financial Year 2014-15.

\* Appointed as KMP during the Financial Year 2014-15.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal Amount	2,242,229	2,000,000,000	-	2,002,242,229
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>2,242,229</b>	<b>2,000,000,000</b>	<b>-</b>	<b>2,002,242,229</b>
	<b>Change in Indebtedness during the financial year</b>				
	<b>Additions / (Reduction)</b>				
i)	Additions	633,040,949	1,500,000,000		2,133,040,949
ii)	Reduction	1,399,674			1,399,674
	<b>Net Change</b>	<b>631,641,275</b>	<b>1,500,000,000</b>		<b>2,131,641,275</b>
	<b>Indebtedness at the end 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>

## 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	Mr. Divyesh B Shah	Total
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	-	30,782,502	<b>30,782,502</b>
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961*	-	39,600	<b>39,600</b>
	(c ) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option** (Perquisite on Stock Options exercised during the Financial Year 2014-15)	-		-
3	Sweat Equity	-	-	-
4	Commission (as % of profit/others)	-	-	-
5	Others, please sepcify	-	-	-
	<b>Total (A) (Excludes perquisites on stock options reported in point II)</b>		<b>30,822,102</b>	<b>30,822,102</b>
	<b>Ceiling as per the Act</b>	<b>₹ 9.07crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)</b>		

\* Excludes value of perquisites on exercise of stock options.

\*\* None of the Stock Options, which are to be accrued and exercisable in 5 years, are issued at a discount.

**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 Director</b>	<b>Ms. Pia Johnson</b>			
3	(a) Fee for attending board committee meetings	-	-	-	-
4	(b) Commission	-	-	-	-
5	(c ) Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-			
	<b>Total Managerial Remuneration</b>	-			
	<b>Ceiling as per the Act</b>	<b>₹ 0.91crore (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 ₹)
		CEO	Mr. R. K. Agarwal, Company Secretary (Ceased w.e.f. 18.08.2014)	Mr. Ram Mehar Garg, Company Secretary (Appointed w.e.f. 26.08.2014)	Mr. Rajeev Lochan Agrawal, CFO	
1	<b>Gross Salary</b>					<b>Total</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	1,781,452	<b>1,781,452</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	-	-	-	0	<b>0</b>
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	0	<b>0</b>
2	Stock Option (Perquisite on Stock Options exercised during the Financial Year 2014-15)	-	-	-	15,000	<b>15,000</b>
3	Sweat Equity	-	-	-	0	<b>0</b>
4	Commission(as % of profit/others)	-	-	-	0	<b>0</b>
5	Others, please specify	-	-	-		
	<b>Total (Excludes perquisites on stock options reported in point 2)</b>	-	-	-	<b>1,796,452</b>	<b>1,796,452</b>

\* Excludes value of perquisites on exercise of stock options.

# Excludes retirement benefits.

**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>					
			None		



## 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, are as under –

### Ratio of the remuneration of each director to the median employees' remuneration, for FY 2014-15.

Name and Designation	Ratio of remuneration to the median employees' remuneration
Chief Executive Officer & Whole time Director	95 : 1

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

### Percentage increase in remuneration of each director and Key Managerial Personnel, in FY 2014-15.

Name and Designation	Increase in Remuneration (%)
Chief Executive Officer & Whole time Director	19.51
Chief Financial Officer	17.20

*No remuneration was paid to other Director(s) and KMP(s) during the Financial Year 2014-15 and FY 2013-14, hence not forming part of this clause.*

### The percentage increase/ (-) decrease in the median remuneration of employees in the FY 2014-15.

The percentage increase/(-)decrease in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY2014-15 and FY 2013-14 was (-)10.99%. Decrease in percentage is majorly due to hiring of junior executive staffs in the Company during the FY 2014-15.

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

The Company had 285 employees on its permanent rolls, as on March 31, 2015

### Explanation on the relationship between average increase in remuneration and Company performance.

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.

### Comparison of remuneration of Key Managerial Personnel(s) against the performance of the Company.

During the FY 2014-15, despite the challenging environment, the Company delivered robust financial performance. Given below are some key financial parameters, which reflect the Company's performance.

Parameters	March 31, 2015 (Rs. in crores)	March 31, 2014 (Rs. in crores)	% Growth
Total Income	202.99	163.49	24%
PBT	134.52	102.23	32%
PAT	118.26	87.26	36%

**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 2014-15 is around 5.10%, while the average increases in the remuneration of key managerial personnel is around 19.39%. This increment is in line with the factors outlined above.

The Company reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company.

The increase in remuneration of Key Managerial Personnel is based on the overall performance of the Company. As stated above, the Company performed well on various financial parameters.

**Key parameters for any variable component of remuneration availed by the directors.**

No variable component of remuneration has been availed by any of the director.

**Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.**

*There were no employees who are not directors, who received remuneration in excess of highest paid director of the Company, during the year.*

**Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.**

The market capitalisation of the Company increased by 120%, from Rs. 416.00 crores as at March 31, 2014 to Rs. 914.28 crores as at March 31, 2015. The price to earnings ratio was 7.66 times as at March 31, 2015 (PY 4.76 times).\*

The market price of the shares of the Company as at March 31, 2015 was Rs. 35.00 at National Stock Exchange of India Limited and Rs. 35.05 at BSE Limited.

*\*The Company got listed pursuant to the Scheme of Arrangement and not through of public issue. Therefore, market quotations of the shares of the Company as on March 31, 2015 have been compared to the quotations of the shares of the Company as on March 31, 2014.*

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 under Clause 49 of the Listing Agreement with the Stock Exchanges.

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, Listing Agreement entered with the Stock Exchange(s) and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive and Independent Directors with demonstrated skill sets and relevant 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, 2015 are as under:

## Report on Corporate Governance (Contd.)

S. 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	9	3
4.	Brig. Labh Singh Sitara (Retd.) (DIN: 01724648)	Non-Executive Independent Director	8	9	Nil
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Non-Executive Independent Director	7	7	Nil
6.	Ms. Pia Johnson (DIN: 00722403)	Non-Executive Director	2	1	Nil

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

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

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

During the financial year 2014-2015, the Board met 15 (Fifteen) times. Meetings were held on April 1, 2014, April 22, 2014, July 18, 2014, July 21, 2014, August 26, 2014, September 12, 2014, September 30, 2014, October 27, 2014, January 13, 2015, January 19, 2015, January 28, 2015, March 10, 2015, March 12, 2015, March 21, 2015 and March 25, 2015.

The last Annual General Meeting of the Company was held on September 29, 2014.

Attendance of Directors at the Board Meetings held during the FY 2014-15 and at the last Annual General Meeting are as under:

Sr. No.	Name of the Director	No. of board meetings attended	Attendance at the last AGM
1.	Mr. Divyesh B. Shah (DIN: 00010933)	15	Yes
2.	Mr. Ashok Kumar Sharma (DIN: 00010912)	15	Yes
3.	Mr. Aishwarya Katoch (DIN: 00557488)	15	Yes
4.	Mr. Karan Singh Khara* (DIN: 00017236)	6	Yes
5.	Brig. Labh Singh Sitara (Retd.) (DIN: 01724648)	14	No
6.	Mr. Prem Prakash Mirdha (DIN: 01352748)	14	No
7.	Ms. Pia Johnson# (DIN: 00722403)	3	N.A.

\* ceased to be Director of the Company during the FY 2014-15.

# appointed as Director of the Company during the FY 2014-15.

## Report on Corporate Governance (Contd.)

### 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. Some of these committees were re-constituted, re-named and terms of reference were revised to align with the provisions of Companies Act, 2013 and Listing Agreements.

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 currently 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. Prem Prakash Mirdha, Mr. Aishwarya Katoch and Brig. Labh Singh Sitara (Retd.), are independent Directors while Mr. Ashok Kumar Sharma an Executive Director. Ms. Richa Jaiswal, 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;
- 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);
- 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.

## Report on Corporate Governance (Contd.)

### Meetings and Attendance during the year

During the financial year ended March 31, 2015 the Committee met four times. The dates of the meetings being April 22, 2014, July 21, 2014, October 27, 2014 and January 19, 2015.

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

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

\* ceased to be the member / resigned from the Committee during the FY 2014-15.

# Appointed to the Committee w.e.f. April 14, 2015.

The Chief Financial Officer, Statutory Auditors 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:

- to recommend to the Board, compensation terms of the Executive Directors;
- to assist the Board in determining and implementing the Company's Policy on the remuneration to the Executive Directors;
- identifying the persons who are qualified to become directors and those who may be appointed in senior management in accordance with the criteria laid down by it and recommending to the Board their appointment and removal and carrying out the evaluation of the performance of every director;
- formulating the criteria for determining the qualifications, positive attributes and independence of the directors.

### Meetings and Attendance during the year

During the financial year ended March 31, 2015, the committee met once on April 01, 2014.

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

Name of the Member	No. of meetings attended
Mr. Aishwarya Katoch	1
Mr. Karan Singh*	1
Mr. Prem Prakash Mirdha	1
Brig Labh Singh Sitara (Retd.)#	N.A.

\* ceased to be the member / resigned from the Committee during the FY 2014-15.

# appointed to the Committee during the FY 2014-15.

## Report on Corporate Governance (Contd.)

### 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 Clause 49 of the Listing Agreement, 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 of its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the Board. The performance evaluation of the Chairman and the non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the secretarial department of the Company. 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.

### Remuneration of Directors

#### (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 2014-15 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 2014-2015. 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, 2015.

## Report on Corporate Governance (Contd.)

### (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, Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara (Retd.) as the other two members.

#### Terms of reference

The scope, terms of reference and functioning of the Stakeholders Relationship Committee is as prescribed under Clause 49 of the Listing Agreement. One of the primary functions to be carried out by the Committee would be to approve requests for share transfers and transmissions and to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. and for this purpose the required authority has been delegated to Mr. Aishwarya Katoch. The Committee oversees all matters encompassing the shareholders' / investors' related issues.

#### Meetings and Attendance during the year

During the financial year ended March 31, 2015 the Committee met four times. The dates of the meetings being April 22, 2014, July 21, 2014, October 27, 2014 and January 19, 2015.

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

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

\* ceased to be the member / resigned from the Committee during the FY 2014-15.

#appointed to the Committee during the FY 2014-15.

#### Name and designation of Compliance Officer

Ms. Richa Jaiswal, Company Secretary is the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

Details of queries / complaints received and resolved during the year 2014-15

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	15	15	0
3	Non-receipt of dividend	0	552	552	0
4	Non-receipt of annual report	0	67	67	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>635</b>	<b>635</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.



## Report on Corporate Governance (Contd.)

### Terms of Reference

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

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

### Meetings and Attendance during the year

During the financial year ended March 31, 2015 the Committee met three times. The dates of the meetings being April 1, 2014, September 10, 2014 and March 31, 2015.

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

Name of the Member	No. of meetings attended
Mr. Aishwarya Katoch	3
Mr. Divyesh B Shah	3
Mr. Ashok Kumar Sharma	3

## 4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2011-2012	Centaur Hotel, IGI Airport, Delhi-Gurgaon Road, New Delhi – 110 037	September 27, 2012	11:30 A.M.
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.

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

- (1) In the AGM of the Company for the year 2011-2012 held on September 27, 2012 no special resolution was passed.
- (2) In the AGM of the Company for the year 2012-2013 held on September 30, 2013 no special resolution was passed.
- (3) 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 58,210,000 (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.

- (4) 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.

## Report on Corporate Governance (Contd.)

- (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.

### C. Special Resolutions passed during the financial year 2014-15 through Postal Ballot:

During the financial year 2014-15, the Company has in pursuance of Section 110 of Companies Act, 2013, conducted one postal ballot for seeking approval of the shareholders by way of Special Resolution for change in name of the Company from Indiabulls Securities Limited to Indiabulls Ventures Limited. Ms. Swati Jain & Associates, Practicing Chartered Accountants, was appointed as scrutinizer who conducted the Postal Ballot exercise. The summary of the results is as follows:

Date of declaration of results: 4<sup>th</sup> March, 2015

Sl. No.	Particulars	No. of Share-holders	No. of Equity Shares	Paid-up value of Equity Shares (in ₹)	% of Total Paid-up Equity Capital
1.	Total votes received	390	134,019,474	268,038,948	51.38
2.	Less: Invalid votes	5	2,543	5,086	0.00
3.	Net valid votes cast	385	134,016,931	268,033,862	51.38
4.	Votes with assent for the resolution	364	133,999,395	267,998,790	51.37
5.	Votes with dissent for the resolution	22	17,536	35,072	0.01

### D. Procedure for Postal Ballot

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose name appear on the register of members / list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's register and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as a mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman after the completion of scrutiny and consolidated results of voting by postal ballot are then announced by Chairman/ authorized officer. The results are also displayed on the website of the Company <http://www.securities.indiabulls.com/>, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## Report on Corporate Governance (Contd.)

### 5. DISCLOSURES

#### (i) Subsidiary Companies

During the year under review the Company has acquired India Land and Properties Limited and Positive Housings Private Limited through its subsidiaries. Indiabulls Distribution Services Limited is a material unlisted subsidiary of the Company. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the Listing Agreement, 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

The Chief Executive Officer and CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual 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 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.

## Report on Corporate Governance (Contd.)

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 a penalty of ₹60,000/- vide its order dated July 31, 2012 in respect of Regular Inspection (CM, FO and CDS Segments) conducted during March 2012.*
- *SEBI passed Adjudication order on December 28, 2012 imposing a penalty of ₹400,000 pursuant to inspection conducted during September 2009 and January 2010.*
- *SEBI settled the proceedings on the payment of ₹510,000/-, vide its consent order dated 2<sup>nd</sup> January 2013 in the matter of Indiabulls Ventures Ltd.*
- *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 Ltd.*
- *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 the non-mandatory requirements of Clause 49

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the Non mandatory requirements are given at the end of the Report.

## 6. MEANS OF COMMUNICATION

- Publication of Results:** The quarterly / annual results of the Company are published in the leading newspapers viz. The Financial Express (English) and Jansatta (Hindi).
- 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.
- Investors' Relation:** The Company's website (<http://www.securities.indiabulls.com/>) contains a separate dedicated section "Investor Relations" where Shareholders' information along with the presentations made by it to the Analysts and investors are available.
- Management's Discussion and Analysis Report** has been included in the Annual Report, which forms a part of the Annual Report.

## 7. GENERAL SHAREHOLDERS' INFORMATION

### (A) Company Registration Details

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

## Report on Corporate Governance (Contd.)

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

The date, time and venue of the ensuing AGM have been indicated in the Notice convening the AGM, which forms a part of the Annual Report.

### (C) 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 the following calendar year.

### (D) Date of Book Closure

Information about the Book Closure dates has been provided in the Notice convening the AGM, which forms a part of the Annual Report.

### (E) 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, 11 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 2015-16, have been paid to BSE and NSE.

### (F) Stock Code

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

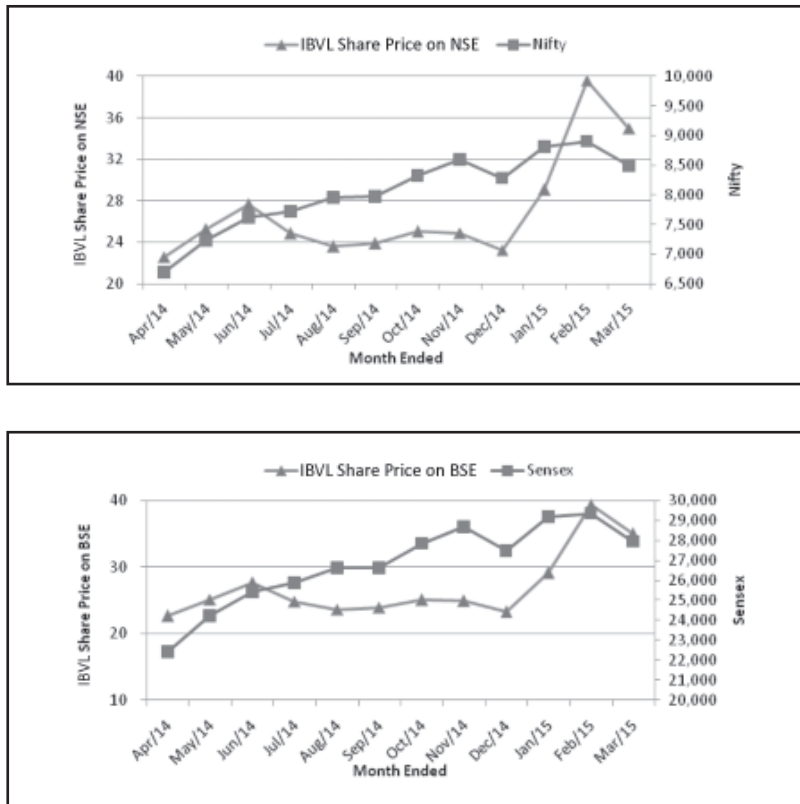
### (G) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

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, 2015 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	23.25	18.00	23.20	17.95
May 2014	29.70	19.15	29.40	19.50
June 2014	30.75	24.80	30.65	24.90
July 2014	28.45	24.10	28.45	24.20
August 2014	25.40	23.40	25.40	23.40
September 2014	27.50	23.40	27.45	23.45
October 2014	26.50	23.40	26.5	23.50
November 2014	28.00	24.50	28.00	24.45
December 2014	25.60	21.50	25.50	21.50
January 2015	32.20	23.10	32.20	23.15
February 2015	41.35	28.10	41.30	29.00
March 2015	39.95	32.25	39.90	32.35

## Report on Corporate Governance (Contd.)

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



### (I) 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

### (J) 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.

## Report on Corporate Governance (Contd.)

### (K) (i) Distribution of shareholding as on March 31, 2015

Sl. No.	Category	No. of holders	% of Total holders	Total Shares	Value in ₹	% of Amount
1	1 – 5000	93599	94.19	29,648,455	59,296,910.00	11.35
2	5001 – 10000	2798	2.82	10,443,643	20,887,286.00	4.00
3	10001 – 20000	1496	1.51	11,331,397	22,662,794.00	4.34
4	20001 – 30000	456	0.46	5,664,295	11,328,590.00	2.17
5	30001 – 40000	256	0.26	4,585,689	9,171,378.00	1.76
6	40001 – 50000	143	0.14	3,298,474	6,596,948.00	1.26
7	50001 – 100000	330	0.33	11,946,400	23,892,800.00	4.57
8	100001 & Above	293	0.29	184,304,728	368,609,456.00	70.55
	<b>Total:</b>	<b>99371</b>	<b>100.00</b>	<b>261,223,081</b>	<b>522,446,162.00</b>	<b>100.00</b>

### (ii) Shareholding Pattern as on March 31, 2015

Sr. no.	Category	No. of Shares	% holding
1	Promoters and Promoters Group	79,837,585	30.56
2	Mutual Funds/Indian Financial Institutions	1,987	0.00
3	Banks	211,401	0.08
4	FII/Foreign Portfolio Investors	75,690	0.03
5	Private Bodies Corporate	39,662,665	15.18
6	Indian Public (Employees/HUF/Public/Trusts)	119,893,991	45.90
7	NRIs / OCBs	20,983,345	8.03
8	GDRs (Shares underlying)	66,077	0.03
9	Others (Clearing Members)	490,340	0.19
	<b>Total</b>	<b>261,223,081</b>	<b>100.00</b>

### (L) 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, 2015, 99.88 % Equity shares of the Company representing 260,912,230 out of a total of 261,223,081 Equity shares were held in dematerialized form and the balance 310,851 shares representing 0.12% 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 Clause 47 (c) of the Listing Agreement with the Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

### (M) Outstanding GDRs/Convertible Instruments

As on 31<sup>st</sup> March, 2015, an aggregate of 6,713,404 Stock options and 30,940,001 fully convertible warrants were in force. However, 30,940,001 warrants were converted in equivalent number of equity shares on April 07, 2015 and April 10, 2015. Further as and when these stock options are exercised, the paid-up share capital of the Company shall accordingly be increased.

The number of outstanding GDRs as on March 31, 2015 was 66,077. Each GDR represents one equity share of ₹ 2/- each in the Company.

## Report on Corporate Governance (Contd.)

### (N) Address for Correspondence

#### (i) Registered Office:

Indiabulls Ventures Limited  
(formerly Indiabulls Securities Limited)  
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

#### (ii) Corporate Office:

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

### (O) Profile of Directors seeking appointment/re-appointment

#### (i) Mr. Divyesh B. Shah, Executive Director

Mr. Divyesh B. Shah has worked with leading financial services firms and gained extensive experience managing and developing large sales team and cultivating deep client relationships. He has extensive expertise on the process and operations required for running a large team in a very professional manner, meriting his reappointment as director on the Board of the Company. Mr. Shah is designated as Chief Executive Officer of the Company.

Mr. Shah is also on the Board of IB Assets Limited, Indiabulls Engineering Limited, Indiabulls Infrastructure Projects Limited, Indiabulls Natural Resources Limited, Indiabulls Brokerage Limited, Indiabulls Commodities Limited, India Land And Properties Limited and Positive Housings Private Limited.

#### Membership/Chairmanship of Mr. Shah in committees of various companies is as under:

Name of Company	Name of Committee	Chairman/Member
Indiabulls Brokerage Limited	Remuneration Committee	Member
	Audit Committee	Member
IB Assets Limited	Audit Committee	Member
Indiabulls Ventures Limited	Corporate Social Responsibility Committee	Member
	Management Committee	Member

He held 3,269,000 equity shares in the Company as on March 31, 2015, representing 1.25% of the total paid up capital of the Company. Further, during the FY 2013-14, 4,000,000 Warrants convertible into equivalent number of equity shares of face value of ₹ 2/- each were allotted to Mr. Shah at a conversion price of ₹ 13/- share out of which 2,500,000 Warrants have been converted into equivalent number of equity shares of face value of ₹ 2/- each on May 2, 2014 and 1,500,000 Warrants have been converted into equivalent number of equity shares of face value of ₹ 2/- each on April 7, 2015.



## Report on Corporate Governance (Contd.)

### (ii) Ms. Pia Johnson, Non-Executive Director

Ms. Pia Johnson aged about 36 years, is law graduate from Mumbai University. She has rich experience in providing and managing facilities management services business. During her association with the Group, she has provided leadership and guidance in the areas of strategic planning, resource management, hospitality and project execution etc.

Ms. Johnson is also on the Board of Indiabulls Wholesale Services Limited, Store One Retail India Limited and Indiabulls Infraestate Limited.

#### Membership/Chairmanship of Ms. Johnson in committees of various companies is as under:

Name of Company	Name of Committee	Chairman/Member
Store One Retail India Limited	Stakeholders' Relationship Committee	Member
	Corporate Social Responsibility Committee	Member

Ms. Pia Johnson does not hold any Equity shares in the Company.

### 8. Compliance Certificate from the Practicing Company Secretary

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to and forms a part of this Report.

### 9. NON-MANDATORY REQUIREMENTS

#### (A) Nomination & Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee. For details as to the constitution of the Committee and the functional responsibility vested in it, please refer to point no. 3 in the earlier part of this report.

#### (B) Shareholders Rights

The Company is getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders is not being made. Further, information pertaining to important developments in the Company is being 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, 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.

Except as set out above, the Company has not adopted the non-mandatory requirements as to any of the other matters recommended under Annexure 1D to the Clause 49 of the Listing Agreements with the Stock Exchanges.

## Report on Corporate Governance (Contd.)

### ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO CLAUSE 49 (I)(D)(ii) OF THE LISTING AGREEMENT

As the Chief Executive Officer of Indiabulls Ventures Limited (formerly Indiabulls Securities Limited) and as required by Clause 49 (I)(D)(ii) of the Listing Agreement, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for the financial year 2014-15.

Date: April 24, 2015  
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 (formerly Indiabulls Securities Limited) ("the Company"), for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

We state that there is no outstanding investor grievances as on March 31, 2015 as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Date: April 24, 2015  
Place: New Delhi

# Independent Auditors' 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, 2015, 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 sub-paragraph of 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

## Independent Auditors' Report (contd.)

March, 2015, 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 / financial information of sixteen subsidiaries, whose financial statements reflect total assets of ₹ 17,135,901,001 as at 31st March, 2015, total revenues of ₹ 2,783,275,346 and net cash inflows amounting to ₹ 282,265,627 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 statement.
  - (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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 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, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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) to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were 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, 24th April, 2015 (Membership No. 031467)

## Annexure to the Independent Auditors' Report

### INDIABULLS VENTURES LIMITED (FORMERLY KNOWN AS INDIABULLS SECURITIES LIMITED)

#### ANNEXURE TO THE INDEPENDENT AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Our reporting on the Order includes sixteen subsidiary companies, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) Having regard to the nature of the Holding Company and subsidiary companies, incorporated in India, business / activities / results during the year, clauses (ii) and (vi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of fixed assets of the Holding Company and subsidiary companies incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a programme of verification, which in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Holding Company and subsidiary companies, incorporated in India have granted loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities. In respect of such loans:
  - (a) The receipts of principal amounts and interest have been regular.
  - (b) There is no overdue amount in excess of ₹ 1

lakh remaining outstanding as at the year-end.

- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size the respective entities and the nature of their business with regard to purchases of fixed assets and the sale of services. During the year, there were no transactions in respect of purchase of inventory and the sale of goods. During the course of our and other auditors audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and subsidiary companies, incorporated in India, have 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 and the rules framed there under.
- (vi) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Wealth Tax, Service Tax, Cess and any other material statutory dues applicable to the respective entities with the appropriate authorities. Dues relating to Employees' State Insurance, Sales Tax, Customs Duty, Value Added Tax and Excise Duty are not applicable to respective entities.
  - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Wealth Tax, Service Tax, and Cess which have not been

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

deposited as on 31<sup>st</sup> March, 2015 on account of disputes by the aforesaid entities.

- (d) There are no amount required to be transferred by the aforesaid entities to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (vii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group have not incurred cash losses on consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) In our opinion and opinion of the other auditors and according to the information and explanations given to us and other auditors, the Holding Company and subsidiary companies incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company and subsidiary companies, incorporated in India have not issued any debentures.
- (ix) According to the information and explanations given to us, during the year, the Holding Company and subsidiary companies incorporated in India

have not provided guarantees for loans taken by others from banks and financial institutions.

- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xi) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and its subsidiary companies, incorporated in India and no material fraud on the Holding Company and subsidiary companies incorporated in India has been noticed or reported during the year.

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

A. Siddharth  
Partner

MUMBAI, 24th April, 2015 (Membership No. 031467)

# Consolidated Balance Sheet

as at March 31, 2015

Particulars	Note No.	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	522,446,162	462,225,022
(b) Reserves and Surplus	4	2,664,847,943	1,714,741,034
(c) Money received against Share Warrants	5	100,555,004	189,182,500
		<b>3,287,849,109</b>	<b>2,366,148,556</b>
<b>(2) Share application money pending allotment</b>	6	10,948,776	—
<b>(3) Non - Current Liabilities</b>			
(a) Long-Term Borrowings	7	3,305,488,808	9,283,488
(b) Deferred Tax Liabilities (Net)	8	10,674,522	263,832
(c) Other Long-Term Liabilities	9	294,748,363	99,786,644
(d) Long-Term Provisions	10	67,908,141	53,565,903
		<b>3,678,819,834</b>	<b>162,899,867</b>
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	11	13,533,163,293	3,661,977,655
(b) Trade Payables	12	37,892,411	4,033,025
(c) Other Current Liabilities	13	3,639,899,933	1,593,705,853
(d) Short-Term Provisions	14	69,313,257	391,688,541
		<b>17,280,268,894</b>	<b>5,651,405,074</b>
<b>TOTAL</b>		<b>24,257,886,613</b>	<b>8,180,453,497</b>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	15	5,499,592,143	268,452,199
(ii) Intangible Assets	15	53,845,240	41,029,928
(iii) Capital Work in Progress	15	114,609,243	—
		<b>5,668,046,626</b>	<b>309,482,127</b>
(b) Goodwill on Consolidation	16	1,086,426,249	31,977,072
(c) Non-Current Investments	17	46,555	125,376,258
(d) Deferred Tax Assets (Net)	18	84,136,983	42,404,003
(e) Long-Term Loans and Advances	19	435,854,746	807,931,021
(f) Other Non-Current Assets	20	167,387,029	57,900,495
		<b>7,441,898,188</b>	<b>1,375,070,976</b>
<b>(2) Current Assets</b>			
(a) Current Investments	21	693,548,387	198,484,849
(b) Trade Receivables	22	2,481,528,919	1,380,368,635
(c) Cash and Cash Equivalents	23	6,893,954,317	2,968,503,136
(d) Short-Term Loans and Advances	24	6,497,208,772	2,165,596,015
(e) Other Current Assets	25	249,748,030	92,429,886
		<b>16,815,988,425</b>	<b>6,805,382,521</b>
<b>TOTAL</b>		<b>24,257,886,613</b>	<b>8,180,453,497</b>
Notes forming part of the financial statements	1 - 45		

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

**Ram Mehar Garg**  
Company Secretary

Mumbai, April 24, 2015

Mumbai, April 24, 2015



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

59

Particulars	Note No.	For the year ended March 31, 2015 Amount (₹)	For the year ended March 31, 2014 Amount (₹)
I. Revenue from operations	26	3,353,568,822	2,890,309,668
II. Other income	27	729,228,452	145,959,835
III. Total revenue (I+II)		<b>4,082,797,274</b>	<b>3,036,269,503</b>
IV. Expenses :			
Operating expenses	28	326,771,010	177,986,224
Employee benefits expense	29	724,961,368	666,372,414
Finance costs	30	606,693,971	235,057,501
Depreciation and amortisation expense	15 & 39	131,482,345	49,949,657
Other expenses	31	352,011,496	365,510,071
Total expenses		<b>2,141,920,190</b>	<b>1,494,875,867</b>
V. Profit before tax (III-IV)		1,940,877,084	1,541,393,636
VI. Tax expense / (Benefit) :			
(1) Current tax		460,166,400	482,925,330
(2) Short/(Excess) provision for tax relating to prior years		(30,858,282)	16,435,779
(3) Deferred tax (Net)	8 & 18	10,239,413	25,892,079
(4) MAT credit entitlement		(5,053,459)	—
		<b>434,494,072</b>	<b>525,253,188</b>
VII. Profit after tax before share of profit/(loss) attributable to minority interest (V-VI)		<b>1,506,383,012</b>	<b>1,016,140,448</b>
VIII. Less: Loss attributable to minority interest		—	(216,690)
IX. Profit for the year attributable to the shareholders of the Company (VII-VIII)		1,506,383,012	1,016,357,138
X. Earnings per Equity Share:	38		
(1) Basic		5.82	4.40
(2) Diluted		5.39	4.29
Face value per Equity Share		2.00	2.00
Notes forming part of the financial statements	1 - 45		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

**A. Siddharth**  
Partner

Mumbai, April 24, 2015

For and on behalf of the Board of Directors

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

Mumbai, April 24, 2015

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

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Ram Mehar Garg**  
Company Secretary

**Indiabulls**

V E N T U R E S



# Consolidated Cash Flow Statement

for the year ended March 31, 2015

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A Cash flows from Operating Activities :</b>				
Profit before Tax		1,940,877,084		1,541,393,636
Adjustments for :				
Interest Income from Inter-Corporate Deposits	(66,951,546)		(19,635,073)	
Dividend Income on Investments	(13,175,494)		(21,900,218)	
Excess Provision for Incentive, Bonus and Other Expenses no longer required written back	(31,578,288)		(64,190,552)	
Sundry Credit Balances written back	(2,223,886)		(8,692,673)	
Unrealised Foreign Exchange Gain	(2,031,306)		(2,898,649)	
Profit on Sale of Current Investments	(72,072,908)		(7,542,569)	
Profit on Sale of Assets	(62,224,848)		—	
Profit on Sale of Long-Term Investments	(469,659,902)		(7,978,629)	
Profit on sale/ scrapping of fixed assets	(534,575)		—	
Share of Profit in Associates (net)	—		(991,709)	
Provision for Gratuity and Compensated Absences	12,583,145		(3,758,936)	
Interest Expense	572,398,841		219,392,993	
Loss on Disposal of Subsidiary Company	—		519,794	
Loss on Sale/ Scrapping of fixed assets	—		23,369,029	
Contingent Provisions	49,300,000		—	
Provision for Doubtful Debts, Advances and Security Deposits	408,900		3,952,788	
Bad Debts / Advances written off	1,143,269		1,002,911	
Depreciation and Amortisation Expense	131,482,345		49,949,657	
		46,863,747		160,598,164
Operating Profit before Working Capital changes		1,987,740,831		1,701,991,800
Adjustments for:				
Trade Receivable and Other Assets	(3,793,487,114)		2,439,577,116	
Trade Payables and Other Liabilities	(418,707,471)		(51,924,421)	
		(4,212,194,585)		2,387,652,695
Cash (Used in) / Generated from Operations		(2,224,453,754)		4,089,644,495
Income Taxes Paid (net)	(455,624,747)		(327,934,628)	
		(455,624,747)		(327,934,628)
<b>Net Cash (Used in) / Generated from Operating Activities</b>		<b>(2,680,078,501)</b>		<b>3,761,709,867</b>
<b>B Cash flow from Investing Activities :</b>				
Purchase of Fixed Assets (including Capital Advances given (net))	(41,982,365)		(53,936,386)	
Proceeds from Sale of Fixed Assets	1,266,929		6,913,652	
Purchase of Long-Term Investments	(1,693,142,130)		(10,500,000)	
Proceeds from Sale of Long-Term Investments	594,992,390		18,483,629	
Proceeds from Sale of Short-Term Investments	20,392,716		—	
Investment in Preference Share Capital	—		(750,000,000)	
Proceeds from Redemption of Preference Share Capital	—		3,700,000,000	
Investment in Optionally Convertible Debentures	—		(2,200,000,000)	
Purchase of units of Mutual Fund	(422,990,630)		(190,942,280)	
Inter-Corporate Deposits Realised (net)	—		876,375,000	
Inter-Corporate Deposits Given (net)	(1,810,489,425)		—	
Proceeds from Escrow Account	—		16,049,110	
Dividend Income on Investments	13,175,494		21,900,218	
Interest Income from Inter-Corporate Deposits	29,450,725		19,635,073	
<b>Net Cash (Used in) / Generated from Investing Activities</b>		<b>(3,309,326,296)</b>		<b>1,453,978,016</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 (₹)	Amount (₹)	Amount (₹)
<b>C Cash flows from Financing Activities</b>				
Money received against Share Warrants		—		189,182,500
Proceeds from conversion of share warrants (including Securities Premium)		265,882,490		—
Proceeds from Share Application Money		10,948,776		—
Proceeds from issue of Equity Shares (including Securities Premium)		49,425,936		—
Proceeds from Bank Loans (net)		8,628,901,624		627,127,601
Repayment of Other Secured Loans (net)		420,000,000		(5,319,200,000)
Proceeds from Commercial Papers (net)		1,500,000,000		1,500,000,000
Inter Corporate Deposits Taken (net)		1,000,000,000		12,500,000
Payment of Final Dividend on Equity Shares pertaining to prior years		(10,241)		(53,513)
Payment of Interim Dividend on Equity Shares		(1,034,263,643)		(918,824,337)
Corporate Dividend Tax on Interim Dividend on Equity Shares		(186,034,446)		(157,110,284)
Interest Paid		(710,167,526)		(242,186,116)
<b>Net Cash Generated from / (Used in) Financing Activities</b>		<b>9,944,682,970</b>		<b>(4,308,564,149)</b>
<b>D Net Increase in Cash and Cash equivalents (A+B+C)</b>		<b>3,955,278,173</b>		<b>907,123,734</b>
<b>E Cash and Cash equivalents at the beginning of the year</b>		<b>1,642,037,357</b>		<b>525,304,544</b>
<b>F Cash and bank balances on acquisition of subsidiaries during the year (net)</b>		<b>11,028,298</b>		<b>209,609,079</b>
<b>G Cash and Cash equivalents at the end of the year (D+E+F)</b>		<b>5,608,343,828</b>		<b>1,642,037,357</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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Cash and Cash equivalents (Refer note - 23)	6,893,954,317	2,968,503,136
Less: in Fixed Deposit Accounts having Maturity of more than three months	1,285,610,489	1,326,465,779
<b>Cash and Cash Equivalents as restated</b>	<b>5,608,343,828</b>	<b>1,642,037,357</b>

- Unpaid dividend account balances in designated Bank accounts aggregating to ₹ 29,164,545 (Previous year ₹ 22,280,766) 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

Mumbai, April 24, 2015

For and on behalf of the Board of Directors

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

Mumbai, April 24, 2015

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

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Ram Mehar Garg**  
Company Secretary

# Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2015

## 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 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. 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 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'), its subsidiary companies (together the "Group") and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2015.
- (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.
- (iii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

## Consolidated Notes forming part of the Financial Statements

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

69

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 the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The Consolidated Statement of Profit and Loss includes the investor's share of results of the operations of the investee.

Name of Associates	Country of Incorporation	Year / Period	Ownership interest (%)	Original cost of investment (₹)	Share of post acquisition Reserves and Surplus (₹)	Carrying cost of Investment (₹)	Statutory Auditor
Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited)	India	—	—	—	—	—	—
		<i>April 01, 2013 to June 10, 2013</i>	48.72%	100,000,000	767,499	100,767,499	S A S & Co.
Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited)	India	—	—	—	—	—	—
		<i>April 01, 2013 to June 10, 2013</i>	48.72%	100,000,000	409,877	100,409,877	S A S & Co.
Viscaria Builders Private Limited	India	—	—	—	—	—	—
		<i>April 01, 2013 to June 10, 2013</i>	48.72%	100,000,000	(185,667)	99,814,333	S A S & Co.

(Previous year details are given in italics)

e) Companies included in Consolidation:

Name of Subsidiaries (Ownership as on March 31, 2015)	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, 2014 to March 31, 2015	100.00%	A Sardana & Co.
		<i>April 01, 2013 to March 31, 2014</i>	100.00%	<i>A Sardana &amp; Co.</i>
India Ethanol And Sugar Limited (Subsidiary of Indiabulls Commodities Limited)	India	April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
		<i>April 01, 2013 to March 31, 2014</i>	100.00%	<i>A Sardana &amp; Co.</i>

## Consolidated Notes forming part of the Financial Statements

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

Name of Subsidiaries (Ownership as on March 31, 2015)	Country of Incorporation	Year / Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Devata Tradelink Limited	India	April 01, 2014 to March 31, 2015	100.00%	Sumit Mohit & Company
		April 01, 2013 to March 31, 2014	100.00%	Sumit Mohit & Company
Indiabulls Brokerage Limited	India	April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
		April 01, 2013 to March 31, 2014	100.00%	A Sardana & Co.
Indiabulls Distribution Services Limited	India	April 01, 2014 to March 31, 2015	100.00%	A Sardana & Co.
		April 01, 2013 to March 31, 2014	100.00%	A Sardana & Co.
Auxesia Soft Solutions Limited	India	April 01, 2014 to March 31, 2015	100.00%	Sumit Mohit & Company
		April 01, 2013 to March 31, 2014	100.00%	Sumit Mohit & Company
Pushpanjali Finsolutions Limited (formerly known as Pushpanjali Finsolutions Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		June 28, 2013 to October 30, 2013	99.83%	S A S & Co.
		October 31, 2013 to March 31, 2014	100.00%	
Arbutus Constructions Limited (formerly known as Arbutus Constructions Private Limited) (Subsidiary of Devata Tradelink Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		June 11, 2013 to October 31, 2013	90.91%	S A S & Co.
		November 1, 2013 to March 31, 2014	100.00%	
Gyansagar Buildtech Limited (formerly known as Gyansagar Buildtech Private Limited) (Subsidiary of Devata Tradelink Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		June 11, 2013 to October 31, 2013	90.91%	S A S & Co.
		November 1, 2013 to March 31, 2014	100.00%	
Shivshakti Financial Services Limited (formerly known as Shivshakti Financial Services Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		June 28, 2013 to October 30, 2013	99.83%	S A S & Co.
		October 31, 2013 to March 31, 2014	100.00%	

## Consolidated Notes forming part of the Financial Statements

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

Name of Subsidiaries (Ownership as on March 31, 2015)	Country of Incorporation	Year / Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Astraea Constructions Limited (formerly known as Astraea Constructions Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		<i>June 11, 2013 to October 31, 2013</i>	<i>90.91%</i>	S A S & Co.
		<i>November 1, 2013 to March 31, 2014</i>	<i>100.00%</i>	
Silenus Buildtech Limited (formerly known as Silenus Buildtech Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		<i>June 11, 2013 to October 31, 2013</i>	<i>90.91%</i>	S A S & Co.
		<i>November 1, 2013 to March 31, 2014</i>	<i>100.00%</i>	
Astilbe Builders Limited (formerly known as Astilbe Builders Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		<i>June 11, 2013 to October 31, 2013</i>	<i>90.91%</i>	S A S & Co.
		<i>November 1, 2013 to March 31, 2014</i>	<i>100.00%</i>	
Pushpanjli Fincon Limited (formerly known as Pushpanjli Fincon Private Limited) (50% held by Arbutus Constructions Limited and 50% held by Gyansagar Buildtech Limited)	India	April 01, 2014 to March 31, 2015	100.00%	S A S & Co.
		<i>June 11, 2013 to October 31, 2013</i>	<i>90.68%</i>	S A S & Co.
		<i>November 1, 2013 to January 14, 2014</i>	<i>99.75%</i>	
		<i>January 15, 2014 to March 31, 2014</i>	<i>100.00%</i>	
Viscaria Builders Private Limited (Subsidiary of Devata Tradelink Limited upto February 28, 2014)	India	<i>June 11, 2013 to October 31, 2013</i>	<i>90.91%</i>	S A S & Co.
		<i>November 1, 2013 to February 28, 2014</i>	<i>100.00%</i>	
India Land and Properties Limited (formerly known as India Land and Properties Private Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	November 18, 2014 to March 31, 2015	100.00%	Harish Mittal & Company
Positive Housings Private Limited (Subsidiary of Auxesia Soft Solutions Limited)	India	February 04, 2015 to March 31, 2015	100.00%	Sumit Mohit & 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, 2015 (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	62.193%	2,051,615,367	30.022%	452,238,829
<b>Subsidiary Companies</b>				
Indiabulls Commodities Limited	6.984%	230,386,889	1.964%	29,586,274
India Ethanol and Sugar Limited	0.027%	905,348	0.043%	644,938
Devata Tradelink Limited	1.006%	33,186,539	-0.004%	(66,433)
Indiabulls Brokerage Limited	0.647%	21,330,520	-0.196%	(2,953,250)
Indiabulls Distribution Services Limited	-117.689%	(3,882,319,583)	46.652%	702,758,261
Auxesia Soft Solutions Limited	0.003%	101,518	-0.487%	(7,332,036)
Pushpanjli Finsolutions Limited	-0.002%	(65,727)	-0.072%	(1,080,061)
Arbutus Constructions Limited	0.512%	16,885,256	0.109%	1,636,893
Gyansagar Buildtech Limited	7.012%	231,321,736	1.206%	18,170,245
Shivshakti Financial Services Limited	21.123%	696,809,100	-0.756%	(11,392,317)
Astraea Constructions Limited	0.017%	552,729	-0.034%	(509,559)
Silenus Buildtech Limited	0.023%	772,060	-0.002%	(36,060)
Astilbe Builders Limited	0.024%	789,899	-0.005%	(82,099)
Pushpanjli Fincon Limited	2.813%	92,799,785	-0.002%	(34,286)
India Land and Properties Limited	94.958%	3,132,461,172	21.565%	324,847,954
Positive Housings Private Limited	20.349%	671,265,277	-0.001%	(14,281)
<b>Total</b>	<b>100%</b>	<b>3,298,797,885</b>	<b>100%</b>	<b>1,506,383,012</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.

- 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.



## Consolidated Notes forming part of the Financial Statements

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

67

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.

l) Fixed Assets:

(i) Tangible Assets:

Tangible fixed assets are stated at cost, net of tax / duty credits availed, if any, less accumulated depreciation /



## Consolidated Notes forming part of the Financial Statements

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

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.
- ii. Monetary items denominated in foreign currencies at the year end are translated at year end exchange rates.

## Consolidated Notes forming part of the Financial Statements

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

69

- 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, 2015 (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.

## Consolidated Notes forming part of the Financial Statements

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

71

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.

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.

Note - 3 Share Capital	As at March 31, 2015		As at March 31, 2014	
	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 (vi)</sup>				
Equity Shares of face value of ₹ 2 each fully paid up	261,223,081	522,446,162	231,112,511	462,225,022
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>522,446,162</b>		<b>462,225,022</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.

## Consolidated Notes forming part of the Financial Statements

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

### (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, 2015		Equity Shares As at March 31, 2014	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Opening balance	231,112,511	462,225,022	231,112,511	462,225,022
Shares issued during the year by exercise of Employee Stock Option Plan	2,840,571	5,681,142	—	—
Shares issued during the year by exercise of Warrants	27,269,999	54,539,998	—	—
<b>Closing Balance</b>	<b>261,223,081</b>	<b>522,446,162</b>	<b>231,112,511</b>	<b>462,225,022</b>

(iv) 23,486,341 Equity Shares of face value of ₹ 2 each were bought back by the Company during the year ended March 31, 2010.

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	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	34,171,089	13.08%	34,171,089	14.78%
Orthia Properties Private Limited	39,058,962	14.95%	23,400,000	10.12%
<b>Public *</b>				
Rajiv Rattan	17,330,253	6.63%	17,330,253	7.50%
Saurabh Mittal	17,212,083	6.59%	17,212,083	7.45%
	<b>107,772,387</b>	<b>41.25%</b>	<b>92,113,425</b>	<b>39.85%</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 Kumar 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.

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

- 6,713,404 Equity Shares (Previous year 10,435,525 Equity Shares) of face value of ₹ 2 are reserved under various option schemes of the Company (Refer note - 33).
- 30,940,001 Equity Shares (Previous year 58,210,000) of face value of ₹ 2 each are reserved towards Share Warrants of the Company (Refer note - 5(i)).

## Consolidated Notes forming part of the Financial Statements

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

73

Note - 4 Reserves and Surplus	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Capital Reserve on Consolidation</b>		
Balance as per last Balance Sheet	76,188,608	24,445,430
Add : Effect of changes in Group's interest	152,301,923	51,743,178
Closing balance	228,490,531	76,188,608
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	370,036,184	360,036,184
Add: Addition during the year	—	10,000,000
Closing balance	370,036,184	370,036,184
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	18,046,690	18,046,690
Add : Premium on shares issued during the year	343,714,783	—
Closing balance	361,761,473	18,046,690
<b>Foreign Currency Monetary Item Translation Difference Account <sup>(i)</sup></b>		
Opening Balance	11,711,656	7,294,807
Add : Additions during the year	3,218,166	7,377,496
Less: Amortised during the year	2,031,306	1,738,680
Less: Utilised during the year	—	1,221,967
Closing balance	12,898,516	11,711,656
<b>Reserve Fund (U/s 45-IC of RBI Act, 1934)</b>		
Acquired on Consolidation	18,631,414	16,889,535
Add : Additions during the year	871,684	1,741,879
Closing balance	19,503,098	18,631,414
<b>General Reserve</b>		
Opening Balance	419,755,476	154,535,527
Add: Transfer from the Statement of Profit and Loss	—	265,219,949
Closing Balance	419,755,476	419,755,476
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	800,371,006	1,149,084,855
Add: Profit for the year	1,506,383,012	1,016,357,138
<b>Amount available for appropriation (a)</b>	<b>2,306,754,018</b>	<b>2,165,441,993</b>
<b>Less: Appropriations :</b>		
Interim Dividend on Equity Shares	795,900,248	938,594,948
Corporate Dividend Tax on Interim Dividend on Equity Shares	174,344,124	159,514,211
Amount transferred during the year to Reserve Fund (U/s 45-IC of the RBI Act,1934)	871,684	1,741,879
Transfer to General Reserve	—	265,219,949
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 ₹ 41,561,702) (Refer note - 15 & 39)	83,235,297	—
<b>Total Appropriations (b)</b>	<b>1,054,351,353</b>	<b>1,365,070,987</b>
<b>Balance of Profit Carried Forward (a)-(b)</b>	<b>1,252,402,665</b>	<b>800,371,006</b>
	<b>2,664,847,943</b>	<b>1,714,741,034</b>

## Consolidated Notes forming part of the Financial Statements

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

- (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 ₹ 12,898,516 (Previous year ₹ 11,711,656) is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on March 31, 2015, net of forex gain amounting to ₹ 2,031,306 (Previous year ₹ 1,738,680) amortised in the Statement of Profit and Loss and ₹ Nil (Previous year ₹ 1,221,967) utilised towards the partial amount received from the Escrow Account.

### Note - 5

#### Money received against Share Warrants

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Money received against Share Warrants <sup>(i)</sup>	100,555,004	189,182,500
	<u>100,555,004</u>	<u>189,182,500</u>

- (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. Further, subsequent to the Balance Sheet date 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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Share application money pending allotment <sup>(i)</sup>	10,948,776	—
	<u>10,948,776</u>	<u>—</u>

- (i) As at March 31, 2015, the Company has 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.



## Consolidated Notes forming part of the Financial Statements

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

Note - 7 Long-Term Borrowings	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Term Loans</b>		
<b>Secured</b>		
From Banks <sup>(i) to (iv)</sup>	3,305,488,808	9,283,488
	<b>3,305,488,808</b>	<b>9,283,488</b>

(i) Term loans of ₹ 12,583,571 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, 2015, the Company has taken following term loan facilities from bank:

- (1) Lease Rental Discounting Facility (LRD) of ₹ 1,500,000,000 (Outstanding as on March 31, 2015 ₹ 1,500,000,000)
- (2) Loan Against Property Facility (LAP) of ₹ 1,850,000,000 (Outstanding as on March 31, 2015 ₹ 1,850,000,000)

Such loans are 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.

(iii) LRD Facility of ₹ 150 Crores is repayable in 120 equal monthly installments. Interest on loans 11.25% 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 10 years

(iv) LAP Facility of ₹ 185 Crores is repayable in 4 installments. Interest on loans 11.50% p.a., and such interest is calculated on the amount of loan outstanding from time to time. The tenure of this facility is 5 Years.

Note - 8 Deferred Tax Liabilities (Net)	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Deferred Tax Liability:</b>		
Difference between book balance & tax balance of fixed assets	—	322,951
Short Term Capital Gain (net)	13,146,687	—
(a)	<b>13,146,687</b>	<b>322,951</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	15,819
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	848,478	43,300
Difference between book balance & tax balance of fixed assets	449,824	—
(b)	<b>2,472,165</b>	<b>59,119</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>(a) - (b)</b> <b>10,674,522</b>	<b>263,832</b>



## Consolidated Notes forming part of the Financial Statements

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

<b>Note - 9 Other Long-Term Liabilities</b>	<b>As at March 31, 2015 Amount (₹)</b>	<b>As at March 31, 2014 Amount (₹)</b>
<b>Others</b>		
Security deposits received <sup>(i)</sup>	194,961,719	-
Others - Amount received from Depository for GDR	99,786,644	99,786,644
	<b>294,748,363</b>	<b>99,786,644</b>

(i) Security deposits collected by the company is 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.

<b>Note - 10 Long-Term Provisions</b>	<b>As at March 31, 2015 Amount (₹)</b>	<b>As at March 31, 2014 Amount (₹)</b>
Provision for Gratuity (Refer note - 34)	51,161,732	38,454,597
Provision for Compensated Absences (Refer note - 34)	13,104,473	11,139,399
Provision for Loan Assets	2,997,186	3,072,134
Contingent Provisions against Standard Assets	644,750	744,232
Provision for Contingencies	-	155,541
	<b>67,908,141</b>	<b>53,565,903</b>

<b>Note - 11 Short-Term Borrowings</b>	<b>As at March 31, 2015 Amount (₹)</b>	<b>As at March 31, 2014 Amount (₹)</b>
<b>Secured loans</b>		
From Banks <sup>(i)</sup>		
Bank Overdraft	5,183,163,293	1,481,977,655
Working Capital Loan	500,000,000	-
From Others <sup>(ii)</sup>	600,000,000	180,000,000
<b>Unsecured loans</b>		
From Banks		
Bank Overdraft	2,750,000,000	-
From Others		
Commercial Papers	3,500,000,000	2,000,000,000
(Maximum balance outstanding during the year ₹ 3,500,000,000 (Previous year ₹ 2,000,000,000))		
Inter Corporate Deposits	1,000,000,000	-
	<b>13,533,163,293</b>	<b>3,661,977,655</b>

(i) Bank overdraft amounting to ₹ 5,053,159,604 (Previous year ₹ 1,481,977,655) are secured against fixed deposit placed and ₹ 130,003,689 (Previous year ₹ Nil) are secured against book debt placed with respective banks. Working capital loan amounting to ₹ 500,000,000 (Previous year ₹ Nil) are secured against book debts and loans and advances placed with the Bank.

(ii) The secured loan from others amounting to ₹ 600,000,000 (Previous year ₹ 180,000,000) is secured against the investments in mutual funds (refer note - 21). The loan carries interest at the rate of 11.50% p.a. (previous year 12.20%)

## Consolidated Notes forming part of the Financial Statements

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

<b>Note - 12</b>	<b>As at</b>	<b>As at</b>
<b>Trade Payables</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Dues to Micro and Small Enterprises <sup>(i)</sup>	-	-
(b) Dues to Others	37,892,411	4,033,025
	<b>37,892,411</b>	<b>4,033,025</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.  
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>As at</b>	<b>As at</b>
<b>Other Current Liabilities</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Current maturity of term loans (Refer note - 7 (i) to (iv))	57,094,763	7,413,692
Interest accrued but not due on working capital loan	4,162,020	-
Brokerage income received in advance	3,759,513	6,600,710
Unclaimed dividends <sup>(i)</sup>	29,164,545	22,280,766
Margin from customers	614,371,830	677,399,085
Temporary overdrawn bank balances as per books	250,949,902	380,138,239
Others:		
Security deposit received (Refer note - 9(ii))	23,149,538	-
Capital purchases	10,679,511	-
Current liabilities for expense provisions and statutory dues	368,306,843	499,873,361
Other payables <sup>(ii)</sup>	2,278,261,468	-
	<b>3,639,899,933</b>	<b>1,593,705,853</b>

- (i) In respect of amounts mentioned under Section 205C of the Companies Act, 1956, ₹ Nil (Previous year ₹ Nil) were required to be credited to the Investor Education and Protection Fund as at March 31, 2015.
- (ii) Other payables represents 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>As at</b>	<b>As at</b>
<b>Short-Term Provisions</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Provision for Gratuity (Refer note - 34)	1,892,789	1,571,329
Provision for Compensated Absences (Refer note - 34)	438,048	403,925
Provision for Taxation (net of advance tax ₹ 477,502,666 , Previous year ₹ 1,837,449,656)	30,424,679	96,635,459
Provision for Interim Dividend on Equity Shares	-	245,257,415
Provision for Corporate Dividend Tax on Interim Dividend on Equity Shares	29,991,176	41,681,498
Provision for Loan Assets	5,404,053	4,941,761
Contingent Provisions against Standard Assets	1,162,512	1,197,154
	<b>69,313,257</b>	<b>391,688,541</b>

**Note: 15**  
**Fixed Assets**

Particulars	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION					NET BLOCK		
	As at April 01, 2014	Acquired on consolidation	Additions during the year	Adjustments/sales during the year	As at March 31, 2015	As at April 1, 2014	Acquired on consolidation	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	Provided during the year	Adjustments/sales during the year	As at March 31, 2015	As at March 31, 2014
<b>A. Tangible Assets</b>												
Free Hold Land	-	1,121,748,376	-	-	1,121,748,376	-	-	-	-	-	1,121,748,376	-
Furniture and Fixtures	24,904,501	3,266,119	7,550,394	3,726,814	31,994,200	18,544,811	1,421,620	294,833	2,449,217	3,567,176	12,850,895	6,359,690
Vehicles*	83,212,818	248,763	4,082,119	4,559,065	82,984,635	38,773,969	105,336	2,131,492	14,681,239	4,082,107	31,374,706	44,438,849
Office Equipment	203,122,311	16,362,818	2,455,458	57,798,989	164,141,598	74,571,744	14,047,630	107,808,210	13,434,811	57,727,102	12,006,305	128,550,567
Computers	429,325,527	4,300,771	5,598,269	32,518,225	406,706,342	401,321,920	4,116,992	11,933,542	8,111,452	32,518,227	13,740,663	28,003,607
Leasehold Improvements	106,322,808	-	-	86,806	106,236,002	45,223,322	-	2,628,922	17,028,338	62,933	64,817,649	61,099,486
Temporary Erections	-	595,632	-	-	595,632	-	595,632	-	-	-	595,632	-
One Indiabulls Park **:	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	3,490,228,830	-	-	3,490,228,830	-	265,128,959	-	21,439,762	-	3,203,660,109	-
Furniture	-	247,269,314	-	-	247,269,314	-	82,568,773	-	11,448,949	-	153,251,592	-
Plant & Machinery	-	1,183,362,187	-	-	1,183,362,187	-	242,325,443	-	31,495,600	-	909,541,144	-
<b>Total (a)</b>	<b>846,887,965</b>	<b>6,067,382,810</b>	<b>19,686,240</b>	<b>98,689,899</b>	<b>6,835,267,116</b>	<b>578,435,766</b>	<b>610,310,385</b>	<b>124,796,999</b>	<b>120,089,368</b>	<b>97,957,545</b>	<b>5,499,592,143</b>	<b>268,452,199</b>
Previous year (i)	900,331,639	647,179	27,410,714	81,501,567	846,887,965	581,398,354	149,344	-	48,106,954	51,218,886	268,452,199	-
<b>B. Intangible Assets</b>												
Membership rights of BSE Limited	7,005,000	-	-	-	7,005,000	7,005,000	-	-	-	-	-	-
Software	636,173,939	2,592,841	24,199,999	-	662,966,779	595,144,011	2,584,551	-	11,392,977	-	53,845,240	41,029,928
Indiabulls.com website	5,262,584	-	-	-	5,262,584	5,262,584	-	-	-	-	-	-
<b>Total (b)</b>	<b>648,441,523</b>	<b>2,592,841</b>	<b>24,199,999</b>	<b>-</b>	<b>675,224,363</b>	<b>607,411,595</b>	<b>2,584,551</b>	<b>-</b>	<b>11,392,977</b>	<b>-</b>	<b>53,845,240</b>	<b>41,029,928</b>
Previous year (ii)	609,393,026	-	39,048,497	-	648,441,523	605,568,892	-	-	1,842,703	-	41,029,928	-
<b>Current year total ((a)+(b))</b>	<b>1,495,329,488</b>	<b>6,069,975,651</b>	<b>43,886,239</b>	<b>98,689,899</b>	<b>7,510,501,479</b>	<b>1,185,847,361</b>	<b>612,894,936</b>	<b>124,796,999</b>	<b>131,482,345</b>	<b>97,957,545</b>	<b>5,553,437,383</b>	<b>309,482,127</b>
Previous year ((i)+(ii))	1,509,724,665	647,179	66,459,211	81,501,567	1,495,329,488	1,186,967,246	149,344	-	49,949,657	51,218,886	309,482,127	-
<b>Capital Work in Progress at cost</b>												
	-	-	-	-	-	-	-	-	-	-	114,609,243	-
	-	-	-	-	-	-	-	-	-	-	5,668,046,626	309,482,127

\* Includes vehicles having original cost of ₹ 26,100,956 (Previous year ₹ 26,681,570) which are hypothecated to banks against the loans.

\*\* Refer note 7 (ii) to (iv).

## Consolidated Notes forming part of the Financial Statements

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

79

<b>Note - 16</b>	<b>As at</b>	<b>As at</b>
<b>Goodwill on Consolidation</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Balance as per last Balance Sheet	31,977,072	-
Add : On acquisition of Subsidiaries during the year	1,054,449,177	31,977,072
Closing balance	<u>1,086,426,249</u>	<u>31,977,072</u>
<b>Note - 17</b>	<b>As at</b>	<b>As at</b>
<b>Non-Current Investments</b>	<b>March 31, 2015</b>	<b>March 31, 2014</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	36,555	33,770
<b>Total (A)</b>	<u>46,555</u>	<u>43,770</u>
<b>Long-term - Others - Unquoted (at cost unless otherwise stated)</b>		
Investments in Equity Instruments :		
Nil (Previous year 288,722) fully paid-up Ordinary Shares of face value of £ 0.001 in Copal Partners Limited <sup>(a)</sup>	-	125,332,488
<b>Total (B)</b>	<u>-</u>	<u>125,332,488</u>
<b>Total (A)+(B)</b>	<u>46,555</u>	<u>125,376,258</u>
<b>Aggregate market value of quoted investments</b>	-	-
<b>Aggregate book value of quoted investments</b>	-	-
<b>Aggregate book value of unquoted investments</b>	46,555	125,376,258
<b>Aggregate provision for diminution in value of investments</b>	-	-

(a) During the year ended March 31, 2012, Copal Partners Limited had bought back 223,222 shares held by the Company vide the Purchase and Cancellation Agreement for the consideration of ₹ 86,226,344. Further, 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. Further, the Company had received ₹ Nil (Previous year ₹ 6,687,129) as an additional consideration. As a result thereof, the stake of the Company in Copal Partner Limited had been reduced from 4.74% to 1.63%. The proportionate cost of the shares bought back and sold aggregates to ₹ 351,362,195. Out of the total consideration of ₹ 231,992,806 receivable from Moody's Group UK LTD, the Company had received partial amount of ₹ Nil (Previous year ₹ 16,049,110) towards Escrow Account and ₹ 63,412,482 (excluding foreign exchange gain of ₹ 17,449,672) [Previous year ₹ 63,412,482 (excluding foreign exchange gain of ₹ 14,231,506)] is receivable as at the year ended March 31, 2015 in the form of Loan Notes and Escrow account of the Moody's Group UK LTD.

During the year, the Company has sold balance 288,722 Ordinary Shares on exercise of call option by the Moody's Group UK LTD for a cash consideration of ₹ 594,992,390. As a result thereof, the stake of the Company in Copal Partners Limited stand to nil from 1.63% earlier.

## Consolidated Notes forming part of the Financial Statements

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

### Note - 18

#### Deferred Tax Assets (Net)

In compliance with Accounting Standard - 22 'Accounting for Taxes on Income', deferred tax (net) of ₹ 10,239,413 (Previous year - ₹ 25,892,079) has been debited to the Statement of Profit and Loss for the year ended March 31, 2015. The breakup of deferred tax into major components is as under:

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Deferred Tax Assets:</b>		
Provision for Doubtful Debts and Advances	16,910,772	23,012,239
Contingent Provisions against Standard Assets	-	3,436,668
Disallowances u/s. 43B of the Income-Tax Act, 1961	4,160,452	3,891,930
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	16,772,606	13,506,216
Difference between book balance and tax balance of fixed assets	52,368,442	5,874,163
Others	3,967,579	555,447
<b>(a)</b>	<b>94,179,851</b>	<b>50,276,663</b>
<b>Deferred Tax Liability:</b>		
Difference between book balance and tax balance of fixed assets	10,042,868	5,416,673
Others	-	2,455,987
<b>(b)</b>	<b>10,042,868</b>	<b>7,872,660</b>
<b>Deferred Tax Asset (Net)</b>	<b>(a) - (b)</b>	<b>84,136,983</b>
	<b>84,136,983</b>	<b>42,404,003</b>

### Note - 19

#### Long-Term Loans and Advances

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Unsecured</b>		
(a) Capital Advances		
Considered Good	13,601,811	100,000,000
Considered Doubtful	-	-
	13,601,811	100,000,000
Less: Provision for Doubtful Advances	-	-
	13,601,811	100,000,000
(b) Security Deposits		
(i) Deposits (including margin money with Exchanges (considered good))	41,705,631	42,506,280
(ii) Deposits with Others		
Considered Good	31,936,194	53,718,591
Considered Doubtful	4,573,557	20,435,139
	36,509,751	74,153,730
Less: Provision for Doubtful Deposits	4,573,557	20,435,139
	31,936,194	53,718,591

## Consolidated Notes forming part of the Financial Statements

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

81

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
(c) Loan Notes, Escrow Receivable account and others (Refer note - 17(a))		
Considered Good	343,557,651	381,026,817
Considered Doubtful	1,222,303	1,267,137
	<u>344,779,954</u>	<u>382,293,954</u>
Less: Provision for Doubtful Advances	1,222,303	1,267,137
	<u>343,557,651</u>	<u>381,026,817</u>
(d) Advance Income Tax / Tax Deducted At Source (Net of provision for tax ₹ Nil; Previous year ₹ 52,352,768)	-	230,679,333
(e) MAT credit entitlement (considered good)	5,053,459	-
	<u>435,854,746</u>	<u>807,931,021</u>

Note - 20 Other Non-Current Assets	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Unsecured, Considered Good</b>		
Unamortised expenses - Ancillary borrowing cost	89,911,852	-
In fixed deposit accounts with Banks (Refer note - 23(i))	77,475,177	57,900,495
	<u>167,387,029</u>	<u>57,900,495</u>

Note - 21 Current Investments	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Investments in Mutual Funds - Unquoted <sup>(i)</sup></b>		
L & T Mutual Fund	-	100,000,000
No. of units: Nil (Previous year : 98,473.996)		
NAV at March 31, 2015: NA (Previous year: ₹ 1,039.48 per unit <sup>(ii)</sup> )		
Deutsche Mutual Fund	-	98,484,849
No. of units: Nil (Previous year : 1,003,410.361)		
NAV at March 31, 2015: NA (Previous year: ₹ 100.65 per unit <sup>(ii)</sup> )		
JM Arbitrage Advantage Fund - Bonus Option	693,548,387	-
No. of units: 69,772,347.434 (Previous year : Nil)		
NAV: ₹ 10.4644 per unit <sup>(ii)</sup> (Previous year: NA)		
	<u>693,548,387</u>	<u>198,484,849</u>
<b>Aggregate market value of quoted investments</b>	-	-
<b>Aggregate book value of quoted investments</b>	-	-
<b>Aggregate book value of unquoted investments</b>	693,548,387	198,484,849
<b>Aggregate provision for diminution in value of investments</b>	-	-

(i) The investment in Mutual Funds are 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, 2015 (contd.)

<b>Note - 22</b>	<b>As at</b>	<b>As at</b>
<b>Trade Receivables</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Unsecured	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Outstanding for a period exceeding six months		
Considered Good	1,038,567,017	279,881,949
Considered Doubtful	46,293,967	46,293,967
	<u>1,084,860,984</u>	<u>326,175,916</u>
Less: Provision for Doubtful Debts	46,293,967	46,293,967
	<u>1,038,567,017</u>	<u>279,881,949</u>
Others		
Considered Good	1,442,961,902	1,100,486,686
Considered Doubtful	-	-
	<u>1,442,961,902</u>	<u>1,100,486,686</u>
	<b><u>2,481,528,919</u></b>	<b><u>1,380,368,635</u></b>

<b>Note - 23</b>	<b>As at</b>	<b>As at</b>
<b>Cash and Cash Equivalents</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Cash on Hand	153,800	60,310
Balance with Banks		
- in Current Accounts	599,025,483	827,196,281
- in fixed deposits with original maturity of less than three months <sup>(i)</sup>	4,980,000,000	792,500,000
	<u>5,579,025,483</u>	<u>1,619,696,281</u>
Other bank balances		
Deposit accounts		
- in Fixed Deposit Accounts having original maturity of more than twelve months <sup>(i) &amp; (ii)</sup>	751,512,281	1,151,012,280
- in Fixed Deposit Accounts having original maturity upto twelve months <sup>(i)</sup>	534,098,208	175,453,499
In earmarked accounts		
- in unpaid dividend account	29,164,545	22,280,766
	<u>1,314,775,034</u>	<u>1,348,746,545</u>
	<b><u>6,893,954,317</u></b>	<b><u>2,968,503,136</u></b>

(i) Fixed deposits includes:

- a. ₹ 614,050,000 (Previous year ₹ 461,500,000) 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. ₹ 26,950,000 (Previous year ₹ 31,950,000) 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.

## Consolidated Notes forming part of the Financial Statements

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

38

- c. ₹ 5,424,700,000 (Previous year ₹ 1,669,250,000) pledged with banks for overdraft facilities.
- d. ₹ 11,154,481 (Previous year ₹ 10,325,495) pledged for arbitration matters.
- e. ₹ 190,000 (Previous year ₹ 190,000) pledged with VAT / Sales Tax Authorities.
- 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 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, 2015, the outstanding balance in DSR Account is ₹115,000,000 (Previous Year ₹ Nil) and is included in the balances lying in Fixed Deposit Accounts.
- h. ₹ 108,445,270 (Previous year ₹ Nil) pledged with the bank against bank guarantees issued by bank to Chennai Metropolitan Development Authority.
- (ii) Balances with banks include deposit of ₹ 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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
(a) Inter-Corporate Deposits (Unsecured, Considered Good)	1,313,000,000	-
(b) Margin Funding Loan Receivables (Secured, Considered Good)	19,232,297	39,557,708
Less: Margin received	3,804,384	31,650,545
	<u>15,427,913</u>	<u>7,907,163</u>
(c) Security Deposits (Unsecured Considered Good)	4,300,256,399	1,510,052,131
(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)	318,355,947	319,775,186
(f) Advance Income Tax / Tax Deducted At Source (Net of provision for tax ₹ 690,372,442; Previous year ₹ Nil)	253,499,822	-
(g) Other Loan Given (Unsecured, Considered Good)	256,668,691	327,861,535
	<u><u>6,497,208,772</u></u>	<u><u>2,165,596,015</u></u>



## Consolidated Notes forming part of the Financial Statements

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

<b>Note - 25</b>	<b>As at</b>	<b>As at</b>
<b>Other Current Assets</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Others		
Interest Accrued on Fixed Deposits	27,890,899	21,982,114
Interest accrued on Loans	122,490,794	70,447,772
Interest Receivable on Other Deposits	37,500,821	-
Other receivable	41,832,132	-
Unamortised expenses - Ancillary borrowing cost	20,033,384	-
	<b>249,748,030</b>	<b>92,429,886</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, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Sale of Services <sup>(i)</sup>	3,101,068,712	2,667,359,797
(b) Other Operating Revenues <sup>(ii)</sup>	252,500,110	222,949,871
	<b>3,353,568,822</b>	<b>2,890,309,668</b>
(i) Sale of Services includes :		
Brokerage Income	2,731,332,528	2,396,642,374
Interest on Margin Funding	61,604,301	36,068,634
Interest from Financing Activities	41,536,218	85,197,662
Income from Depository Services	82,781,834	78,916,642
Rental income (Refer note - 37)	98,364,637	-
Maintenance income	29,730,071	-
Other Charges including Transaction Charges	55,719,123	70,534,485
	<b>3,101,068,712</b>	<b>2,667,359,797</b>
(ii) Other Operating Revenues includes :		
Interest on Deposits	135,940,370	154,058,657
Consultancy Fees and Advisory Income	111,789,506	17,717,233
Income from IPO commission, Mutual Funds commission, Account Opening and other Miscellaneous Income	4,770,234	51,173,981
	<b>252,500,110</b>	<b>222,949,871</b>

## Consolidated Notes forming part of the Financial Statements

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

85

<b>Note - 27</b>	<b>For the Year ended</b>	<b>For the Year ended</b>
<b>Other income</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Interest Income		
Interest Income from Inter-Corporate Deposits	66,951,546	19,635,073
Interest Income from Income Tax Refund	4,110,621	9,991,463
	<u>71,062,167</u>	<u>29,626,536</u>
Dividend Income		
Dividend Income on Other Long-Term Investments	9,791,866	19,043,863
Dividend Income on Current Investments	3,383,628	2,856,355
	<u>13,175,494</u>	<u>21,900,218</u>
Other Non-Operating Income		
Excess Provision for Incentive, Bonus and Other Expenses no longer required written back	31,578,288	64,190,552
Sundry Credit Balances written back	2,223,886	8,692,673
Gain on Foreign Exchange Fluctuations (Refer note - 4(i))	2,031,306	2,898,649
Bad Debt Recovered	3,238,395	254,609
Profit on Sale of Current Investments	72,072,908	7,542,569
Profit on Sale of Assets	62,224,848	-
Profit on Sale of Long Term Investments (Refer note - 17(a))	469,659,902	7,978,629
Profit on sale / scrapping of fixed assets	534,575	-
Miscellaneous Income	1,426,683	1,883,691
Share of Profit in Associates (Net)	-	991,709
	<u>644,990,791</u>	<u>94,433,081</u>
	<b><u>729,228,452</u></b>	<b><u>145,959,835</u></b>

<b>Note - 28</b>	<b>For the Year ended</b>	<b>For the Year ended</b>
<b>Operating expenses</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Stamp Duty	29,499,660	26,985,097
Demat Charges	3,000	1,500
SEBI Charges	1,892,823	1,244,047
Commission	240,688,762	92,567,574
Depository Charges	6,641,194	5,488,743
Transaction Charges	27,945,517	24,512,761
Membership Fees	1,138,291	1,428,475
Web Hosting Expenses	9,067,513	11,184,729
VSAT Charges	1,101,909	1,306,778
Leased Line Expenses	5,330,678	7,960,026
Content Expenses	1,087,338	2,885,106
Software Expenses	2,374,325	2,421,388
	<u>326,771,010</u>	<u>177,986,224</u>

## Consolidated Notes forming part of the Financial Statements

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

<b>Note - 29</b> <b>Employee benefits expense</b>	<b>For the Year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>	<b>For the Year ended</b> <b>March 31, 2014</b> <b>Amount (₹)</b>
Salaries	692,260,895	641,914,700
Contribution to Provident Fund and Other Funds	3,555,920	2,907,829
Staff Welfare Expenses	8,293,556	7,442,725
Provision for Gratuity and Compensated Absences (Refer note - 34)	20,850,997	14,107,160
	<b>724,961,368</b>	<b>666,372,414</b>

<b>Note - 30</b> <b>Finance costs</b>	<b>For the Year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>	<b>For the Year ended</b> <b>March 31, 2014</b> <b>Amount (₹)</b>
Bank Charges	12,582,060	11,092,196
Interest on Inter-Corporate Deposits	209,787,746	70,243,046
Interest on Bank Overdraft	52,384,519	67,619,050
Interest on Working Capital Loan	13,882,534	5,513,014
Interest on short term loans	71,724,102	13,169,590
Interest On Term Loan	1,120,548	-
Interest on Vehicle Loans	1,504,002	1,326,256
Interest on Commercial Papers	221,995,390	61,522,037
Interest on Taxes	21,713,070	4,572,312
	<b>606,693,971</b>	<b>235,057,501</b>

<b>Note - 31</b> <b>Other expenses</b>	<b>For the Year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>	<b>For the Year ended</b> <b>March 31, 2014</b> <b>Amount (₹)</b>
Lease Rent (Refer note - 37)	99,721,469	115,527,933
Rates and Taxes	27,114,957	4,070,519
Electricity Expenses	19,562,300	16,256,459
Insurance	655,506	537,008
Communication Expenses	20,221,114	24,860,949
Professional Charges	13,006,448	25,999,442
Travelling & Conveyance	16,685,606	14,753,328
Printing and Stationery	11,656,316	11,767,204
Office Maintenance	20,469,660	14,079,523
Repairs and Maintenance - Others	31,229,518	15,272,431
Business Promotion	20,712,948	5,992,364
Payment to Statutory Auditors' (Net of Service Tax of ₹ 504,597 Previous year ₹ 494,110)		

## Consolidated Notes forming part of the Financial Statements

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

87

Note - 31 Other expenses (Continued)	For the Year ended March 31, 2015 Amount (₹)	For the Year ended March 31, 2014 Amount (₹)
- For Statutory Audit	3,057,500	2,972,657
- 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 - 41)	43,934	32,468
Donation (Refer note - 40)	15,133,000	-
Loss on Disposal of Subsidiary Company	-	519,794
Loss on Sale / Scrapping of fixed assets	-	23,369,029
Contingent Provisions	49,300,000	82,250,000
Provision for Doubtful Debts, Advances and Security Deposits	408,900	3,952,788
Bad Debts / advances written off	17,458,585	52,766,221
Less : Adjusted against provision of earlier years	16,315,316	51,763,310
	1,143,269	1,002,911
Miscellaneous Expenses	864,051	1,268,264
	<b>352,011,496</b>	<b>365,510,071</b>

### Note - 32

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

Particulars	As at March 31, 2015 Amount (₹)	As at March 31, 2014 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
Arbitration matters <sup>(ii)</sup>	-	2,153,393
Court Cases <sup>(iii)</sup>	9,829,313	6,640,343

- (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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
- Capital Commitments for purchase of fixed assets	2,515,528,096	400,000,000

## Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2015 (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 Securities Limited Employees Stock Option Scheme - 2008" ("IBSL ESOP - 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 a Employee Stock Option Scheme titled as 'Indiabulls Securities Limited Employees Stock Option Scheme - 2009' ("IBSL ESOP - 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 "Indiabulls Securities Limited Employees Stock Option Scheme - 2009" ("IBSL 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, 2015 (contd.)

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 "Indiabulls Securities Limited Employees Stock Option Scheme – 2009" ("IBSL 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.

S. No.	Particulars	IBSL ESOP - 2009	
		10,000,000 Options	2,050,000 Options
1	Exercise price	₹ 35.25	₹ 31.35
2	Expected volatility	77%	48.96%
3	Expected forfeiture percentage on each vesting date	Nil	Nil
4	Option Life (Weighted Average)	10 Years	10 Years
5	Expected Dividends yield	13.48%	6.86%
6	Risk Free Interest rate	7.50%	8.05%
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

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 /(loss) 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, 2015	Year ended March 31, 2014
Profit attributable to Equity Shareholders (Refer note - 38)	1,506,383,012	1,016,140,448
Less: Stock-based compensation expense determined under the fair value based method: [Gross ₹ 16,638,640 (Previous Year ₹ 16,589,166)] (pro forma)	867,622	928,251
Net Profit considered for computing Earnings per Equity Share (pro forma)	1,505,515,390	1,015,212,197
<b>Basic / Diluted Earnings Per Equity Share:</b>		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	258,749,486	231,112,511
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	2,957,646	357,152
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	17,638,846	5,353,352
Weighted average number of Equity Shares used for computing Diluted Earnings per Equity Share	279,345,978	236,823,015
Basic earnings per Equity Share (as reported)	5.82	4.40
Basic earnings per Equity Share (pro forma)	5.82	4.39
Diluted earnings per Equity Share (as reported)	5.39	4.29
Diluted earnings per Equity Share (pro forma)	5.39	4.29

## Consolidated Notes forming part of the Financial Statements

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

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

	IBSL ESOP - 2008	IBSL 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
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
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
Exercise Price (₹)	17.40	35.25	31.35
Outstanding at the beginning of the year (Nos.)	9,935,525	-	500,000
Options vested during the year (Nos.)*	1,003,708	-	50,000
Exercised during the year (Nos.)	2,840,571	-	-
Expired during the year (Nos.)	406,800	-	-
Surrendered and eligible for re-grant during the year (Nos.)	474,750	-	-
Outstanding at the end of the year (Nos.)	6,213,404	-	500,000
Exercisable at the end of the year (Nos.)	2,700,429	-	200,000
Remaining contractual Life (Weighted Months)	49	Nil	78

\* 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 ₹ 2,634,578 (Previous year ₹ 1,416,703) 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, 2015 (contd.)

91

Disclosures in respect of Gratuity and Compensated Absences:

(Amount in ₹)

Particulars	Gratuity (funded) * 2014-15	Gratuity (unfunded) 2014-15	Gratuity (unfunded) 2013-14	Compensated Absences (unfunded) 2014-15	Compensated Absences (unfunded) 2013-14
<b>Reconciliation of Liability recognised in the Balance Sheet :</b>					
Present Value of Commitments (as per Actuarial valuation)	1,810,658	51,243,863	40,025,926	13,542,521	11,543,325
Fair Value of Plans	(1,045,535)	-	-	-	-
Net Liability in the Balance Sheet (as per Actuarial valuation)	765,123	51,243,863	40,025,926	13,542,521	11,543,325
<b>Movement in net Liability recognised in the Balance Sheet :</b>					
Net Liability as at beginning of the year	-	40,025,926	42,597,506	11,543,325	12,730,680
Amount Paid during the year	-	7,775,458	14,902,415	492,393	1,614,852
Net expense / (gain) recognised in the Statement of Profit and Loss	203,910	18,993,395	12,330,835	1,653,690	427,557
Acquired on consolidation during the year	1,606,748	-	-	837,899	-
Contribution during the year	-	-	-	-	-
Net Liability as at end of the year	1,810,658	51,243,863	40,025,926	13,542,521	11,543,385
<b>Expense recognised in the Statement of Profit and Loss :</b>					
Current Service Cost	232,145	7,199,410	5,778,694	2,617,603	1,958,768
Past Service Cost	-	-	-	-	-
Interest Cost	48,379	3,637,695	3,529,082	1,130,483	1,003,174
Expected return on plan assets	(33,688)	-	-	-	-
Actuarial losses / (gains)	(42,926)	8,156,290	3,023,059	(2,094,396)	(2,534,385)
Expense charged / (reversal) to the Statement of Profit and Loss	203,910	18,993,395	12,330,835	1,653,690	427,557
<b>Return on plan assets :</b>					
Acquired on consolidation during the year	59,749	-	-	-	-
Expected return on plan assets	35,929	-	-	-	-
Actuarial losses / (gains)	(1,270)	-	-	-	-
Actual return on plan assets	94,408	-	-	-	-



## Consolidated Notes forming part of the Financial Statements

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

(Amount in ₹)

Particulars	Gratuity (funded) * 2014-15	Gratuity (unfunded) 2014-15	Gratuity (unfunded) 2013-14	Compensated Absences (unfunded) 2014-15	Compensated Absences (unfunded) 2013-14
<b>Reconciliation of defined-benefit Commitments :</b>					
Commitments as at beginning of the year	-	40,025,926	42,597,506	11,543,325	12,730,680
Current Service Cost	232,145	7,199,410	5,778,694	2,617,603	1,958,768
Past Service Cost	-	-	-	-	-
Interest Cost	48,379	3,637,695	3,529,082	1,130,483	1,003,174
Acquired on consolidation during the year	1,606,748	-	-	837,899	-
Paid benefits	-	(7,775,458)	(14,902,415)	(492,393)	(1,614,852)
Expected return on plan assets	(33,688)	-	-	-	-
Actuarial losses / (gains)	(42,926)	8,156,290	3,023,059	(2,094,396)	(2,534,385)
Commitments as at end of the year	1,810,658	51,243,863	40,025,926	13,542,521	11,543,385
<b>Reconciliation of plan assets :</b>					
Plan assets as at beginning of the year	-	-	-	-	-
Acquired on consolidation during the year	1,010,876	-	-	-	-
Expected return on plan assets	35,929	-	-	-	-
Contributions during the year	-	-	-	-	-
Paid benefits	-	-	-	-	-
Actuarial losses / (gains)	(1,270)	-	-	-	-
Plan assets as at end of the year	1,045,535	-	-	-	-

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

(Amount in ₹)

Experience adjustment:	Gratuity (Funded and Unfunded)				
	2014-15	2013-14	2012-13	2011-12	2010-11
On plan liabilities ((losses) / gains))	(5,939,583)	(9,018,049)	(3,698,836)	2,270,722	6,601,818
On plan assets (gains / (losses))	(3,458)	-	-	-	-
Present value of benefit obligation	53,054,521	40,025,926	42,597,506	40,942,576	54,870,332
Fair value of plan assets	1,045,535	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	52,008,986	40,025,926	42,597,506	40,942,576	54,870,332

## Consolidated Notes forming part of the Financial Statements

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

36

(Amount in ₹)

Experience adjustment:	Compensated Absences (Unfunded)				
	2014-15	2013-14	2012-13	2011-12	2010-11
On plan liabilities (gains / (losses))	2,255,304	80,297	9,703,942	9,934,485	6,788,766
On plan assets (gains / (losses))	-	-	-	-	-
Present value of benefit obligation	13,542,521	11,543,325	12,730,680	14,554,821	20,391,929
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	13,542,521	11,543,325	12,730,680	14,554,821	20,391,929

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, 2015	As at March 31, 2014
Discount rate		
Gratuity and Compensated Absences	8.25%	8.50%
Expected return on plan assets	9.00%	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 ₹ 17,227,524 (Previous Year ₹ 12,577,154) and ₹ 4,092,486 (Previous Year ₹ 3,860,266), respectively.

### Note - 35

#### Segment Reporting:

Segment information for the year ended March 31, 2015 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	3,176,725,437	133,042,880	43,800,505	3,353,568,822
	2,800,704,346	-	89,605,322	2,890,309,668
(ii) Segment Results	1,864,871,018	26,154,484	(10,646,445)	1,880,379,057
	1,714,181,224	-	(2,421,577)	1,711,759,647
Add: Unallocated Income net of other Unallocated Expenditure				654,609,938
				53,599,294
Less: Interest expenditure				594,111,911
				223,965,305
Less: Income taxes				434,494,072
				525,253,188
Less: Minority Interest				-
				(216,690)
Total Profit after tax				1,506,383,012
				1,016,357,138

## Consolidated Notes forming part of the Financial Statements

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

(Amount in ₹)

	<b>Broking &amp; related activities</b>	<b>Lease Rentals &amp; related activities</b>	<b>Other Operations</b>	<b>Total</b>
(iii) Segment Assets	8,211,422,809	7,517,861,730	564,367,101	16,293,651,640
Unallocated Corporate Assets	<i>6,363,153,324</i>	-	<i>714,954,271</i>	<i>7,078,107,595</i>
Total Assets				<i>7,964,234,973</i>
				<i>1,102,345,902</i>
				24,257,886,613
				<i>8,180,453,497</i>
(iv) Segment Liabilities	6,883,298,308	7,238,363,778	10,880,764	14,132,542,850
Unallocated Corporate Liabilities	<i>4,615,243,725</i>	-	<i>10,434,736</i>	<i>4,625,678,461</i>
Total Liabilities				<i>6,826,545,878</i>
				<i>1,188,626,480</i>
				20,959,088,728
				<i>5,814,304,941</i>
(v) Capital Expenditure including Capital Advances Given (net)	(59,726,130)	20,493,435	-	(39,232,695)
Unallocated Capital Expenditure including Capital Advances	<i>53,936,386</i>	-	-	<i>53,936,386</i>
Total Capital Expenditure including Capital Advances				<i>81,215,060</i>
				-
				41,982,365
				<i>53,936,386</i>
(vi) Depreciation and Amortisation	53,279,031	66,053,676	136,764	119,469,471
Unallocated Depreciation and Amortisation	<i>42,937,940</i>	-	<i>49,344</i>	<i>42,987,284</i>
Total Depreciation and Amortisation				<i>12,012,874</i>
				<i>6,962,373</i>
				131,482,345
				<i>49,949,657</i>
(vii) Non cash expenditure other than Depreciation	12,889,906	-	49,635,390	62,525,296
Unallocated Non cash expenditure other than Depreciation	<i>21,902,085</i>	-	<i>272,673</i>	<i>22,174,758</i>
Non cash expenditure other than Depreciation				<i>910,018</i>
				<i>2,910,828</i>
				63,435,314
				<i>25,085,586</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, 2015 (contd.)

95

### Note - 36

#### Related Party Disclosures :

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

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

Nature of Relationship	Name of the Party
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 (v)] Mr. Saurabh K. Mittal, Dominant Promoter (upto July 17, 2014) [Refer note - 3 (v)]

#### (b) Significant transactions with Related Parties during the year ended March 31, 2015: (Amount in ₹)

Nature of Transaction	Key Management Personnel	Total
<b>Expenses</b>		
Remuneration	31,599,996 <i>26,099,677</i>	31,599,996 <i>26,099,677</i>
<b>Finance</b>		
Money received against Share Warrants	- <i>43,780,127</i>	- <i>43,780,127</i>
Money received against ESOP	6,525,000 -	6,525,000 -
Money received against conversion of Share Warrants	24,375,000 -	24,375,000 -

(Previous year's figures are stated in Italics)

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

Particulars	Year ended March 31, 2015 Amount (₹)	Year ended March 31, 2014 Amount (₹)
<b>Money received against Share Warrants</b>		
- Mr. Sameer Gehlaut	-	19,458,410
- Mr. Rajiv Rattan	-	6,103,159
- Mr. Saurabh K. Mittal	-	5,218,558
- Mr. Divyesh B. Shah	-	13,000,000
<b>Money received against conversion of Share Warrants</b>		
- Mr. Divyesh B. Shah	24,375,000	-
<b>Money received against ESOP</b>		
- Mr. Ashok Sharma	6,525,000	-
<b>Remuneration</b>		
- Mr. Divyesh B. Shah	31,599,996	26,099,677

## Consolidated Notes forming part of the Financial Statements

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

### (d) Outstanding as at March 31, 2015:

(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
	<i>19,458,410</i>	<i>19,458,410</i>
- Mr. Rajiv Rattan	- *	- *
	<i>6,103,159</i>	<i>6,103,159</i>
- Mr. Saurabh K. Mittal	- *	- *
	<i>5,218,558</i>	<i>5,218,558</i>
- Mr. Divyesh B. Shah	4,875,000	4,875,000
	<i>13,000,000</i>	<i>13,000,000</i>
<b>Money received against ESOP</b>		
- Mr. Ashok Sharma	1,305,000	1,305,000
	-	-

(Previous year's figures are stated in Italics)

\* Refer note - 3 (v)

Disclosures mandated by Clause 32 of the Listing Agreement have been included in the aforesaid Related Party Disclosures.

### 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 ₹ 99,721,469 (Previous year ₹115,527,933) has been charged to the Statement of Profit and Loss. The minimum lease rental outstanding are as under:

Particulars	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Future minimum lease payments		
not later than one year	50,900,657	76,637,490
later than one year and not later than five years	69,652,313	62,835,482
later than five years	34,015,154	17,887,896

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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Class of Asset	One Indiabulls Park	
Gross Carrying amount	4,920,860,331	-
Accumulated Depreciation	654,407,486	-
Depreciation recognised in the Statement of Profit and Loss	64,384,311	-

## Consolidated Notes forming part of the Financial Statements

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

76

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

Particulars	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
not later than one year	275,518,853	-
later than one year and not later than five years	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 as appropriate.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit available for Equity Shareholders (₹)	1,506,383,012	1,016,140,448
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	258,749,486	231,112,511
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	2,957,646	357,152
Add: Potential number of Equity Shares that could arise on exercise of Warrants	17,638,846	5,353,352
Weighted average number of Equity Shares used in computing Diluted Earnings per Equity Share	279,345,978	236,823,015
Face Value of Equity Share (₹)	2.00	2.00
Earnings Per Equity Share - Basic (₹)	5.82	4.40
Earnings Per Equity Share - Diluted (₹)	5.39	4.29

### Note - 39

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied rates / useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life
Furniture and Fixtures	6.33% / ~15.80 years	10 years
Vehicles	9.50% / ~10.53 years	8 years
Office equipment	4.75% / ~21.05 years	5 years
Computers	16.21% / ~6.17 years	3 years
Software	25% / ~4 years	4 years

## Consolidated Notes forming part of the Financial Statements

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

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 83,235,297 (net of deferred tax of ₹ 41,561,702) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 16,182,556 consequent to the change in the useful life of the assets.

### Note - 40

Donation represents amount contributed toward Corporate Social Responsibility as required under section 133 of the Companies Act, 2013..

### Note - 41

#### Loss on Erroneous Transactions :

The loss on squaring off of erroneous transactions on account of trading in securities amounting to ₹ 43,934 (Net) (Previous Year loss ₹ 32,468 (Net)) has been debited to the Statement Profit and Loss Statement.

### Note - 42

#### 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, 2015	Year ended March 31, 2014
Amount receivable on loan notes and escrow receivable account (in USD)	1,291,918	1,291,918
Amount receivable on loan notes and escrow receivable account (in INR)	80,862,154	77,643,988

### Note - 43

No borrowing cost has been capitalised during the year.

### Note - 44

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 - 45

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

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

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Ram Mehar Garg**  
Company Secretary

Mumbai, April 24, 2015

# Independent Auditors' Report

## for the Financial Year Ended 31st March, 2015

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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended then, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 provision 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 31st March, 2015, 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 the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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.



## Independent Auditors' Report

for the Financial Year Ended 31st March, 2015 (contd.)

- (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.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For DELOITTE HASKINS & SELLS LLP**

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

**A. Siddharth**

Partner

Mumbai, 24th April, 2015 (Membership No. 031467)

## Annexure to the Independent Auditors' Report

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

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (ii) and (vi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) 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.
- (iii) According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms 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, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the year, there were no transactions in respect of purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
- (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 and the rules framed there under.
- (vi) 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, Wealth Tax, Service

Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. Dues relating to Employees' State Insurance, Sales Tax, Customs Duty, Value Added Tax and Excise Duty are not applicable to the Company. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.

- (b) There are no dues of Income-tax, Wealth Tax, Service Tax, and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of dispute.
- (c) During the year, there were no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (vii) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, during the year, the Company has not provided guarantees for loans taken by others from banks and financial institutions.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

A. Siddharth  
Partner

MUMBAI, 24<sup>th</sup> April, 2015 (Membership No. 031467)

# Balance Sheet

as at March 31, 2015

Particulars	Note No.	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	522,446,162	462,225,022
(b) Reserves and surplus	4	1,937,545,425	1,384,615,397
(c) Money received against share warrants	5	100,555,004	189,182,500
		<u>2,560,546,591</u>	<u>2,036,022,919</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	941,132
(b) Other long-term liabilities	8	99,786,644	99,786,644
(c) Long-term provisions	9	25,362,987	21,965,846
		<u>125,256,347</u>	<u>122,693,622</u>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	10	4,130,003,689	2,000,000,000
(b) Trade payables	11	3,427,328	3,780,017
(c) Other current liabilities	12	790,630,687	852,211,829
(d) Short-term provisions	13	21,052,194	310,529,229
		<u>4,945,113,898</u>	<u>3,166,521,075</u>
<b>TOTAL</b>		<u><b>7,641,865,612</b></u>	<u><b>5,325,237,616</b></u>
<b>II. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Fixed assets	14		
(i) Tangible assets		64,895,770	232,186,539
(ii) Intangible assets		1,470,253	2,852,426
		<u>66,366,023</u>	<u>235,038,965</u>
(b) Non-current investments	15	61,510,000	187,342,488
(c) Deferred tax assets	16	78,840,083	36,191,661
(d) Long-term loans and advances	17	233,493,894	376,710,005
(e) Other non-current assets	18	11,179,481	15,350,495
		<u>451,389,481</u>	<u>850,633,614</u>
<b>(2) Current assets</b>			
(a) Trade receivables	19	348,738,264	201,724,836
(b) Cash and cash equivalents	20	6,313,323,387	2,903,782,543
(c) Short-term loans and advances	21	510,970,792	1,348,973,286
(d) Other current assets	22	17,443,688	20,123,337
		<u>7,190,476,131</u>	<u>4,474,604,002</u>
<b>TOTAL</b>		<u><b>7,641,865,612</b></u>	<u><b>5,325,237,616</b></u>
Notes forming part of the financial statements	1 - 42		

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

**Ram Mehar Garg**  
Company Secretary

Mumbai, April 24, 2015

Mumbai, April 24, 2015

# Statement of Profit and Loss

for the year ended March 31, 2015

103

Particulars	Note No.	For the year ended March 31, 2015 Amount (₹)	For the year ended March 31, 2014 Amount (₹)
I. Revenue from operations	23	808,932,903	763,114,231
II. Other income	24	1,220,975,835	871,748,662
III. Total revenue (I + II)		<b>2,029,908,738</b>	<b>1,634,862,893</b>
IV. Expenses :			
Operating expenses	25	82,295,752	79,748,236
Employee benefits expense	26	197,609,492	192,362,542
Finance costs	27	264,242,987	149,618,723
Depreciation and amortisation expense	14 & 38	48,046,695	46,426,894
Other expenses	28	92,476,135	144,402,661
Total expenses		<b>684,671,061</b>	<b>612,559,056</b>
V. Profit before tax (III-IV)		1,345,237,677	1,022,303,837
VI. Tax expense / (benefit) :			
(1) Current tax		200,100,000	123,700,000
(2) Short/(Excess) provision for tax relating to prior years		(36,401,242)	6,706,858
(3) Deferred tax	16	(1,086,720)	19,328,789
		162,612,038	149,735,647
VII. Profit for the year (V-VI)		<b>1,182,625,639</b>	<b>872,568,190</b>
VIII. Earnings per Equity Share:	29		
(1) Basic		4.57	3.78
(2) Diluted		4.23	3.68
Face value per Equity Share		2.00	2.00
Notes forming part of the financial statements	1 - 42		

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

**Ram Mehar Garg**  
Company Secretary

Mumbai, April 24, 2015

Mumbai, April 24, 2015

# Cash Flow Statement

for the year ended March 31, 2015

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A Cash flows from operating activities :</b>				
Profit before tax		1,345,237,677		1,022,303,837
Adjustments for :				
Depreciation and amortisation expense	48,046,695		46,426,894	
Provision for Gratuity and Compensated Absences	3,465,093		(22,728,506)	
Provision for doubtful debts, advances and security deposits	408,900		3,952,788	
Bad debts / advances written off	310,471		136,462	
(Profit) / Loss on sale / scrapping of fixed assets	(534,575)		23,369,029	
Sundry credit balances written back	(2,221,450)		(8,372,467)	
Excess provision for incentive, bonus and other expenses no longer required written back	(5,111,531)		(30,928,800)	
Profit on sale of long-term investments	(469,659,902)		(6,687,129)	
Unrealised foreign exchange gain	(2,031,306)		(2,898,649)	
Dividend income on investments	(419,791,866)		(619,043,863)	
Interest income from inter corporate deposits	(318,386,810)		(200,592,328)	
Interest expense	253,556,433		134,039,487	
		(911,949,848)		(683,327,082)
Operating Profit before working capital changes		433,287,829		338,976,755
Adjustments for:				
Trade receivables and other assets	111,120,196		397,194,686	
Trade payables and other liabilities	(63,956,631)		(123,549,859)	
		47,163,565		273,644,827
Cash generated from operations		480,451,394		612,621,582
Income tax (paid) (net)	(195,196,332)		(105,386,878)	
		(195,196,332)		(105,386,878)
<b>Net cash generated from operating activities</b>		<b>285,255,062</b>		<b>507,234,704</b>
<b>B Cash flows from investing activities :</b>				
Purchase of fixed assets (including capital advances given) / received back	99,326,130		(8,027,430)	
Proceeds from sale of fixed assets	1,266,932		6,913,652	
Proceeds from Escrow Account	—		16,049,110	
Proceeds from sale of long-term investment	594,992,389		6,687,129	
Dividend income on other long-term investments	9,791,866		19,043,863	
Dividend income from subsidiary company	430,000,000		430,000,000	
Inter-Corporate Deposits received back from subsidiary (net)	908,370,000		258,750,000	
Proceeds from sale of investment in subsidiary company	500,000		—	
Interest income from inter-corporate deposits to subsidiary	318,386,810		200,592,328	
<b>Net cash generated from investing activities</b>		<b>2,362,634,127</b>		<b>930,008,652</b>

## Cash Flow Statement

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

Particulars	For the year ended March 31, 2015 Amount (₹)	For the year ended March 31, 2014 Amount (₹)
<b>C Cash flows from financing activities</b>		
Interest paid	(271,479,733)	(156,832,610)
Payment of Final Dividend on Equity Shares pertaining to prior years	(10,241)	(53,513)
Payment of interim dividend on Equity Shares	(1,034,263,643)	(918,824,337)
Corporate dividend tax on interim dividend on Equity Shares	(112,955,946)	(84,031,784)
Proceeds from / (Repayment of) bank loans (net)	628,604,015	(860,242,998)
Proceeds from commercial papers (net)	1,500,000,000	1,500,000,000
Proceeds from issue of Equity Shares (including Securities Premium)	49,425,936	—
Proceeds from conversion of share warrants (including Securities Premium)	265,882,490	—
Proceeds from Share Application Money	10,948,776	—
Money received against Share Warrants	—	189,182,500
<b>Net cash generated from / (used in) financing activities</b>	<b>1,036,151,654</b>	<b>(330,802,742)</b>
<b>D Net Increase in cash and cash equivalents (A+B+C)</b>	<b>3,684,040,843</b>	<b>1,106,440,614</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>1,577,770,263</b>	<b>471,329,649</b>
<b>F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)</b>	<b>5,261,811,106</b>	<b>1,577,770,263</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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Cash and cash equivalents (Refer Note - 20)	6,313,323,387	2,903,782,543
Less: In Fixed Deposit Accounts having maturity of more than three months	1,051,512,281	1,326,012,280
<b>Cash and Cash Equivalents as restated</b>	<b>5,261,811,106</b>	<b>1,577,770,263</b>

- Unpaid dividend account balances in designated Bank accounts aggregating to ₹ 29,164,545 (Previous year ₹ 22,280,766) 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 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

**Ram Mehar Garg**  
Company Secretary

Mumbai, April 24, 2015

Mumbai, April 24, 2015

# Notes forming part of the financial statements

for the year ended March 31, 2015

## 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 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, 2015 (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, 2015 (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, 2015 (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, 2015 (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, 2015		As at March 31, 2014	
	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 (vi)</sup>				
Equity Shares of face value of ₹ 2 each fully paid up	261,223,081	522,446,162	231,112,511	462,225,022
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>522,446,162</b>		<b>462,225,022</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, 2015		Equity Shares As at March 31, 2014	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Opening balance	231,112,511	462,225,022	231,112,511	462,225,022
Shares issued during the year by exercise of Employee Stock Option Plan	2,840,571	5,681,142	—	—
Shares issued during the year by exercise of Warrants	27,269,999	54,539,998	—	—
<b>Closing Balance</b>	<b>261,223,081</b>	<b>522,446,162</b>	<b>231,112,511</b>	<b>462,225,022</b>

## Notes forming part of the financial statements

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

(iv) 23,486,341 Equity Shares of face value of ₹ 2 each were bought back by the Company during the year ended March 31, 2010.

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	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	34,171,089	13.08%	34,171,089	14.78%
Orthia Properties Private Limited	39,058,962	14.95%	23,400,000	10.12%
<b>Public *</b>				
Rajiv Rattan	17,330,253	6.63%	17,330,253	7.50%
Saurabh Mittal	17,212,083	6.59%	17,212,083	7.45%
	<u>107,772,387</u>	<u>41.25%</u>	<u>92,113,425</u>	<u>39.85%</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 Kumar 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.

(vi) **Shares reserved for issue under options:**

- (a) 6,713,404 Equity Shares (Previous year 10,435,525 Equity Shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 33).
- (b) 30,940,001 Equity Shares (Previous year 58,210,000 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, 2015 Amount (₹)	As at March 31, 2014 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	18,046,690	18,046,690
Add : Premium on shares issued during the year	343,714,783	—
Closing balance	361,761,473	18,046,690
<b>Foreign Currency Monetary Item Translation Difference Account <sup>(i)</sup></b>		
Opening balance	11,711,656	7,294,807
Add : Additions during the year	3,218,166	7,377,496
Less: Amortised during the year	2,031,306	1,738,680
Less: Utilised during the year	—	1,221,967
Closing balance	<u>12,898,516</u>	<u>11,711,656</u>
<b>General Reserve</b>		
Balance as per last Balance Sheet	338,177,977	154,535,527
Add: Transfer from the Statement of Profit and Loss	—	183,642,450
Closing balance	<u>338,177,977</u>	<u>338,177,977</u>

## Notes forming part of the financial statements

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

### Surplus in the Statement of Profit and Loss

Opening balance		656,642,890	963,856,309
Add: Profit for the year		1,182,625,639	872,568,190
<b>Amount available for appropriation</b>	<b>(a)</b>	<b>1,839,268,529</b>	<b>1,836,424,499</b>
<b>Less: Appropriations :</b>			
Interim Dividend on Equity Shares		795,900,248	938,594,948
Corporate Dividend Tax on Interim Dividend on Equity Shares		100,165,948	57,544,211
Transfer to General Reserve		—	183,642,450
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 ₹ 41,561,702) (Refer note - 14 & 38)		78,531,058	—
<b>Total Appropriations</b>	<b>(b)</b>	<b>974,597,254</b>	<b>1,179,781,609</b>
<b>Balance of Profit Carried Forward</b>	<b>(a)-(b)</b>	<b>864,671,275</b>	<b>656,642,890</b>
		<b>1,937,545,425</b>	<b>1,384,615,397</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 ₹ 12,898,516 (Previous year ₹ 11,711,656) is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on March 31, 2015, net of forex gain amounting to ₹ 2,031,306 (Previous year ₹ 1,738,680) amortised in the Statement of Profit and Loss and ₹ Nil (Previous year ₹ 1,221,967) utilised towards the partial amount received from the Escrow Account.

### Note - 5

#### Money received against share warrants

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Money received against Share Warrants <sup>(i)</sup>	100,555,004	189,182,500
	<b>100,555,004</b>	<b>189,182,500</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. Further, subsequent to the Balance Sheet date 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.

## Notes forming part of the financial statements

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

<b>Note - 6</b>	<b>As at</b>	<b>As at</b>
<b>Share application money pending allotment</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Share application money pending allotment <sup>(i)</sup>	10,948,776	—
	<u>10,948,776</u>	<u>—</u>
<p>(i) As at March 31, 2015, the Company has 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.</p>		
<b>Note - 7</b>	<b>As at</b>	<b>As at</b>
<b>Long-term borrowings</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Term Loans</b>		
<b>Secured</b>		
From Banks <sup>(i)</sup>	106,716	941,132
	<u>106,716</u>	<u>941,132</u>
<p>(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.</p>		
<b>Note - 8</b>	<b>As at</b>	<b>As at</b>
<b>Other long-term liabilities</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Other Liabilities - Amount received from Depository for GDR	99,786,644	99,786,644
	<u>99,786,644</u>	<u>99,786,644</u>
<b>Note - 9</b>	<b>As at</b>	<b>As at</b>
<b>Long-term provisions</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (Refer note - 36)	19,733,174	16,749,457
Provision for Compensated Absences (Refer note - 36)	5,629,813	5,216,389
	<u>25,362,987</u>	<u>21,965,846</u>
<b>Note - 10</b>	<b>As at</b>	<b>As at</b>
<b>Short-term borrowings</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>Secured loans</b>		
From Banks <sup>(i)</sup>		
Bank Overdraft	130,003,689	—
Working capital loan	500,000,000	—
<b>Unsecured loans</b>		
Commercial papers	3,500,000,000	2,000,000,000
(Maximum balance outstanding during the year ₹ 3,500,000,000 (Previous year ₹ 2,000,000,000))	<u>4,130,003,689</u>	<u>2,000,000,000</u>

## Notes forming part of the financial statements

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

- (i) Bank overdraft amounting to ₹ 130,003,689 (Previous year ₹ Nil) are secured against book debts. Working capital loan amounting to ₹ 500,000,000 (Previous year ₹ Nil) are secured against book debts and loans and advances.

<b>Note - 11</b>	<b>As at</b>	<b>As at</b>
<b>Trade payables</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Dues to Micro and Small Enterprises <sup>(i)</sup>	—	—
(b) Dues to others	3,427,328	3,780,017
	<b>3,427,328</b>	<b>3,780,017</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.
- (c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
- (d) No amount of interest was accrued and unpaid at the end of the accounting year.

The above information regarding 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, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Current maturity of long-term loans (Refer note - 7(i))	735,839	1,301,097
Interest accrued and due on working capital loan	3,037,260	—
Brokerage/Depository income received in advance	3,759,513	6,600,710
Unpaid dividends <sup>(i)</sup>	29,164,545	22,280,766
Margin from customers	587,678,547	658,197,951
Temporary overdrawn bank balances as per books	6,598,506	5,704,675
Others - Current liabilities for expense provisions and Statutory dues	159,656,477	158,126,630
	<b>790,630,687</b>	<b>852,211,829</b>

- (i) In respect of amounts mentioned under Section 205C of the Companies Act, 1956, ₹ Nil (Previous year ₹ Nil) were required to be credited to the Investor Education and Protection Fund as at March 31, 2015.

<b>Note - 13</b>	<b>As at</b>	<b>As at</b>
<b>Short-term provisions</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Provision for Gratuity (Refer note - 36)	727,581	663,144
Provision for Compensated Absences (Refer note - 36)	165,537	162,022
Provision for Taxation (net of advance tax ₹ 461,183,433 (Previous year ₹ 266,108,554))	20,159,076	51,656,650
Provision for Interim Dividend on Equity Shares	—	245,257,415
Provision for Corporate Dividend Tax on Interim Dividend on Equity Shares	—	12,789,998
	<b>21,052,194</b>	<b>310,529,229</b>



## Notes forming part of the financial statements

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

Amount (₹)

Note: 14 Fixed Assets

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION					NET BLOCK	
	As at April 01, 2014	Addition during the year	Adjustments/sales during the year	As at March 31, 2015	As at April 01, 2014	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, 2015	As at March 31, 2014
<b>A. Tangible Assets</b>										
Furniture and Fixtures	21,076,244	—	3,726,814	17,349,430	17,354,117	294,833	1,155,635	3,567,176	2,112,021	3,722,127
Vehicles*	57,048,212	—	4,559,065	52,489,147	36,971,346	2,131,492	10,936,545	4,082,107	6,531,871	20,076,866
Office equipment	192,323,564	—	57,798,990	134,524,574	71,354,360	103,638,572	10,503,846	57,727,102	6,754,898	120,969,204
Computers	424,502,433	198,870	32,518,227	392,183,076	398,183,577	11,398,941	7,040,158	32,518,227	8,078,627	26,318,856
Leasehold improvements	106,322,808	—	86,806	106,236,002	45,223,322	2,628,922	17,028,338	62,933	41,418,353	61,099,486
<b>Total (a)</b>	<b>801,273,261</b>	<b>198,870</b>	<b>98,689,902</b>	<b>702,782,229</b>	<b>569,086,722</b>	<b>120,092,760</b>	<b>46,664,522</b>	<b>97,957,545</b>	<b>64,895,770</b>	<b>232,186,539</b>
Previous year (i)	872,939,737	9,835,091	81,501,567	801,273,261	575,527,140	—	44,778,468	51,218,886	232,186,539	—
<b>B. Intangible Assets</b>										
Membership rights of BSE Limited	7,005,000	—	—	7,005,000	7,005,000	—	—	—	—	—
Software	592,312,630	—	—	592,312,630	589,460,204	—	1,382,173	—	1,470,253	2,852,426
Indiabulls.com website	5,262,584	—	—	5,262,584	5,262,584	—	—	—	—	—
<b>Total (b)</b>	<b>604,580,214</b>	<b>—</b>	<b>—</b>	<b>604,580,214</b>	<b>601,727,788</b>	<b>—</b>	<b>1,382,173</b>	<b>—</b>	<b>1,470,253</b>	<b>2,852,426</b>
Previous year (ii)	603,865,050	715,164	—	604,580,214	600,079,362	—	1,648,426	—	2,852,426	—
<b>Current year total ((a)+(b))</b>	<b>1,405,853,475</b>	<b>198,870</b>	<b>98,689,902</b>	<b>1,307,362,443</b>	<b>1,170,814,510</b>	<b>120,092,760</b>	<b>48,046,695</b>	<b>97,957,545</b>	<b>66,366,023</b>	<b>235,038,965</b>
Previous year total ((i) + (ii))	1,476,804,787	10,550,255	81,501,567	1,405,853,475	1,175,606,502	—	46,426,894	51,218,886	235,038,965	—

\* Includes vehicles having carrying cost of ₹ 3,416,624 (Previous year ₹ 4,651,799) which are hypothecated to banks against the respective loans.



## Notes forming part of the financial statements

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

Note - 15 Non-current investments	As at March 31, 2015 Amount (₹)	As at March 31, 2014 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 ₹ 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 ₹ 10 each in Indiabulls Commodities Limited	6,000,000	6,000,000
5,500,000 (Previous year 5,500,000) fully paid up Equity Shares of face value ₹ 10 each in Indiabulls Brokerage Limited	55,000,000	55,000,000
50,000 (Previous year 50,000 ) fully paid up Equity Shares of face value ₹ 10 each in Indiabulls Distribution Services Limited	500,000	500,000
Nil (Previous year 50,000) fully paid up Equity Shares of face value ₹ 10 each in Auxesia Soft Solutions Limited <sup>(a)</sup>	—	500,000
50,000 (Previous year 50,000) fully paid up Equity Shares of face value ₹ 10 each in Devata Tradelink Limited	500,000	500,000
Less: Provision for diminution in the value of investment	500,000	500,000
<b>Total (B)</b>	<b>61,500,000</b>	<b>62,000,000</b>
(ii) Other Long-Term Investments		
Nil (Previous year 288,722) fully paid-up Ordinary Shares of face value of £ 0.001 in Copal Partners Limited <sup>(b)</sup>	—	125,332,488
<b>Total (C)</b>	<b>—</b>	<b>125,332,488</b>
<b>Total (A)+(B)+(C)</b>	<b>61,510,000</b>	<b>187,342,488</b>
<b>Aggregate market value of quoted investments</b>	<b>—</b>	<b>—</b>
<b>Aggregate book value of quoted investments</b>	<b>—</b>	<b>—</b>
<b>Aggregate book value of unquoted investments</b>	<b>62,010,000</b>	<b>187,842,488</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>500,000</b>	<b>500,000</b>

## Notes forming part of the financial statements

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

- (a) During the year ended March 31, 2015, the Company has sold wholly owned subsidiary Auxesia Soft Solutions Limited for ₹ 500,000 to Indiabulls Distribution Services Limited, a wholly owned subsidiary of the Company.
- (b) During the year ended March 31, 2012, Copal Partners Limited had bought back 223,222 shares held by the Company vide the Purchase and Cancellation Agreement for the consideration of ₹ 86,226,344. Further, 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. Further, the Company had received ₹ Nil (Previous year ₹ 6,687,129) as an additional consideration. As a result thereof, the stake of the Company in Copal Partner Limited had been reduced from 4.74% to 1.63%. The proportionate cost of the shares bought back and sold aggregates to ₹ 351,362,195. Out of the total consideration of ₹ 231,992,806 receivable from Moody's Group UK LTD, the Company had received partial amount of ₹ Nil (Previous year ₹ 16,049,110) towards Escrow Account and ₹ 63,412,482 (excluding foreign exchange gain of ₹ 17,449,672) [Previous year ₹ 63,412,482 (excluding foreign exchange gain of ₹ 14,231,506)] is receivable as at the year ended March 31, 2015 in the form of Loan Notes and Escrow account of the Moody's Group UK LTD.

During the year, the Company has sold balance 288,722 Ordinary Shares on exercise of call option by the Moody's Group UK LTD for a cash consideration of ₹ 594,992,390. As a result thereof, the stake of the Company in Copal Partners Limited stand to nil from 1.63% earlier.

### Note - 16

#### Deferred tax assets

In compliance with Accounting Standard 22 - 'Accounting for Taxes on Income', deferred tax (net) of ₹ 1,086,720 has been credited (Previous year debited ₹ 19,328,789) to the Statement of Profit and Loss for the year ended March 31, 2015. The breakup of deferred tax into major components is as under:

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Deferred tax assets:</b>		
Provision for doubtful debts, advances and security deposits	16,910,772	22,015,386
Disallowances u/s. 43B of the Income-Tax Act, 1961	2,005,655	1,828,122
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	7,081,058	5,918,543
Difference between book balance and tax balance of fixed assets	52,344,888	5,874,163
Others	497,710	555,447
	<b>78,840,083</b>	<b>36,191,661</b>

### Note - 17

#### Long-term loans and advances

	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
<b>Unsecured</b>		
(a) Capital advances		
Considered good	475,000	100,000,000
(b) Security deposits		
(i) Deposits (including margin money) with stock exchanges, (considered good)	32,162,142	32,462,791
(ii) Deposits with others		
Considered good	2,169,101	53,718,591
Considered doubtful	4,573,557	20,435,139
	6,742,658	74,153,730
Less: Provision for doubtful deposits	4,573,557	20,435,139
	<b>2,169,101</b>	<b>53,718,591</b>

## Notes forming part of the financial statements

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

<b>Note - 17</b>	<b>As at</b>	<b>As at</b>
<b>Long-term loans and advances (Contd.)</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(c) Loans and advances to related parties - (considered good)		
Devata Tradelink Limited	113,030,000	108,750,000
(Maximum balance outstanding at any time during the year ₹ 113,250,000, Previous year ₹ 300,000,000)		
(d) Loan Notes, Escrow Receivable account and others (Refer note - 15(b))		
Considered good	85,657,651	81,778,623
Considered doubtful	1,222,303	1,267,137
	<u>86,879,954</u>	<u>83,045,760</u>
Less: Provision for doubtful advances	1,222,303	1,267,137
	<u>85,657,651</u>	<u>81,778,623</u>
	<b><u>233,493,894</u></b>	<b><u>376,710,005</u></b>
<b>Note - 18</b>	<b>As at</b>	<b>As at</b>
<b>Other non-current assets</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
In fixed deposit accounts with Banks (Refer note - 20(ii))	11,179,481	15,350,495
	<b><u>11,179,481</u></b>	<b><u>15,350,495</u></b>
<b>Note - 19</b>	<b>As at</b>	<b>As at</b>
<b>Trade receivables</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Outstanding for a period exceeding six months		
Considered good	180,140,214	138,461,218
Considered doubtful	43,067,907	43,067,907
	<u>223,208,121</u>	<u>181,529,125</u>
Less: Provision for doubtful debts	43,067,907	43,067,907
	<u>180,140,214</u>	<u>138,461,218</u>
Others		
Considered good	168,598,050	63,263,618
Considered doubtful	—	—
	<u>168,598,050</u>	<u>63,263,618</u>
	<b><u>348,738,264</u></b>	<b><u>201,724,836</u></b>

## Notes forming part of the financial statements

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

<b>Note - 20</b>	<b>As at</b>	<b>As at</b>
<b>Cash and cash equivalents</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Cash on hand	23,741	26,011
Balance with banks		
– in current accounts	252,622,820	762,963,486
– in fixed deposits with original maturity of less than three months <sup>(i)</sup>	4,980,000,000	792,500,000
	<u>5,232,622,820</u>	<u>1,555,463,486</u>
Other bank balances		
Deposit accounts		
– in fixed deposit accounts having original maturity of more than twelve months <sup>(i) &amp; (ii)</sup>	751,512,281	1,151,012,280
– in fixed deposit accounts having original maturity upto twelve months <sup>(i)</sup>	300,000,000	175,000,000
In earmarked accounts		
– in unpaid dividend accounts	29,164,545	22,280,766
	<u>1,080,676,826</u>	<u>1,348,293,046</u>
	<u><b>6,313,323,387</b></u>	<u><b>2,903,782,543</b></u>

(i) Fixed deposits includes:

- a. ₹ 594,050,000 (Previous year ₹ 446,500,000) 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. ₹ 12,500,000 (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. ₹ 5,424,700,000 (Previous year ₹ 1,664,250,000) pledged with banks for overdraft facilities availed by the subsidiary companies.
- d. ₹ 11,154,481 (Previous year ₹ 10,325,495) pledged for arbitration matters.
- e. ₹ 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 ₹ 262,281 with remaining maturity of more than twelve months from balance sheet date.

## Notes forming part of the financial statements

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

<b>Note - 21</b>	<b>As at</b>	<b>As at</b>
<b>Short-term loans and advances</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Loans and advances to related parties (unsecured, considered good)		
Indiabulls Distribution Services Limited	195,350,000	1,108,000,000
(Maximum balance outstanding at any time during the year ₹ 6,052,900,000, Previous year ₹ 3,051,500,000)		
(b) Margin funding loan receivables (secured, considered good)	19,232,297	39,557,708
Less: Margin received	3,804,384	31,650,545
	<u>15,427,913</u>	<u>7,907,163</u>
(c) Security deposits (unsecured, considered good)	52,364,561	17,683,202
(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)	57,828,318	45,382,921
(f) Dividend receivable from subsidiary company (unsecured, considered good)	150,000,000	170,000,000
	<u><b>510,970,792</b></u>	<u><b>1,348,973,286</b></u>
<b>Note - 22</b>	<b>As at</b>	<b>As at</b>
<b>Other current assets</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Interest accrued on fixed deposits	17,443,688	20,123,337
	<u><b>17,443,688</b></u>	<u><b>20,123,337</b></u>
<b>Note - 23</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Revenue from operations</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
(a) Sale of services <sup>(i)</sup>	676,803,290	570,653,821
(b) Other operating revenues <sup>(ii)</sup>	132,129,613	192,460,410
	<u><b>808,932,903</b></u>	<u><b>763,114,231</b></u>
(i) Sale of services includes :		
Brokerage income	478,870,238	390,421,842
Interest on margin funding	61,518,414	35,978,548
Income from depository services	82,781,834	78,916,642
Other charges including transaction charges	53,632,804	65,336,789
	<u>676,803,290</u>	<u>570,653,821</u>
(ii) Other operating revenues includes :		
Interest on fixed deposits	127,202,941	141,450,105
Advisory Income	229,196	1,779,745
Income from IPO commission, Mutual Funds commission, Account Opening and Other miscellaneous income	4,697,476	49,230,560
	<u>132,129,613</u>	<u>192,460,410</u>

## Notes forming part of the financial statements

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

<b>Note - 24</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Other income</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Interest Income		
Interest income from Inter-Corporate Deposits	318,386,810	200,592,328
Interest income from Income Tax Refund	—	2,970,817
	<u>318,386,810</u>	<u>203,563,145</u>
Dividend Income		
Dividend income on other long-term investments	9,791,866	19,043,863
Dividend Income from Subsidiary Company	410,000,000	600,000,000
	<u>419,791,866</u>	<u>619,043,863</u>
Other non-operating income		
Profit on Sale of Long-Term Investments (Refer Note - 15(b))	469,659,902	6,687,129
Excess provision for incentive, bonus and other expenses no longer required written back	5,111,531	30,928,800
Profit on sale/ scrapping of fixed assets	534,575	—
Sundry credit balances written back	2,221,450	8,372,467
Gain on Foreign exchange fluctuations (Refer Note - 4(i))	2,031,306	2,898,649
Bad debts recovered	3,238,395	254,609
	<u>482,797,159</u>	<u>49,141,654</u>
	<u><b>1,220,975,835</b></u>	<u><b>871,748,662</b></u>

<b>Note - 25</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Operating expenses</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Stamp duty	28,425,103	25,127,619
Demat charges	3,000	1,500
SEBI charges	1,892,823	1,244,047
Commission	1,101,000	2,500,466
Depository charges	6,641,194	5,488,743
Transaction charges	26,504,964	20,748,859
Membership fees	940,291	1,253,176
Web hosting expenses	9,067,513	11,184,729
VSAT charges	1,031,521	1,278,358
Leased line expenses	4,807,178	7,233,808
Content expenses	1,087,338	2,733,168
Software expenses	793,827	953,763
	<u><b>82,295,752</b></u>	<u><b>79,748,236</b></u>

## Notes forming part of the financial statements

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

<b>Note - 26</b> <b>Employee benefits expense</b>	<b>For the year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>	<b>For the year ended</b> <b>March 31, 2014</b> <b>Amount (₹)</b>
Salaries <sup>(i)</sup>	186,348,770	184,021,564
Contribution to Provident fund and other funds	865,843	413,168
Staff welfare expenses	3,040,357	2,258,198
Provision for Gratuity and Compensated Absences (Refer note - 36)	7,354,522	5,669,612
	<b>197,609,492</b>	<b>192,362,542</b>

(i) During the year, personnel costs (excluding service tax) amounting to ₹ Nil (Previous Year ₹ 54,201,976) were apportioned to Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.

<b>Note - 27</b> <b>Finance costs</b>	<b>For the year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>	<b>For the year ended</b> <b>March 31, 2014</b> <b>Amount (₹)</b>
Bank charges	8,847,809	11,008,082
Interest on bank overdraft	17,532,949	66,735,742
Interest on working capital loan	13,882,534	5,513,014
Interest on vehicle loans	145,560	268,694
Interest on commercial papers	221,995,390	61,522,037
Interest on taxes	1,838,745	4,571,154
	<b>264,242,987</b>	<b>149,618,723</b>

<b>Note - 28</b> <b>Other expenses</b>	<b>For the year ended</b> <b>March 31, 2015</b> <b>Amount (₹)</b>	<b>For the year ended</b> <b>March 31, 2014</b> <b>Amount (₹)</b>
Lease rent <sup>(i) &amp; (ii)</sup> (Refer note 30)	19,369,091	24,349,002
Rates and taxes	15,824,164	3,131,636
Electricity expenses	2,951,530	12,577,893
Insurance	502,619	509,714
Communication expenses	13,084,757	19,054,860
Professional charges	6,855,437	22,658,895
Travelling and conveyance	3,036,819	4,542,511
Printing and stationery	6,888,402	6,634,926
Office maintenance	2,332,378	6,003,871
Repairs and maintenance - others	10,111,254	12,663,073
Business promotion	670,855	811,573
Payment to Statutory Auditors (net of service tax of ₹ 444,960; 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)	43,934	32,468
Donation (Refer note - 39)	5,911,000	—
Loss on sale/ scrapping of fixed assets	—	23,369,029
Provision for doubtful debts, advances and security deposits	408,900	3,952,788
Bad debts / advances written off	16,625,787	51,899,772
Less : Adjusted against provision of earlier years	16,315,316	51,763,310
	<b>310,471</b>	<b>136,462</b>
Miscellaneous expenses	574,524	373,960
	<b>92,476,135</b>	<b>144,402,661</b>

## Notes forming part of the financial statements

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

- (i) During the year, Lease rent amounting to ₹ 39,845,809 (Previous Year ₹ 74,118,193) was apportioned to Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.
- (ii) During the year, Lease rent amounting to ₹ 2,701,584 (Previous Year ₹ 434,786) was apportioned to the Company by Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.

### 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, 2015	For the year ended March 31, 2014
Profit available for Equity Shareholders (₹)	1,182,625,639	872,568,190
<b>Basic / Diluted Earnings per Equity Share:</b>		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	258,749,486	231,112,511
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	2,957,646	357,152
Add: Potential number of Equity Shares that could arise on exercise of Warrants	17,638,846	5,353,352
Weighted average number of Equity Shares used in computing Diluted Earnings per Equity Share	279,345,978	236,823,015
Face Value of Equity Share (₹)	2.00	2.00
Earnings Per Equity Share - Basic (₹)	4.57	3.78
Earnings Per Equity Share - Diluted (₹)	4.23	3.68

### 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 ₹ 19,369,091 (Previous Year ₹ 24,349,002) 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:

Particulars	As at March 31, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Future minimum lease payments :-		
not later than one year	21,785,362	56,897,089
later than one year and not later than five years	4,584,722	20,257,008
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, 2015 (contd.)

### Note - 31

#### Loss on Erroneous Transactions :

The loss on squaring off of erroneous transactions on account of trading in securities amounting to ₹ 43,934 (net) (Previous year ₹ 32,468 (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, 2015 Amount (₹)	As at March 31, 2014 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
Arbitration matters <sup>(ii)</sup>	—	2,153,393
Court Cases <sup>(ii)</sup>	9,289,313	6,640,343
– Fixed Deposits pledged against overdraft facility availed by Subsidiary Companies	5,424,700,000	1,589,250,000

(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, 2015 Amount (₹)	As at March 31, 2014 Amount (₹)
Capital Commitments for purchase of fixed assets	1,425,000	400,000,000

### 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 Securities

## Notes forming part of the financial statements

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

Limited Employees Stock Option Scheme - 2008" ("IBSL ESOP - 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.		₹ 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 Securities Limited Employees Stock Option Scheme - 2009' ("IBSL ESOP - 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 "Indiabulls Securities Limited Employees Stock Option Scheme- 2009" ("IBSL 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.

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 "Indiabulls Securities Limited Employees Stock Option Scheme - 2009" ("IBSL 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.

## Notes forming part of the financial statements

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

S. No.	Particulars	IBSL ESOP - 2009	
		10,000,000 Options	2,050,000 Options
1	Exercise price	₹ 35.25	₹ 31.35
2	Expected volatility	77%	48.96%
3	Expected forfeiture percentage on each vesting date	Nil	Nil
4	Option Life (Weighted Average)	10 Years	10 Years
5	Expected Dividends yield	13.48%	6.86%
6	Risk Free Interest rate	7.50%	8.05%
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

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, 2015	For the year ended March 31, 2014
Profit attributable to Equity Shareholders (refer note - 29)	1,182,625,639	872,568,190
Less: Stock-based compensation expense determined under the fair value based method: [Gross ₹ 16,638,640 (Previous Year ₹ 16,589,166)] (pro forma)	867,622	928,251
Net Profit considered for computing Earnings per Equity Share (pro forma)	1,181,758,017	871,639,939
<b>Basic / Diluted Earnings Per Equity Share:</b>		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	258,749,486	231,112,511
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	2,957,646	357,152
Add: Potential number of Equity Shares that could arise on exercise of Warrants	17,638,846	5,353,352
Weighted average number of Equity Shares used for computing Diluted Earnings per Equity Share	279,345,978	236,823,015
Basic earnings per Equity Share (as reported)	4.57	3.78
Basic earnings per Equity Share (pro forma)	4.57	3.77
Diluted earnings per Equity Share (as reported)	4.23	3.68
Diluted earnings per Equity Share (pro forma)	4.23	3.68

## Notes forming part of the financial statements

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

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

	IBSL ESOP - 2008	IBSL 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
Vesting Period and Percentage	Ten years, 1 <sup>st</sup> Year - 15% 2 <sup>nd</sup> year to 9 <sup>th</sup> year - 10% each year 10 <sup>th</sup> year - 5%	Uniformly over a period of Ten years	Uniformly over a period of Ten 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
Exercise Price (₹)	17.40	35.25	31.35
Outstanding at the beginning of the year (Nos.)	9,935,525	—	500,000
Options vested during the year (Nos.)*	1,003,708	—	50,000
Exercised during the year (Nos.)	2,840,571	—	—
Expired during the year (Nos.)	406,800	—	—
Surrendered and eligible for re-grant during the year (Nos.)	474,750	—	—
Outstanding at the end of the year (Nos.)	6,213,404	—	500,000
Exercisable at the end of the year (Nos.)	2,700,429	—	200,000
Remaining contractual Life (Weighted Months)	49	Nil	78

\* 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" .

### Note - 35

#### Related Party Disclosures :

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

<u>Nature of Relationship</u>	<u>Name of the Party</u>
(a) <b>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 Pushpanjali Finsolutions Limited (formerly known as Pushpanjali Finsolutions Private Limited)

## Notes forming part of the financial statements

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

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 )  
Viscaria Builders Private Limited  
(w.e.f. June 11, 2013 till February 28, 2014)  
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)

\* 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 (v)]  
Mr. Saurabh K. Mittal, Dominant Promoter (upto July 17, 2014)  
[Refer note - 3 (v)]

**(c) Significant transactions with Related Parties during the year ended March 31, 2015**

(Amount in ₹)

Nature of Transaction	Subsidiaries	Key Management Personnel	Total
<b>Income</b>			
Consultancy Fees	2,000,000 —	— —	2,000,000 —
Dividend Income	410,000,000 600,000,000	— —	410,000,000 600,000,000
<b>Expenses</b>			
Reimbursement of expenses paid	2,701,584 434,786	— —	2,701,584 434,786
Reimbursement of expenses received	39,845,809 128,320,170	— —	39,845,809 128,320,170
Remuneration	— —	31,599,996 26,099,677	31,599,996 26,099,677
<b>Finance</b>			
Inter-Corporate Deposits Given (Maximum balance outstanding during the year)	6,166,150,000 3,351,500,000	— —	6,166,150,000 3,351,500,000

## Notes forming part of the financial statements

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

### (c) Significant transactions with Related Parties during the year ended March 31, 2015 (Contd.)

(Amount in ₹)

Nature of Transaction	Subsidiaries	Key Management Personnel	Total
Interest income on Inter-Corporate Deposits	318,386,810 <i>200,592,328</i>	— —	318,386,810 <i>200,592,328</i>
Money received against Share Warrants	— —	— 43,780,127	— 43,780,127
Money received against conversion of Share Warrants	— —	24,375,000 —	24,375,000 —
Money received against ESOP	— —	6,525,000 —	6,525,000 —
<b>Investment</b>			
Sale of investment in Subsidiary Company	500,000 —	— —	500,000 —
<b>Liabilities</b>			
Employee Benefits Liabilities Paid	— 21,103,015	— —	— 21,103,015
<b>Contingent Liability</b>			
Fixed Deposits pledged against overdraft facility availed by Subsidiary Companies	5,424,700,000 <i>1,589,250,000</i>	— —	5,424,700,000 <i>1,589,250,000</i>
<b>Guarantee</b>			
Guarantee Released	— 100,000,000	— —	— 100,000,000

(Previous year's figures are stated in Italics)

### (d) Outstanding as at March 31, 2015:

(Amount in ₹)

Nature of Transaction	Subsidiaries	Key Management Personnel	Total
<b>Inter-Corporate Deposits Given</b>			
- Indiabulls Distribution Services Limited	195,350,000 <i>1,108,000,000</i>	— —	195,350,000 <i>1,108,000,000</i>
- Devata Tradelink Limited	113,030,000 <i>108,750,000</i>	— —	113,030,000 <i>108,750,000</i>
<b>Dividend Receivable</b>			
- Indiabulls Distribution Services Limited	150,000,000 <i>170,000,000</i>	— —	150,000,000 <i>170,000,000</i>
<b>Money received against Share Warrants</b>			
- Mr. Sameer Gehlaut	— —	19,458,410 19,458,410	19,458,410 19,458,410
- Mr. Rajiv Rattan	— —	— * — *	— * — *
- Mr. Saurabh K. Mittal	— —	6,103,159 — *	6,103,159 — *
	—	5,218,558	5,218,558

## Notes forming part of the financial statements

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

Nature of Transaction	Subsidiaries	Key Management Personnel	Total
- Mr. Divyesh B. Shah	—	4,875,000	4,875,000
	—	<i>13,000,000</i>	<i>13,000,000</i>
<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 Companies</b>			
- Indiabulls Commodities Limited	—	—	—
	<i>522,500,000</i>	—	<i>522,500,000</i>
- Indiabulls Distribution Services Limited	5,424,700,000	—	5,424,700,000
	<i>1,066,750,000</i>	—	<i>1,066,750,000</i>

(Previous year's figures are stated in Italics)

\* Refer note - 3 (v)

(e) **Statement of Material Transactions :**

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Consultancy Fees</b>		
- Indiabulls Distribution Services Limited	2,000,000	—
<b>Dividend Income</b>		
- Indiabulls Distribution Services Limited	410,000,000	600,000,000
<b>Reimbursement of Expenses paid</b>		
- Indiabulls Distribution Services Limited	2,701,584	434,786
<b>Reimbursement of Expenses received</b>		
- Indiabulls Distribution Services Limited	39,845,809	128,320,170
<b>Inter-Corporate Deposits Given (maximum balance outstanding during the year)</b>		
- Indiabulls Distribution Services Limited	6,052,900,000	3,051,500,000
- Devata Tradelink Limited	113,250,000	300,000,000
<b>Interest Income</b>		
- Indiabulls Distribution Services Limited	318,386,810	200,592,328
<b>Money received against Share Warrants</b>		
- Mr. Sameer Gehlaut	—	19,458,410
- Mr. Rajiv Rattan	—	6,103,159
- Mr. Saurabh K. Mittal	—	5,218,558
- Mr. Divyesh B. Shah	—	13,000,000
<b>Money received against conversion of Share Warrants</b>		
- Mr. Divyesh B. Shah	24,375,000	—
<b>Money received against ESOP</b>		
- Mr. Ashok Sharma	6,525,000	—
<b>Employee Benefits Liabilities paid</b>		
- Indiabulls Distribution Services Limited	—	21,103,015

## Notes forming part of the financial statements

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

(e) **Statement of Material Transactions (contd.)** (Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Fixed Deposits pledged against overdraft facility availed by subsidiary companies</b>		
- Indiabulls Commodities Limited	—	522,500,000
- Indiabulls Distribution Services Limited	5,424,700,000	1,066,750,000
<b>Guarantee Released</b>		
- Indiabulls Commodities Limited	—	100,000,000
<b>Remuneration</b>		
- Mr. Divyesh B. Shah	31,599,996	26,099,677
<b>Sale of Investment</b>		
- Indiabulls Distribution Services Limited	500,000	—

Disclosures mandated by Clause 32 of the Listing Agreement have been included in the aforesaid Related Party Disclosures.

### 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 ₹ 865,843 (Previous year ₹ 413,168) 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.

Disclosures in respect of Gratuity and Compensated Absences: (Amount in ₹)

Particulars	Gratuity (unfunded) 2014-15	Gratuity (unfunded) 2013-14	Compensated Absences (unfunded) 2014-15	Compensated Absences (unfunded) 2013-14
<b>Reconciliation of Liability recognised in the Balance Sheet :</b>				
Present Value of Commitments (as per Actuarial valuation)	20,460,755	17,412,601	5,795,350	5,378,411
Fair Value of Plans	—	—	—	—
Net Liability in the Balance Sheet (as per Actuarial valuation)	20,460,755	17,412,601	5,795,350	5,378,411
<b>Movement in net Liability recognised in the Balance Sheet :</b>				
Net Liability as at beginning of the year	17,412,601	35,022,593	5,378,411	10,496,925
Amount Paid during the year	3,636,283	6,817,357	253,146	451,995



## Notes forming part of the financial statements

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

Particulars	Gratuity (unfunded) 2014-15	Gratuity (unfunded) 2013-14	Compensated Absences (unfunded) 2014-15	Compensated Absences (unfunded) 2013-14
Acquisition adjustment on account of transfer of employees	—	16,462,247	—	4,640,768
Net expense / (gain) recognised in the Statement of Profit and Loss	6,684,437	5,669,612	670,085	(25,751)
Contribution during the year	—	—	—	—
Net Liability as at end of the year	20,460,755	17,412,601	5,795,350	5,378,411
<b>Expense recognised in the Statement of Profit and Loss :</b>				
Current Service Cost	2,231,973	2,203,607	691,869	656,807
Past Service Cost	—	—	—	—
Interest Cost	1,544,269	2,229,495	517,877	665,707
Expected return on plan assets	—	—	—	—
Actuarial losses / (gains)	2,908,195	1,236,510	(539,661)	(1,348,265)
Expense charged / (reversal) to the Statement of Profit and Loss	6,684,437	5,669,612	670,085	(25,751)

(Amount in ₹)

Particulars	Gratuity (unfunded) 2014-15	Gratuity (unfunded) 2013-14	Compensated Absences (unfunded) 2014-15	Compensated Absences (unfunded) 2013-14
<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	17,412,601	35,022,593	5,378,411	10,496,925
Current Service Cost	2,231,973	2,203,607	691,869	656,807
Past Service Cost	—	—	—	—
Interest Cost	1,544,269	2,229,495	517,877	665,707
Paid benefits	(3,636,283)	(6,817,357)	(253,146)	(451,995)
Acquisition adjustment on account of transfer of employees	—	(16,462,247)	—	(4,640,768)
Actuarial losses / (gains)	2,908,195	1,236,510	(539,661)	(1,348,265)
Commitments as at end of the year	20,460,755	17,412,601	5,795,350	5,378,411
<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	—	—	—	—

## Notes forming part of the financial statements

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

(Amount in ₹)

	Gratuity (Unfunded)				
Experience adjustment:	2014-15	2013-14	2012-13	2011-12	2010-11
On plan liabilities ((losses)/gains)	(2,146,701)	(2,659,739)	(2,683,314)	1,372,332	9,613,594
On plan assets (gains/(losses))	—	—	—	—	—
Present value of benefit obligation	20,460,755	17,412,601	35,022,593	34,479,164	47,066,227
Fair value of plan assets	—	—	—	—	—
Excess of (obligation over plan assets)/ plan assets over obligation	20,460,755	17,412,601	35,022,593	34,479,164	47,066,227

(Amount in ₹)

	Compensated Absences (Unfunded)				
Experience adjustment:	2014-15	2013-14	2012-13	2011-12	2010-11
On plan liabilities (Gain)	746,059	940,374	4,397,849	8,313,277	8,961,120
On plan assets (Gain/(Loss))	—	—	—	—	—
Present value of benefit obligation	5,795,350	5,378,411	10,496,925	12,654,848	17,584,459
Fair value of plan assets	—	—	—	—	—
Excess of (obligation over plan assets)/ plan assets over obligation	5,795,350	5,378,411	10,496,925	12,654,848	17,584,459

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, 2015	As at March 31, 2014
Discount rate - Gratuity and Compensated Absences	8.25%	8.50%
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 ₹ 5,066,423 (Previous Year ₹ 4,236,745) and ₹ 1,308,562 (Previous Year ₹ 1,222,438) respectively.

### Note - 37

#### Earnings in Foreign Currency:

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Advisory Income	—	8,942
Dividend on Long-Term Investments	9,271,866	18,523,863
<b>Total</b>	<b>9,271,866</b>	<b>18,532,805</b>

## Notes forming part of the financial statements

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

### Note - 38

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied rates / useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life
Furniture and Fixtures	6.33% / ~15.80 years	10 years
Vehicles	9.50% / ~10.53 years	8 years
Office equipment	4.75% / ~21.05 years	5 years
Computers	16.21% / ~6.17 years	3 years
Software	25% / ~4 years	4 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 78,531,058 (net of deferred tax of ₹ 41,561,702) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 13,991,253 consequent to the change in the useful life of the assets.

### Note - 39

Donation represents amount contributed toward Corporate Social Responsibility as required under section 133 of the Companies Act, 2013.

### Note - 40

#### 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, 2015	For the year ended March 31, 2014
Amount receivable on loan notes and escrow receivable account (in USD)	1,291,918	1,291,918
Amount receivable on loan notes and escrow receivable account (in INR)	80,862,154	77,643,988

### Note - 41

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 - 42

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

Ram Mehar Garg  
Company Secretary

Mumbai, April 24, 2015

# Statement Pursuant to Section 129 of the Companies Act, 2013

**ANNEXURE: STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES  
[FORM AOC-1: PURSUANT TO FIRST PROVISOR TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (ACCOUNTS) RULES, 2014]**

(Amount in Rs.)													
Sr. No.	Name of the Subsidiary Companies	Reporting Period	Share Capital	Reserves and Surplus (Surplus / (Deficit))	Total Assets (Excluding Investment)	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	2014-15	6,000,000	146,286,889	193,675,056	736,873,109	695,484,942	120,751,171	21,573,283	10,091,667	11,481,616	-	100%
2	India Ethanol And Sugar Limited	2014-15	1,900,000	(994,652)	976,584	71,236	-	671,980	648,842	3,904	644,938	-	100%
3	Devata Tradelink Limited	2014-15	500,000	(1,806,328,033)	102,772,977	1,929,611,010	21,010,000	-	(66,433)	-	(66,433)	-	100%
4	Indiabulls Brokerage Limited	2014-15	55,000,000	(9,969,480)	45,820,435	789,915	-	11,648,456	7,878,225	863,157	7,015,068	-	100%
5	Indiabulls Distribution Services Limited	2014-15	500,000	112,732,183	6,637,004,121	11,348,861,340	4,825,089,402	2,296,584,595	741,855,767	258,750,395	483,105,372	179,991,176	100%
6	Auxesia Soft Solutions Limited	2014-15	500,000	(525,168)	506,452,430	526,755,376	20,277,778	7,019,268	(466,056)	-	(466,056)	-	100%
7	Pushpanjli Finsolutions Limited (Formerly known as Pushpanjli Finsolutions Private Limited)	2014-15	60,100,000	(7,523,700)	53,485,723	909,423	-	4,391,252	4,328,641	1,018,672	3,309,969	-	100%
8	Arbutus Constructions Limited (Formerly known as Arbutus Constructions Private Limited)	2014-15	1,100,000	4,772,351	17,152,784	31,330,433	20,050,000	1,695,318	(2,489,136)	8,317	(2,497,453)	-	100%
9	Gyansagar Buildtech Limited (Formerly known as Gyansagar Buildtech Private Limited)	2014-15	1,100,000	12,792,614	247,347,261	253,504,647	20,050,000	18,549,394	1,288,681	354,656	934,025	-	100%
10	Shivshakti Financial Services Limited (Formerly known as Shivshakti Financial Services Private Limited)	2014-15	23,166,000	881,979,100	921,832,547	16,687,447	-	61,820,098	5,028,148	669,726	4,358,422	-	100%

## Statement Pursuant to Section 129 of the Companies Act, 2013 (contd..)

**ANNEXURE: STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES  
[FORM AOC-1: PURSUANT TO FIRST PROVISO 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	Reporting Period	Share Capital	Reserves and Surplus (Surplus / (Deficit))	Total Assets (Excluding Investment)	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
11	Astraea Constructions Limited (Formerly known as Astraea Constructions Private Limited)	2014-15	500,000	52,729	561,156	8,427	-	962,113	340,178	(263)	340,441	-	100%
12	Silenus Buildtech Limited (Formerly known as Silenus Buildtech Private Limited)	2014-15	500,000	272,060	816,487	44,427	-	212,068	161,962	48,022	113,940	-	100%
13	Astilbe Builders Limited (Formerly known as Astilbe Builders Private Limited)	2014-15	500,000	289,899	848,326	58,427	-	282,630	241,682	73,781	167,901	-	100%
14	Pushpanjli Fincos Limited (Formerly known as Pushpanjli Fincos Private Limited)	2014-15	40,100,000	(29,236,215)	93,089,540	82,235,755	-	578	(6,861,368)	-	(6,861,368)	-	100%
15	India Land And Properties Limited * (Formerly known as India Land And Properties Private Limited)	2014-15	144,350,070	2,195,415,327	6,555,157,326	4,215,391,929	-	787,641,114	74,656,935	-	74,656,935	-	100%
16	Positive Housings Private Limited #	2014-15	174,363,610	(8,693,869)	671,964,845	506,295,104	-	34,815	(8,559,395)	-	(8,559,395)	-	100%

Notes:

\* Being Subsidiary of the Company w.e.f. November 18, 2014

# Being Subsidiary of the Company w.e.f. February 04, 2015

For and on behalf of the Board

**Divyes B. Shah**  
Whole Time Director &  
Chief Executive Officer  
Mumbai, April 24, 2015

**Ashok Sharma**  
Whole Time Director

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Ram Mehar Garg**  
Company Secretary



# Indiabulls

V E N T U R E S

If undelivered, please return to:

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