

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF INDIABULLS ALTERNATE INVESTEMENTS LIMITED

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

We have audited the accompanying financial statements of Indiabulls Alternate Investments Limited (“the company”) which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 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 the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 fair 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 financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting standards and standards on auditing and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under section 143 (11) of the Act.

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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit/Loss 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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;
  - 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) On the basis of the information and explanation provided to us by the Company the internal financial control framework, in our opinion, the Company has, in all material aspects, adequate internal financial controls systems in place and such controls are operating effectively as at 31st March 2018. A separate report on this clause has been attached as Annexure B to this report as prescribed by the

Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - 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, required to be transferred to the investor Education and Protection Fund by the Company.

**For MRKS & Associates**  
**Chartered Accountants**  
**FRN: 023711N**

**Kamal Ahuja**  
**(Partner)**  
**M. No. 505788**  
**New Delhi, 21<sup>st</sup> April, 2018**

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Alternate Investments Limited for the year ended March 31, 2018**

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

- (i) The Company does not own any Fixed Assets; accordingly, the provisions of clause 3 (i) of the Order are not applicable to the Company.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to information and explanations given to us, the Company has not entered into any transactions in respect of loans, investments, guarantees and security as covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 Companies Act, 2013 to the products/services of the Company. Accordingly, the provisions of clause 3 (vi) are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, goods & services tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2018 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, the Company does not have any dues of income tax or goods & services tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company does not have any loan or borrowing from financial institution, bank, government and does not issued debentures, Accordingly, the provisions of clause 3 (viii) are not applicable to the Company.

- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of public issue, follow-on offer (including debt instruments) and raised any term loan during the year under audit.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the companies Act is not applicable to the company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For MRKS & Associates.**  
**Chartered Accountants**  
**FRN: 023711N**

**Kamal Ahuja**  
**(Partner)**  
**M. No. 505788**  
**New Delhi, 21<sup>st</sup> April, 2018**

## **Annexure B to the Independent Auditor's Report of even date on The Financial Statements of Indiabulls Alternate Investments Limited for the year ended March 31, 2018**

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

We have audited the internal financial controls over financial reporting of Indiabulls Alternate Investments Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MRKS & Associates**  
**Chartered Accountants**  
**FRN: 023711N**

**Kamal Ahuja**  
**(Partner)**  
**M. No. 505788**  
**New Delhi, 21<sup>st</sup> April, 2018**

**Indiabulls Alternate Investments Limited**  
**Balance Sheet as at March 31, 2018**

	Note No.	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>I. Equity And Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	50,500,000	50,500,000
(b) Reserves and surplus	4	21,662,091	5,655,192
		<u>72,162,091</u>	<u>56,155,192</u>
<b>Current liabilities</b>			
(a) Trade payables	5		
(i) Due to micro enterprises and small enterprises		-	-
(ii) Due to creditors other than micro enterprises and small enterprises		-	900,000
(b) Other current liabilities	6	5,919,851	3,663,507
(c) Short-term provisions	7	6,509,508	2,404,063
		<u>12,429,359</u>	<u>6,967,570</u>
<b>Total</b>		<u><u>84,591,450</u></u>	<u><u>63,122,762</u></u>
<b>II. Assets</b>			
<b>Non - current assets</b>			
(a) Non-Current Investments	8	25,000,000	-
(b) Long-term loans and advances	9	22,745,219	6,112,786
		<u>47,745,219</u>	<u>6,112,786</u>
<b>Current assets</b>			
(a) Trade receivables	10	15,515,983	5,114,913
(b) Cash and cash equivalents	11	8,037,076	33,406,993
(c) Short-term loans and advances	12	13,293,172	18,488,070
		<u>36,846,231</u>	<u>57,009,976</u>
<b>Total</b>		<u><u>84,591,450</u></u>	<u><u>63,122,762</u></u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For MRKS and Associates  
Chartered Accountants  
FRN: 023711N

For and on behalf of the Board of Directors

Kamal Ahuja  
Partner  
Membership No. 505788  
New Delhi  
April 21, 2018

Kishor Kumar Srivastava  
Director  
DIN: 01223908  
New Delhi  
April 21, 2018

Matbeer Singh Gosain  
Director  
DIN: 00347596

Ashish Bhardwaj  
Company Secretary  
PAN:-AIGPB1334G



**Indiabulls Alternate Investments Limited**  
**Statement of Profit and Loss for the year ended March 31, 2018**

	Note No.	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>Income</b>			
I. Revenue from operations	13	31,867,044	12,158,618
II. Other income	14	176,419	1,105,405
<b>III. Total revenue (I + II)</b>		<b>32,043,463</b>	<b>13,264,023</b>
<b>IV. Expenses</b>			
Employee benefits expense	15	227,518	-
Finance costs	16	422,215	1,350
Other expenses	17	9,578,585	3,584,161
<b>Total Expenses</b>		<b>10,228,318</b>	<b>3,585,511</b>
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>21,815,145</b>	<b>9,678,512</b>
VI. Exceptional items		-	-
<b>VII. Profit/(Loss) before extraordinary items and tax (V - VI)</b>		<b>21,815,145</b>	<b>9,678,512</b>
VIII. Extraordinary items		-	-
<b>IX. Profit/(Loss) before tax (VII- VIII)</b>		<b>21,815,145</b>	<b>9,678,512</b>
<b>X. Tax expense</b>			
Current tax		6,082,020	3,540,000
Tax (gain) / expense relating to prior years (net)		(273,774)	-
		<b>5,808,246</b>	<b>3,540,000</b>
<b>XI. Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>16,006,899</b>	<b>6,138,512</b>
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV. Profit/(Loss) for the year (XI + XIV)</b>		<b>16,006,899</b>	<b>6,138,512</b>
<b>XVI. Earnings per equity share:</b>	<b>26</b>		
(1) Basic		3.17	2.69
(2) Diluted		3.17	2.69
(3) Face value per equity share (Rs.)		10.00	10.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For MRKS and Associates  
Chartered Accountants  
FRN: 023711N

For and on behalf of the Board of Directors

Kamal Ahuja  
Partner  
Membership No. 505788  
New Delhi  
April 21, 2018

Kishor Kumar Srivastava  
Director  
DIN: 01223908  
New Delhi  
April 21, 2018

Matbeer Singh Gosain  
Director  
DIN: 00347596

Ashish Bhardwaj  
Company Secretary  
PAN:-AIGPB1334G

**Indiabulls Alternate Investments Limited**  
**Cash Flow Statement for the year ended March 31, 2018**

	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>A Cash flow from operating activities :</b>		
Profit before tax	21,815,145	9,678,512
Adjustments for :		
Profit on redemption of mutual funds	(176,419)	(1,103,955)
Interest expense on inter corporate deposits	162,592	-
Operating Profit/(Loss) before working capital changes	21,801,318	8,574,557
Adjustments for:		
Trade receivables and other assets	(17,791,831)	(29,715,769)
Trade payable and other current liabilities	1,356,344	4,340,187
Cash used in operating activities	5,365,831	(16,801,025)
Direct taxes paid (net)	(5,749,575)	(1,135,937)
<b>Net cash used in operating activities</b>	<b>(383,744)</b>	<b>(17,936,962)</b>
<b>B Cash flow from investing activities :</b>		
Investments in Indiabulls India Opportunities Fund	(25,000,000)	-
Proceeds from redemption of mutual funds (net)	176,419	1,103,955
<b>Net cash (used in) / generated from investing activities</b>	<b>(24,823,581)</b>	<b>1,103,955</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	50,000,000
Interest paid on inter corporate deposits	(162,592)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(162,592)</b>	<b>50,000,000</b>
<b>D Net increase in cash and cash equivalents ( A+B+C )</b>	<b>(25,369,917)</b>	<b>33,166,993</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>33,406,993</b>	<b>240,000</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>8,037,076</b>	<b>33,406,993</b>

**Note:**

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the close of the year include:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash on hand	-	-
Balances with banks:		
- in current accounts	8,037,076	33,406,993
<b>Cash and cash equivalents at the end of the year</b>	<b>8,037,076</b>	<b>33,406,993</b>

The accompanying notes are an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

For MRKS and Associates  
Chartered Accountants  
FRN: 023711N

For and on behalf of the Board of Directors

Kamal Ahuja  
Partner  
Membership No. 505788  
New Delhi  
April 21, 2018

Kishor Kumar Srivastava  
Director  
DIN: 01223908  
New Delhi  
April 21, 2018

Matbeer Singh Gosain  
Director  
DIN: 00347596

Ashish Bhardwaj  
Company Secretary  
PAN:-AIGPB1334G

**Indiabulls Alternate Investments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 3**

**Share Capital**

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>Authorised</b>				
Equity Shares of face value of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
		<u>100,000,000</u>		<u>100,000,000</u>
<b>Issued, subscribed and paid up</b>				
Equity Shares of face value of Rs. 10 each fully paid up	5,050,000	50,500,000	5,050,000	50,500,000
<b>As Per Balance Sheet</b>		<u><u>50,500,000</u></u>		<u><u>50,500,000</u></u>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Opening balance at the beginning of the year	5,050,000	50,500,000	50,000	500,000
Add: Issued during the year:	-	-	5,000,000	50,000,000
<b>Outstanding at the end of the year</b>	<u><u>5,050,000</u></u>	<u><u>50,500,000</u></u>	<u><u>5,050,000</u></u>	<u><u>50,500,000</u></u>

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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.

**c. Details of shareholders holding more than 5% shares in the company**

No. of shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of face value of Rs. 10 each fully paid up The entire share capital is held by One shareholder (The Holding Company including its nominees)	5,050,000	100%	5,050,000	100%

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.

**Note - 4**

**Reserves and surplus**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	5,655,192	(483,320)
Add: Profit for the year	16,006,899	6,138,512
<b>As Per Balance Sheet</b>	<u><u>21,662,091</u></u>	<u><u>5,655,192</u></u>

**Note - 5**

**Trade payables**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Total outstanding due to micro enterprises and small enterprises (refer note 20)	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	-	900,000
<b>As Per Balance Sheet</b>	<u><u>-</u></u>	<u><u>900,000</u></u>

**Indiabulls Alternate Investments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 6**

**Other current liabilities**

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Statutory liabilities	2,608,006	-
Income received in advance	3,293,485	3,648,507
Expenses payables	18,360	15,000
<b>As Per Balance Sheet</b>	<u><u>5,919,851</u></u>	<u><u>3,663,507</u></u>

**Note - 7**

**Short-term provisions**

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Provision for taxation (net of tax deduction at source of Nil (previous year Rs.11,35,937))	6,509,508	2,404,063
<b>As Per Balance Sheet</b>	<u><u>6,509,508</u></u>	<u><u>2,404,063</u></u>

**Note - 8**

**Non-current investments**

(at cost)

**Trade, Unquoted**

Investments in Alternative Investment Fund:

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Indiabulls India Opportunities Fund	25,000,000	-
<b>As Per Balance Sheet</b>	<u><u>25,000,000</u></u>	<u><u>-</u></u>

**Note - 9**

**Long-term loans and advances**

(Unsecured, considered good)

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Prepaid expenses	22,745,219	6,112,786
<b>As Per Balance Sheet</b>	<u><u>22,745,219</u></u>	<u><u>6,112,786</u></u>

**Note - 10**

**Trade receivables**

(unsecured)

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Outstanding for more than 6 months	-	-
Others	15,515,983	5,114,913
<b>As Per Balance Sheet</b>	<u><u>15,515,983</u></u>	<u><u>5,114,913</u></u>

**Indiabulls Alternate Investments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 11**

**Cash and cash equivalents**

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
Balance with banks		
In current accounts	8,037,076	33,406,993
Cash on hand	-	-
<b>As Per Balance Sheet</b>	<u><u>8,037,076</u></u>	<u><u>33,406,993</u></u>

**Note - 12**

**Short-term loans and advances**

(Unsecured, considered good)

	<u>As at March 31, 2018 Amount (Rs.)</u>	<u>As at March 31, 2017 Amount (Rs.)</u>
<b>(a) Prepaid expenses and others</b>	7,808,383	16,845,429
<b>(b) Balances with government authorities</b>		
Input credit (GST and service tax)	1,438,015	1,642,641
Tax deducted at source	4,046,774	-
<b>As Per Balance Sheet</b>	<u><u>13,293,172</u></u>	<u><u>18,488,070</u></u>

*(This space has been intentionally left blank)*

**Indiabulls Alternate Investments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 13**

**Revenue from operations**

	<b>For the year ended March 31, 2018 Amount (Rs.)</b>	<b>For the year ended March 31, 2017 Amount (Rs.)</b>
Management fee	19,259,928	12,158,618
Consultancy fees	10,000,000	-
Interest income	2,607,116	-
<b>As Per Statement of Profit and Loss</b>	<b>31,867,044</b>	<b>12,158,618</b>

**Note - 14**

**Other income**

	<b>For the year ended March 31, 2018 Amount (Rs.)</b>	<b>For the year ended March 31, 2017 Amount (Rs.)</b>
Miscellaneous income	-	1,450
Profit on redemption of mutual funds	176,419	1,103,955
<b>As Per Statement of Profit and Loss</b>	<b>176,419</b>	<b>1,105,405</b>

**Note - 15**

**Employee benefits expense**

	<b>For the year ended March 31, 2018 Amount (Rs.)</b>	<b>For the year ended March 31, 2017 Amount (Rs.)</b>
Salaries	227,518	-
<b>As Per Statement of Profit and Loss</b>	<b>227,518</b>	<b>-</b>

**Note - 16**

**Finance costs**

	<b>For the year ended March 31, 2018 Amount (Rs.)</b>	<b>For the year ended March 31, 2017 Amount (Rs.)</b>
Bank charges	-	1,350
Interest on inter corporate deposits	162,592	-
Interest on taxes	259,623	-
<b>As Per Statement of Profit and Loss</b>	<b>422,215</b>	<b>1,350</b>

**Note - 17**

**Other expenses**

	<b>For the year ended March 31, 2018 Amount (Rs.)</b>	<b>For the year ended March 31, 2017 Amount (Rs.)</b>
Rates & taxes	30,657	1,017,970
Commission expenses	9,383,982	1,534,530
Professional & consultancy charges	50,000	2,513
Stamp paper expenses	-	1,660
Printing & stationery	-	2,488
Repairs and maintenance - others	1,200	-
Auditors' remuneration		
- as statutory auditor*	92,500	15,000
- For tax audit	15,000	-
Membership charges	-	1,010,000
Miscellaneous expenses	5,246	-
<b>As Per Statement of Profit and Loss</b>	<b>9,578,585</b>	<b>3,584,161</b>

\* including remuneration paid for certification required to be done by the statutory auditors

## Indiabulls Alternate Investments Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

#### 1. Corporate information:

Indiabulls Alternate Investments Limited ("IBAIL" or "the Company") was incorporated on February 10, 2016. The Company is engaged primarily in the business of raising or acquiring funds for and managing mutual funds, venture capital funds, offshore funds, pension funds, provident funds, insurance funds, alternative investment funds or any other funds.

#### 2. Summary of significant accounting policies:

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

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

##### ii) Use of estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialized.

##### iii) Cash and cash equivalents:

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.

##### iv) 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.

##### v) Revenue recognition:

- Income from management fee is recognised on accrual basis.
- Income from interest is recognized on accrual basis.
- Income from fee based consultancy is recognised on accrual basis.
- Dividend income on units of mutual fund is recognized when the right to receive dividend is unconditionally established and any gains / losses on sale/redemption of units of mutual funds are recognized on the date of sale/redemption.

##### vi) Fixed assets:

###### 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 and any attributable cost of bringing the asset to its working condition for its intended use.

###### Intangible assets:

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

##### vii) Depreciation / Amortization:

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for up to the date of sale / deduction as the case may be. Assets taken on finance lease are depreciated over the life of the lease. Assets costing less than Rs. 5,000 or less are fully depreciated in the year of purchase. Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

##### viii) Impairment of assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

##### ix) Investments:

Investments are classified as long term and current investments. Long term investments are carried at cost less provision, if any, for diminution other than temporary in the carrying value of such investments. Current Investments are valued at lower of cost or market value.

## Indiabulls Alternate Investments Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

#### **x) Share issue expenses:**

Share issue expenses are adjusted against Securities Premium account to the extent of balance available and thereafter, the balance portion is charged off to the Statement of Profit and Loss, as incurred.

#### **xi) Taxes on income:**

Current tax is determined as the tax payable in respect of taxable income for the year in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax or substantively enacted tax rates at the balance sheet date, as applicable, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization supported by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### **xii) Borrowing costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

#### **xiii) Preliminary expenses:**

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent available, and the balance, if any, is charged off to the Statement of Profit and Loss, as incurred.

#### **xiv) Provisions, contingent liabilities and contingent assets:**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

#### **xv) Earnings per share:**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year except where

#### **xvi) 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.

#### **xvii) Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

*(This space has been intentionally left blank)*



**Indiabulls Alternate Investments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 18**

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) -- Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended 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 - 19**

The company has not entered into any derivative contracts during the year. The Company does not have any foreign currency exposures as at March 31, 2018 (Previous year Nil)

**Note - 20**

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

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

**Note - 21**

There are no capital or other commitments to be reported as at March 31, 2018 (Previous year Nil)

**Note - 22**

There are no borrowing costs to be capitalised as at March 31, 2018 (Previous year Nil)

**Note - 23**

**Segment reporting**

Considering the nature of Company's business and operations and based on the information available with the management, there is/are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) - 17 on Segment Reporting as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.

**Note - 24**

Disclosures in respect of AS - 18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended:

**(a) Details of related parties:**

Description of relationship	Name of the Party
Ultimate Holding Company	Indiabulls Ventures Limited
Holding Company	Indiabulls Distribution Services Limited
Fellow Subsidiary Companies (including step down subsidiaries)	IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited)
	Astilbe Builders Limited
	Astraea Constructions Limited
	Silenus Buildtech Limited
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Pushpanjali Fincon Limited
	Pushpanjali Finsolutions Limited
	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited (Formerly known as Indiabulls Brokerage Limited)
	Indiabulls Commodities Limited
	Auxesia Soft Solutions Limited
	India Ethanol and Sugar Limited
	Positive Housings Private Limited (upto March 30, 2018)
	Indiabulls Consumer Products Limited (w.e.f. July 05, 2016)
	Indiabulls Asset Reconstruction Company Limited (w.e.f. October 03, 2016)
Indiabulls Logistics Limited (w.e.f. January 19, 2017)	
Indiabulls Infra Resources Limited (w.e.f. February 01, 2017)	

**Indiabulls Alternate Investments Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 24**

Related party disclosures (continued)

**(b) Other related parties:**

Key Management Personnel	Mr. Matbeer Singh Gosain, Director
	Mr. Kishor Kumar Srivastava, Director
	Mr. Mithun Madhukar, Director (upto January 15, 2018)
	Mr. Gagan Banga, Director (upto September 1, 2017)
	Mr. Swapnil Eknath Chikne, Director (w.e.f January 18, 2018)
	Mr. Sameer Gehlaut, Individual exercising significant influence
	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited

**(c) Significant Transactions with Related Parties during the year ended March 31, 2018:**

Nature of Transaction	(Amount in Rs.)	
	Holding Company	Total
<i>Share capital</i>		
Issue of Equity Shares	-	-
	<i>50,000,000</i>	<i>50,000,000</i>
<i>Finance</i>		
Inter corporate deposit taken (Maximum balance outstanding during the year)	7,000,000	7,000,000
	-	-
<i>Expenses</i>		
Interest on inter corporate deposit	162,592	162,592
	-	-

*Note: Figures in italic relates to the previous year*

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

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Share Capital</b>		
<b>Issue of Equity Shares</b>		
Indiabulls Distribution Services Limited	-	50,000,000
<b>Inter Corporate deposit taken (Maximum balance outstanding during the year)</b>		
Indiabulls Distribution Services Limited	7,000,000	-
<b>Expenses</b>		
<b>Interest on Inter corporate deposit</b>		
Indiabulls Distribution Services Limited	162,592	-

**(e) Outstanding as at March 31, 2018:**

Nil (Previous year Rs. Nil)

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors.

**Note - 25**

**Expenditure in foreign currency**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Commission expenses *	1,004,534	1,425,000
<b>Total</b>	<b>1,004,534</b>	<b>1,425,000</b>

\* Commission expenses is recognised in statement of Profit and Loss Account on accrual basis.

**Indiabulls Alternate Investments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018**

**Note - 26**

**Earnings per share:**

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. 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 period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/ (Loss) available for Equity Shareholders (Rs.)	16,006,899	6,138,512
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	5,050,000	2,282,877
Nominal Value of equity Shares - (Rs. Per Share)	10.00	10.00
Earnings Per Share – Basic & Diluted (Rs. Per Share)	3.17	2.69

**Note - 27**

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2018 (Previous year Nil)

**Note - 28**

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

As per our report of even date

For MRKS and Associates  
Chartered Accountants  
FRN: 023711N

For and on behalf of the Board of Directors

Kamal Ahuja  
Partner  
Membership No. 505788  
New Delhi  
April 21, 2018

Kishor Kumar Srivastava  
Director  
DIN: 01223908  
New Delhi  
April 21, 2018

Matbeer Singh Gosain  
Director  
DIN: 00347596

Ashish Bhardwaj  
Company Secretary  
PAN:-AIGPB1334G