

**Independent Auditor's Report
To The Members of
Indiabulls Commodities Limited**

Report on the Financial Statements

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

Management's Responsibility for the 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 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 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 financial statements based on our audit.

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

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. 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 31st March, 2018, 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 (Auditors Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the Annexure A, 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 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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

(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 A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2018

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

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

- (i) In respect of its Fixed Assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
 - (c) The Company does not own immovable properties.
- (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 complied with the provisions of Section 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of transactions for loan given. The Company has not entered into any transactions in respect of 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, 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, *though there has been slight delay in deposit of income tax*. 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 did not have any dues of income 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 did not have any dues in respect of loans or borrowing to a financial institution, or bank, government or dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.
- (x) 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 Note 34 to 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.
- (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 A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2018

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Commodities 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 Commodities 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 A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2018

Indiabulls Commodities Limited
Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
I. Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	6,000,000	6,000,000
(b) Reserves and surplus	4	278,370,607	263,834,629
		284,370,607	269,834,629
Non - current liabilities			
(a) Long-term provisions	5	3,835,187	3,380,722
		3,835,187	3,380,722
Current liabilities			
(a) Short -term borrowings	6	-	98,900,000
(b) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		187,545	28,269
(c) Other current liabilities	8	33,061,224	22,998,017
(d) Short-term provisions	9	211,431	31,767,198
		33,460,200	153,693,484
Total		321,665,994	426,908,835
II. Assets			
Non - current assets			
(a) Fixed assets	10		
Tangible assets		-	257
Intangible assets		86,903	146,303
Capital work in progress		111,103,881	78,747,522
		111,190,784	78,894,082
(b) Non-current investments	11	1,900,000	24,942,760
(c) Deferred tax assets (net)	12	2,238,380	2,380,525
(d) Long-term loans and advances	13	78,551,219	75,935,619
(e) Other non-current assets	14	100,000	100,000
		82,789,599	103,358,904
Current assets			
(a) Trade receivables	15	2,808,811	2,676,540
(b) Cash and bank balances	16	78,663,830	187,349,281
(c) Short-term loans and advances	17	3,057,873	2,662,638
(d) Other current assets	18	43,155,097	51,967,390
		127,685,611	244,655,849
Total		321,665,994	426,908,835

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Anil Mittal
Director
DIN: 01931203
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879

Indiabulls Commodities 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.)
Income			
I.	19	19,491,485	97,210,550
II.	20	39,965,384	137,401,660
III.		59,456,869	234,612,210
IV. Expenses			
	21	6,153,999	4,886,739
	22	31,027,208	17,826,180
	23	6,325,584	6,981,479
		59,657	62,420
	24	1,172,690	1,507,494
		44,739,138	31,264,312
V.		14,717,731	203,347,898
VI.		-	-
VII.		14,717,731	203,347,898
VIII.		-	-
IX.		14,717,731	203,347,898
X.			
		3,615,600	43,683,490
		(3,615,600)	(43,683,490)
		39,608	(247,314)
		142,145	350,942
		181,753	103,628
XI.		14,535,978	203,244,270
XII.		-	-
XIII.		-	-
XIV.		-	-
XV.		14,535,978	203,244,270
XVI.	35		
		24.23	338.74
		24.23	338.74
		10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Anil Mittal
Director
DIN: 01931203
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879

Indiabulls Commodities Limited
Cash Flow Statement for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (Rs.)	For the year March 31, 2017 Amount (Rs.)
A Cash flow from operating activities :		
Net Profit before tax	14,717,731	203,347,898
Adjustments for :		
Depreciation and amortization	59,657	62,420
Provision of gratuity and compensated absences	897,831	962,927
Advances written off	-	413,622
Excess provisions for expenses written back	(3,207,348)	(173,807)
Profit on sale of long term investments	(36,000,000)	-
Profit on sale of assets	-	(135,000,000)
Miscellaneous income	-	(3,226)
Interest income	(333,098)	(2,160,739)
Interest expenses	3,309,416	5,582,570
Operating (Loss) / profit before working capital changes	(20,555,811)	73,031,665
Changes in working capital:		
Trade receivables	(132,271)	(22,163)
Long-term loans and advances	1,000,000	(3,250,000)
Short-term loans and advances	(395,235)	52,840
Long-term and short-term provisions	(427,001)	(1,868,633)
Trade payables	159,276	(113,498)
Other current liabilities	13,270,555	(9,911,620)
Cash (used in) / generated from operations	(7,080,487)	57,918,591
Direct taxes refund/(paid) (net)	(35,227,340)	(26,922,896)
Net cash (used in) / generated from operating activities	(42,307,827)	30,995,695
B Cash flow from investing activities :		
Purchase of fixed assets/Changes in capital work in progress (net)	(32,356,359)	(13,178,538)
Proceeds from sale of rights	8,757,835	143,326,091
Inter corporate deposit given/(received back) (net)	-	61,500,000
Movement in non-current bank balances	-	3,000,000
Movement in other bank balances	-	(5,750,000)
Interest received	430,316	2,137,044
Proceeds from sale of /(investments in) shares of subsidiary Company	59,000,000	(23,000,000)
Net cash generated from/ (used in) investing activities	35,831,792	168,034,597
C Cash flow from financing activities		
(Repayment of) / proceeds from short term borrowings (net)	(98,900,000)	98,900,000
Interest paid	(3,309,416)	(5,582,570)
Interim dividends on equity shares (including Corporate Dividend Tax thereon)	-	(174,759,303)
Net cash (used) in / generated financing activities	(102,209,416)	(81,441,873)
D Net (decrease)/increase in cash and cash equivalents (A+B+C)	(108,685,451)	117,588,419
E Cash and cash equivalents at the beginning of the year	161,509,281	43,920,862
F Cash and cash equivalents at the close of the year (D + E)	52,823,830	161,509,281

Notes:

- 1 The figures of the previous year are regrouped wherever considered necessary.
- 2 The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- 3 Reconciliation of Cash and bank balances with Cash and cash equivalents as at the close of the year:

	March 31, 2018 Amount (Rs.)	March 31, 2017 Amount (Rs.)
(i) Cash and cash equivalents:		
Cash in Hand	4,794	351
Balances with Banks:		
- in current accounts	52,819,036	161,508,930
Cash and cash equivalents	52,823,830	161,509,281
(ii) Other bank balances		
- in deposit accounts with original maturity of more than twelve months	100,000	100,000
- in deposit accounts with original maturity of more than three months but less than twelve months	25,840,000	25,840,000
Less:-Amount disclosed under non-current assets (Refer Note: 14)	(100,000)	(100,000)
Cash and bank balances as at the close of the year (Refer Note 16)	78,663,830	187,349,281

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Anil Mittal Pankaj Sharma
Director Director
DIN: 01931203 DIN: 00472879
New Delhi, April 21, 2018

Indiabulls Commodities Limited

Summary of the significant accounting policies and other explanatory information forming part of the financial statements for the year ended March 31, 2018

1. Corporate information:

Indiabulls Commodities Limited ("the Company") is a wholly owned subsidiary of Indiabulls Ventures Limited ("IVL"- the holding Company) and was incorporated on October 30, 2003 to operate as a commodity broker. The Company is a member of National Commodities and Derivative Exchange Limited and Multi Commodity Exchange of India Limited and is engaged in commodity broking activities.

In accordance with the provisions of Section 44 and other applicable provisions of the Companies Act 1956 members of the company at their Extraordinary General Meeting held on January 05, 2009 accorded their approval to change the status of the company from a private limited company to a public limited company. The Company has since received a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company from the Registrar of Companies National Capital Territory of Delhi and Haryana dated February 18, 2009 in respect of the said change. Accordingly the name of the company was changed from Indiabulls Commodities Private Limited to Indiabulls Commodities Limited.

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) under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Use of estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made 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 recognized 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:

(a) Revenue from brokerage activities and transaction charges is accounted for on the trade date of transaction.

(b) Revenue from interest charged to customers on delayed payment is recognized on daily/weekly basis up to the last day of accounting period.

(c) Income from interest from fixed deposits is recognized on accrual basis.

(d) Transactions in respect of Investment / Dealing in securities are recorded on trade dates.

(e) Dividend Income on units of Mutual Fund is recognized when the right to receive dividend is unconditionally established and any gains/losses are recognized on the date of redemption.

(f) Income from investment and advisory services are recorded on accrual basis.

(g) Profit/ (loss) on redemption of Mutual Fund is recognized on actual basis.

(h) Profit on sale of assets is recognized on accrual basis.

vi) Fixed assets:

(a) 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.

(b) 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. 5000 or less are fully depreciated in the year of purchase. Intangible assets consisting of Software are amortized on a straight line basis over a period of four years from the date when the assets are available for use.

Indiabulls Commodities Limited

Summary of the significant accounting policies and other explanatory information forming part of the financial statements for the year ended March 31, 2018

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 recognized 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 non-current and current investments. Non-current investments are carried at cost less provision if any for any diminution other than temporary in their value. Current investments are valued at lower of cost and fair value.

x) Employee benefits:

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has defined benefit plans namely compensated absences and gratuity for its employees, the liability for which is determined on the basis of an actuarial valuation conducted semi-annually by an independent actuary, in accordance with Accounting Standards 15 (AS 15) Employee Benefits, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Actuarial gains and losses are recognized in Statement of Profit and Loss as income or expenses.

xi) Deferred employee stock compensation cost:

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

xii) 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 relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / 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 backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

xiii) Leases:

In case of assets taken on operating lease, the lease rentals are charged to the Statement of Profit and Loss and assets taken on finance lease have been capitalized, in accordance with Accounting Standard 19 (AS 19) – Leases, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

xiv) Borrowing cost:

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

xv) Preliminary expenses:

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

xvi) Provisions contingent liabilities and contingent assets:

Provisions are recognized 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 can not 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.

xvii) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization 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.

xviii) 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.

Indiabulls Commodities Limited

Summary of the significant accounting policies and other explanatory information to financial statements 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.)
Authorized				
Equity Shares of face value of Rs. 10 each	1,000,000	10,000,000	1,000,000	10,000,000
		<u>10,000,000</u>		<u>10,000,000</u>
Issued subscribed and paid up				
Equity Shares of face value of Rs. 10 each fully paid up	600,000	6,000,000	600,000	6,000,000
As Per Balance Sheet		<u>6,000,000</u>		<u>6,000,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

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	600,000	6,000,000	600,000	6,000,000
Add: Shares issued during the year:	-	-	-	-
Less: Shares bought back during the year:	-	-	-	-
Outstanding at the end of the year	<u>600,000</u>	<u>6,000,000</u>	<u>600,000</u>	<u>6,000,000</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 received 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:

Names 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 Indiabulls Ventures Limited, the holding Company and its nominees	600,000	100%	600,000	100%

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

d. Employee Stock Option Schemes: (Refer Note: 36)

Note - 4

Reserves and surplus:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Surplus/(deficit) in the statement of profit and loss		
Opening balance	263,834,629	235,349,662
Add: Profit / (Loss) for the year	14,535,978	203,244,270
Amount available for appropriation (A)	<u>278,370,607</u>	<u>438,593,932</u>
Appropriations:		
Interim Dividend on Equity Shares	-	145,200,000
Corporate Dividend Tax on Interim Dividend on Equity Shares	-	29,559,303
Total Appropriations (B)	<u>-</u>	<u>174,759,303</u>
Balance of Surplus Carried Forward (A)-(B)	<u>278,370,607</u>	<u>263,834,629</u>
As Per Balance Sheet	<u>278,370,607</u>	<u>263,834,629</u>

Note - 5

Long-term provisions:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Provision for employee benefits (Refer Note: 31)		
Provision for gratuity	3,115,938	2,761,684
Provision for compensated absences	719,249	619,038
As Per Balance Sheet	<u>3,835,187</u>	<u>3,380,722</u>

Indiabulls Commodities Limited

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

Note - 6

Short-term borrowings:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Unsecured loans		
- From related parties - Indiabulls Distribution Services Limited [Refer Notes a & b below]	-	98,900,000
As Per Balance Sheet	<u><u>-</u></u>	<u><u>98,900,000</u></u>

(a) The unsecured loan from Indiabulls Distribution Services Limited is granted for a period of 24 months and carries interest at the rate of 9% per annum. The Company, may its option repay the loan before expiry.

(b) There is no default as on the Balance Sheet date in repayment of loan or interest.

Note - 7

Trade payables:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note: 30)	187,545	28,269
As Per Balance Sheet	<u><u>187,545</u></u>	<u><u>28,269</u></u>

Note - 8

Other current liabilities:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Margin from customers	30,498,647	18,135,935
Statutory liabilities	724,727	3,007,764
Other payables including expenses payable	1,837,850	1,823,927
Temporary Overdrawn bank balances as per books	-	30,391
As Per Balance Sheet	<u><u>33,061,224</u></u>	<u><u>22,998,017</u></u>

Note - 9

Short-term provisions:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Provision for employee benefits (Refer Note:31)		
Provision for gratuity	88,894	76,852
Provision for compensated absences	22,396	18,073
(b) Provision for taxation	100,141	31,672,273
[Net of advance tax, tax deducted at source and self assessment tax of Rs. 47,198,949 (Previous year Rs.27,170,211)]		
As Per Balance Sheet	<u><u>211,431</u></u>	<u><u>31,767,198</u></u>

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Indiabulls Commodities Limited
Summary of the significant accounting policies and other explanatory information to financial statements for the year ended March 31, 2018

Note - 10
 Fixed Assets:

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2017 Rs.	Additions during the year Rs.	Adjustments/ Sales during year Rs.	As at March 31, 2018 Rs.	As at April 1, 2017 Rs.	Additions during the year Rs.	Adjustments during the year Rs.	As at March 31, 2018 Rs.	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
A. Tangible assets										
Computers	2,085,142	-	-	2,085,142	2,085,142	-	-	2,085,142	-	-
Furniture and fittings	42,272	-	-	42,272	42,272	-	-	42,272	-	-
Office equipments	7,290,822	-	-	7,290,822	7,290,565	257	-	7,290,822	-	257
Total (A)	9,418,236	-	-	9,418,236	9,417,979	257	-	9,418,236	-	257
B. Intangible assets										
Software	5,723,524	-	-	5,723,524	5,577,221	59,400	-	5,636,621	86,903	146,303
Total (B)	5,723,524	-	-	5,723,524	5,577,221	59,400	-	5,636,621	86,903	146,303
Capital Work In Progress, at cost (C)										
Total (A+B+C)	15,141,760	-	-	15,141,760	14,995,200	59,657	-	15,054,857	111,190,784	78,894,082
Previous year	15,141,760	-	-	15,141,760	14,932,780	62,420	-	14,995,200	78,894,082	65,777,965

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Indiabulls Commodities Limited

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

Note - 11

Non-current investments:

(At cost, unless otherwise stated)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Unquoted		
(i) Investments in equity instruments of subsidiary Company		
-190,000 (Previous year 190,000) fully paid up equity shares of India Ethanol and Sugar Limited (Face value Rs. 10)	1,900,000	1,900,000
Nil (Previous year 17,436,361) fully paid up equity shares of Positive Housings Private Limited (Face value Rs. 10)	-	23,000,000
(ii) Investment in 6 Years National Saving Certificate VIII Issue (including interest accrued thereon)	-	42,760
As Per Balance Sheet	<u>1,900,000</u>	<u>24,942,760</u>
Aggregate book value of unquoted investments	1,900,000	24,942,760
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

Note - 12

Deferred tax assets:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Arising on account of temporary differences due to:		
Provision for doubtful debts and advances	897,490	996,853
Disallowance under Section 40A(7) of the Income-Tax Act, 1961	891,584	877,108
Difference between book balance and tax balance of fixed assets	242,980	309,697
Disallowance under Section 43B of the Income-Tax Act, 1961	206,326	196,867
As per Balance Sheet	<u>2,238,380</u>	<u>2,380,525</u>

In compliance with AS - 22 'Accounting for Taxes on Income', as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the Company has recorded deferred tax expense of Rs. 142,145 (Previous year Rs. 350,942) to the Statement of Profit and Loss for the year ended March 31, 2018.

Note - 13

Long-term loans and advances:

(Unsecured, considered good)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) MAT credit entitlement	67,257,730	63,642,130
(b) Others		
Deposits (including margin money) with Exchanges	11,293,489	12,293,489
As per Balance Sheet	<u>78,551,219</u>	<u>75,935,619</u>

Note - 14

Other non current assets:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Non-current bank balances [Refer Note: 16]	100,000	100,000
As per Balance Sheet	<u>100,000</u>	<u>100,000</u>

Indiabulls Commodities Limited

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

Note - 15

Trade receivables:

(Unsecured, considered good, unless otherwise stated)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Debts outstanding for a year exceeding six months		
Considered good	2,692,831	2,638,860
Considered doubtful	<u>3,226,060</u>	<u>3,226,060</u>
	5,918,891	5,864,920
Less: Provision for doubtful trade receivables	<u>3,226,060</u>	<u>3,226,060</u>
	2,692,831	2,638,860
Other trade receivables		
Considered good	115,980	37,680
Considered doubtful	<u>-</u>	<u>-</u>
	115,980	37,680
As per Balance Sheet	<u>2,808,811</u>	<u>2,676,540</u>

Note - 16

Cash and bank balances:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
i) Cash and cash equivalents		
(a) Balance with banks		
In current accounts	52,819,036	161,508,930
(b) Cash on hand	<u>4,794</u>	<u>351</u>
	52,823,830	161,509,281
ii) Other bank balances [Refer Note: 26]		
in Deposits with original maturity of more than 12 months	100,000	100,000
in Deposits with original maturity of more than 3 months but upto 12 months	<u>25,840,000</u>	<u>25,840,000</u>
	25,940,000	25,940,000
Less:-Amount disclosed under non-current assets (Refer Note 14)	<u>(100,000)</u>	<u>(100,000)</u>
	25,840,000	25,840,000
As per Balance Sheet	<u>78,663,830</u>	<u>187,349,281</u>

(1) including fixed deposits of Rs. 25,940,000 (Previous year Rs. 25,940,000) pledged with banks (Refer Note: 26).

Note - 17

Short-term loans and advances:

(Unsecured, considered good)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Prepaid expenses	66,427	114,806
(b) Advances recoverable in cash or in kind or for value to be received	890,837	447,223
(c) Balances with government authorities		
Advance income tax/tax deducted at source	2,100,609	2,100,609
As per Balance Sheet	<u>3,057,873</u>	<u>2,662,638</u>

Note - 18

Other current assets:

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Interest accrued on fixed deposits	702,007	799,225
Other receivables	<u>42,453,090</u>	<u>51,168,165</u>
As per Balance Sheet	<u>43,155,097</u>	<u>51,967,390</u>

Indiabulls Commodities Limited

Summary of the significant accounting policies and other explanatory information to financial statements 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.)
Note - 19		
Revenue from operations:		
(a) Sale of services ⁽ⁱ⁾	16,190,374	12,897,549
(b) Other operating revenues ⁽ⁱⁱ⁾	3,301,111	84,313,001
As per Statement of Profit and Loss	19,491,485	97,210,550
 (i) Sale of services includes :		
Brokerage income	12,258,054	10,273,073
Transaction charges and other related charges	2,724,936	1,793,672
Stamp duty recoveries	1,165,440	825,162
Interest on delayed payments	41,944	5,642
	16,190,374	12,897,549
 (ii) Other operating revenues includes :		
Advisory income	1,299,986	82,274,783
Interest on fixed deposits (Gross)	1,879,437	1,965,998
Account opening charges	121,688	72,220
	3,301,111	84,313,001
 Note - 20		
Other income:		
Interest income from inter corporate deposit	333,098	2,160,739
Profit on sale of long term investments	36,000,000	-
Profit on sale of assets	-	135,000,000
Excess provisions /balances written back	3,207,348	173,807
Miscellaneous income	424,938	67,114
As per Statement of Profit and Loss	39,965,384	137,401,660
 Note - 21		
Operating expenses:		
Stamp duty charges	1,169,830	827,898
Transaction charges	2,572,222	1,663,245
Exchange subscription fees & other charges	308,118	279,393
VSAT charges	53,702	60,188
Leased line charges	522,200	498,112
SEBI Turnover fees	147,907	155,253
Software charges	1,380,020	1,402,650
As per Statement of Profit and Loss	6,153,999	4,886,739

Indiabulls Commodities Limited

Summary of the significant accounting policies and other explanatory information to financial statements 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.)
Note - 22		
Employee benefits expense:		
Salaries	28,537,902	16,009,457
Staff welfare expenses	150	-
Contribution to provident fund and other statutory funds (Refer Note: 31)	1,591,325	853,796
Provision for gratuity and compensated absences (Refer Note: 31)	897,831	962,927
As per Statement of Profit and Loss	31,027,208	17,826,180
Note - 23		
Finance costs:		
Bank guarantee charges	194,134	196,699
Interest on inter corporate deposits	3,115,282	5,385,871
Interest on taxes	3,016,168	1,398,909
As per Statement of Profit and Loss	6,325,584	6,981,479
Note - 24		
Other expenses:		
Rates and taxes	39,897	31,472
Insurance charges	7,462	5,798
Communication expenses	110,768	490,988
Professional charges	471,909	405,206
Printing and stationery	203,780	58,406
Office maintenance	4,900	-
Auditors' remuneration		
- as statutory auditor *	302,500	75,000
Advances written off	-	413,622
Miscellaneous expenses	31,474	27,002
As per Statement of Profit and Loss	1,172,690	1,507,494

Indiabulls Commodities Limited

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

Note - 25

- a) In the opinion of the Board of Directors, no provision is required towards diminution in the value of non-current investments.
 b) Non-current investments – Non trade, includes 6 years National Savings Certificate (VIII Issue) of Rs. Nil (Previous year Rs. 42,760) and interest accrued thereon pledged with Sales Tax Authorities.
 b) In the opinion of the Board of Directors, all current assets, short-term and long-term loans and advances appearing in the balance sheet as at March 31, 2018 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.

Note - 26

Balances in Fixed deposits as at March 31, 2018 include:

- a) Rs.190,000 (Previous year Rs. 190,000) pledged with Sales Tax Authorities,
 b) Rs. 20,000,000 (Previous year Rs. 20,000,000) pledged against bank guarantees issued by the banks for base capital and additional base capital.
 c) Rs. 2,500,000 (Previous year Rs. 2,500,000) pledged with Multi Commodity Exchange of India Limited as cash collateral for additional base capital,
 d) Rs.3,250,000 (Previous year Rs. 3,250,000) pledged with National Commodity and Derivatives Exchange Limited as cash collateral for additional base capital.

Note - 27

(i) Contingent liabilities not provided for in respect of:

- (a) Bank guarantees of Rs. 30,000,000 (Previous year Rs. 20,000,000) issued in favour of Multi Commodity Exchange of India Limited.
 (b) Claims against the Company not acknowledged as debts on account of pending litigation: Rs. Nil (Previous year Rs. Nil).

(ii) Capital commitments outstanding as at March 31, 2018 Rs. 2,267,141,583 (Previous year Rs. 2,162,679,833).

Note - 28

(a) The Company has not entered into any derivative instruments during the year. There are no foreign currency exposures as at March 31, 2018 (Previous year Rs. Nil)

(b) In respect of amounts as mentioned under Section 124(5) 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 Rs. Nil)

Note - 29

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, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of 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 - 30

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 and that given in Note: 7 - "Trade payables" 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.

Indiabulls Commodities Limited

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

Note - 31

Employee benefits:

(a) Defined contribution plans

The Company's contributions amounting to Rs. 15,91,325 (Previous year Rs. 853,796) to defined contribution plans are recognized as expenses in the Statement of Profit and Loss for the year ended March, 31, 2018.

(b) Defined benefits plan

Provision for Gratuity and Compensated Absences for all employees is based upon actuarial valuation done semi annually. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 (revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosure in respect of Gratuity and Compensated Absences:

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2018	Gratuity (unfunded) March 31, 2017	Compensated absences (unfunded) March 31, 2018	Compensated absences (unfunded) March 31, 2017
Reconciliation of liability recognized in the Balance Sheet:				
Present value of commitments (as per actuarial valuation)	3,204,832	2,838,536	741,645	637,111
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	3,204,832	2,838,536	741,645	637,111
Movement in net liability recognized in the Balance Sheet:				
Net liability as at beginning of the year	2,838,536	3,589,482	637,111	791,871
Adjustment on account of transfer of liabilities	-	(1,516,026)	-	(267,697)
Net expense/(gain) recognized in the Statement of Profit and Loss	793,296	849,990	104,534	112,937
Benefits paid during the year	(427,000)	(84,910)	-	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	3,204,832	2,838,536	741,645	637,111
Expense recognized in the Statement of Profit and Loss:				
Current service cost	457,408	380,840	115,297	98,264
Interest cost	212,508	243,022	45,547	52,505
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	123,380	226,128	(56,310)	(37,832)
Expense/(Income) charged to the Statement of Profit and Loss	793,296	849,990	104,534	112,937
Return on plan assets:				
Expected return on plan assets	N.A	N.A	N.A	N.A
Actuarial (gains)/ losses	N.A	N.A	N.A	N.A
Actual return on plan assets	N.A	N.A	N.A	N.A
Reconciliation of defined-benefit commitments:				
As at beginning of the year	2,838,536	3,589,482	637,111	791,871
Adjustment on account of transfer of liabilities	-	(1,516,026)	-	(267,697)
Current service cost	457,408	380,840	115,297	98,264
Interest cost	212,508	243,022	45,547	52,505
Paid benefits	(427,000)	(84,910)	-	-
Actuarial (gains)/ losses	123,380	226,128	(56,310)	(37,832)
Commitments as at end of the year	3,204,832	2,838,536	741,645	637,111

Reconciliation of plan assets:	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2018	Gratuity (unfunded) March 31, 2017	Compensated absences (unfunded) March 31, 2018	Compensated absences (unfunded) March 31, 2017
Plan assets as at beginning of the year	N.A	N.A	N.A	N.A
Expected return on plan assets	N.A	N.A	N.A	N.A
Contributions during the year	N.A	N.A	N.A	N.A
Paid benefits	N.A	N.A	N.A	N.A
Actuarial (gains)/ losses	N.A	N.A	N.A	N.A
Plan assets as at end of the year	N.A	N.A	N.A	N.A

(Amount in Rs.)

Experience adjustment:	Gratuity (Unfunded)				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities Gain/ (Loss)	(357,994)	34,681	(170,990)	(533,218)	1,457,934
On plan assets Gain/ (Loss)	N.A	N.A	N.A	N.A	N.A
Present value of benefit obligation	3,204,832	2,838,536	3,589,482	2,745,883	1,649,389
Fair value of plan assets	N.A	N.A	N.A	N.A	N.A
Excess of (obligation over plan assets) / plan assets over obligation	3,204,832	2,838,536	3,589,482	2,745,883	1,649,389

Indiabulls Commodities Limited

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

Note - 31

Employee benefits: (Continued)

(Amount in Rs.)

Experience adjustment:	Compensated Absences (Unfunded)				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities Gain/ (Loss)	(114)	91,998	(39,797)	55,731	540,470
On plan assets Gain/ (Loss)	N.A	N.A	N.A	N.A	N.A
Present value of benefit obligation	741,645	637,111	791,871	572,847	461,013
Fair value of plan assets	N.A	N.A	N.A	N.A	N.A
Excess of (obligation over plan assets) / plan assets over obligation	741,645	637,111	791,871	572,847	461,013

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 Rs. 10,65,123 (Previous year Rs. 8,82,859) and Rs. 2,39,909 (Previous year Rs.1,83,936) respectively.

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate – Gratuity and Compensated Absences	7.80%	7.35%
Expected return on plan assets	N.A	N.A
Expected rate of salary increase	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

N.A.: Not applicable

Note - 32

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

Note - 33

Segment reporting:

The Company's primary business segment is reflected based on principal business activities carried on by it. The Company is engaged in the single primary business segment of commodity broking and allied activities. The Company operated solely in one geographic segment namely "within India". No further disclosures are required under 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, other than those already provided in the financial statements.

Note - 34

Related party transactions:

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	Names of related parties
(i) Where control exists	
Holding Company	Indiabulls Ventures Limited
Subsidiary Company	India Ethanol and Sugar Limited Positive Housing Private Limited (upto March 29, 2018)
- Fellow Subsidiary Companies (including step down subsidiaries)	Indiabulls Investment Advisors Limited (Formerly Indiabulls Brokerage Limited)
	Devata TradeLink Limited
	Auxesia Soft Solutions Limited
	Indiabulls Distribution Services Limited
	Indiabulls Infra Resources Limited (with effect from February 01, 2017)
	Indiabulls Consumer Products Limited (with effect from July 05, 2016)
	Indiabulls Asset Reconstruction Company Limited (with effect from October 03, 2016)
	Indiabulls Logistics Limited (with effect from January 19, 2017)
	Indiabulls Alternate Investment Limited (with effect from February 10, 2016)
	IVL Finance Limited (formerly known as Shivshakti Financial Services Limited)
	Pushpanjali Finsolutions Limited
	Astilbe Builders Limited
	Astraea Constructions Limited
	Silenus Buildtech Limited
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Pushpanjali Fincon Limited
(ii) Other related parties	
Key Management Personnel	Mr. Sameer Gehlaut, Individual exercising significant influence
	Mr. Divyesh B. Shah, Director
	Mr. Anil Mittal, Director
	Mr. Gulab Singh Chail, Director (with effect from November 13, 2017)
	Mr. Pankaj Sharma, Director
	Mr. Iswar Singh Goyat
	Mr. Virender Singh Malhan (upto November 13, 2017)
	Mr. Vijay Babbar (upto September 19, 2016)
Mr. Prasenjeet Mukherjee (with effect from October 04, 2016)	

Indiabulls Commodities Limited

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

Note - 34

Related party transactions: (Continued)

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

Nature of Transaction	Entities under common control	Total
	Amount (Rs.)	Amount (Rs.)
Finance		
Investments		
Purchase of investment in equity shares	-	-
	<i>23,000,000</i>	<i>23,000,000</i>
Inter Corporate Deposit Taken (Maximum Balance Outstanding during the year)	99,900,000	99,900,000
	<i>128,500,000</i>	<i>128,500,000</i>
Inter Corporate Deposit Given (Maximum Balance Outstanding during the year)	28,700,000	28,700,000
	<i>105,500,000</i>	<i>105,500,000</i>
Interest expense on Inter Corporate Deposit	3,115,282	3,115,282
	<i>5,385,871</i>	<i>5,385,871</i>
Interest income on Inter Corporate Deposit	333,098	333,098
	<i>2,160,739</i>	<i>2,160,739</i>
Employee Benefits Liabilities		
Acquisition of Employee Benefits Paid	-	-
	<i>1,783,723</i>	<i>1,783,723</i>

Note: Figures in italics to the previous year

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: (Continued)

(c) Statement of Material Transactions:

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
	Amount (Rs.)	Amount (Rs.)
Finance		
Inter Corporate Deposit Taken (Maximum Balance Outstanding during the year)		
-Indiabulls Distribution Services Limited	99,900,000	128,500,000
Inter Corporate Deposit Given (Maximum Balance Outstanding during the year)		
-Indiabulls Distribution Services Limited	28,700,000	105,500,000
Interest Expenses		
-Indiabulls Distribution Services Limited	3,115,282	5,385,871
Interest Income		
-Indiabulls Distribution Services Limited	333,098	2,160,739
Investments		
Investment in equity share capital		
Auxesia Soft Solutions Limited	-	23,000,000
Other receipts and payments		
Employee Benefit Liabilities Paid		
-Indiabulls Distribution Services Limited	-	1,783,723

(d) Outstanding at year ended March 31, 2018:

Nature of Transaction	Entities under common control	Total
	Amount (Rs.)	Amount (Rs.)
Inter corporate deposit taken	-	-
	<i>98,900,000</i>	<i>98,900,000</i>

Note: Figures in italics pertain to the previous year

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.

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Indiabulls Commodities Limited

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

Note - 35

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.)	14,535,978	203,244,270
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	600,000	600,000
Nominal Value per equity Share – (Rs. Per Share)	10.00	10.00
Earnings Per Share – Basic (Rs. Per Share)	24.23	338.74
Earnings Per Share – Diluted (Rs. Per Share)	24.23	338.74

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Indiabulls Commodities Limited
Summary of the significant accounting policies and other explanatory information to financial statements for the year ended March 31, 2018

Note - 36

Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the holding Company":

Employees Stock Option Scheme - 2008

During the financial year ended March 31, 2009, IVL had issued an 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, IVL was authorized 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 IVL. Employees covered by the plan were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 17.40, being the latest available closing market price on the National Stock Exchange of India Limited, as on January 23, 2009. 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.

Further, during the year ended March 31, 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Limited, as on June 30, 2016. 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 uniformly over a period of 5 years beginning from July 2, 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended March 31, 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on August 31, 2017 and March 23, 2018 respectively. 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 uniformly over a period of 5 years beginning from September 2, 2018 and March 25, 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
(1) Exercise price	Rs. 17.40	Rs. 24.15	Rs. 219.65	Rs. 254.85
(2) Expected volatility	79.00%	42.97%	46.70%	47.15%
(3) Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
(4) Option Life (Weighted Average)	11 Years	6 Years	6 Years	6 Years
(5) Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
(6) Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
The fair value of the options under the plans using the Black-	Re. 0.84	Rs. 4.31	Rs. 106.31	Rs. 130.05

The expected volatility was determined based on historical volatility data.

Employees Stock Option Scheme - 2009

During the financial year ended March 31, 2010, IVL had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, IVL was authorized to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of IVL and its subsidiaries (including step down subsidiaries).

During the year ended March 31, 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 35.25, being the latest available closing market price on the National Stock Exchange of India Limited, as 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.

During the year ended March 31, 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Limited, as on April 9, 2010. 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 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.

During the year ended March 31, 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in IVL, at an exercise price of Rs. 27.45, being the latest available closing market price on the National Stock Exchange of India Limited, as on August 24, 2015. 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 uniformly over a period of 5 years beginning from August 26, 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended March 31, 2017, IVL had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended March 31, 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 16.00 and Rs. 24.15 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on May 11, 2016 and June 30, 2016. 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 uniformly over a period of 5 years beginning from May 13, 2017 and July 2, 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended March 31, 2017, IVL has received request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended March 31, 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on August 31, 2017 and March 23, 2018 respectively. 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 uniformly over a period of 5 years beginning from September 2, 2018 and March 25, 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	No. of Shares	IBVL ESOP - 2009						
		10,000,000 Options	2,050,000 Options	10,000,000 Options Regrant & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
(1) Exercise price		Rs. 35.25	Rs. 31.35	Rs. 27.45	Rs. 16.00	Rs. 24.15	Rs. 219.65	Rs. 254.85
(2) Expected volatility*		77.00%	46.96%	38.59%	40.74%	42.97%	46.70%	47.15%
(3) Expected forfeiture percentage on each vesting date		Nil	Nil	Nil	Nil	Nil	Nil	Nil
(4) Option Life (Weighted Average)		10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
(5) Expected Dividends yield		13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
(6) Risk Free Interest rate		7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
(7) Fair value of the options (Rs.)**		Rs. 6.48	Rs. 9.39	Rs. 4.77	Rs. 1.38	Rs. 4.31	Rs. 106.31	Rs. 130.05

*The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

Indiabulls Commodities Limited
Summary of the significant accounting policies and other explanatory information to financial statements for the year ended March 31, 2018

Note - 36

Employee Stock Option Scheme of Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited) ('IVL') "the holding Company": (continued)

There is no impact on the Company's net profit after taxes and earnings per share in respect of IVL ESOS 2008 and IVL ESOS 2009, had the compensation cost for the stock options granted been determined based on the fair value approach.

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

Total Options under the Scheme	IBVL ESOP – 2008			
	20,000,000			
Options granted (Nos.)	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting Period and Percentage	Ten years, 1st Year – 15% , 2nd year to 9th year - 10% each year, 10th year – 5%	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting Date	January 25th each year, commencing January 25, 2010	July 2 nd each year, commencing July 2, 2017	September 2 nd each year, commencing September 2, 2018	March 25 th each year, commencing March 25, 2019
Exercise Price (Rs.)	17.40	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Exercised during the year (Nos.)	220,400	-	-	-
Expired during the year (Nos.)	9,299	-	-	-
Surrendered and eligible for re-grant during the year(Nos.)#	28,050	-	-	-
Outstanding at the end of the year (Nos.)	1,268,567	9,700,000	500,000	880,600
Vested and exercisable at the end of the year (Nos.)	922,314	1,940,000	-	-
Remaining contractual Life (Weighted Months)	56	75	89	96

#Net of options surrendered before vesting

Total Options under the Scheme	IBVL ESOP – 2009						
	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	6,69,400 (Regrant)
Vesting Period and Percentage	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting Date	December 2nd each year, commencing December 2, 2010	April 13th each year, commencing April 13, 2011	August 26th each year, commencing August 26, 2016	May 13th each year, commencing May 13, 2017	July 2nd each year, commencing July 2, 2017	September 2nd each year, commencing September 2, 2018	March 25th each year, commencing March 25, 2018
Exercise Price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year(Nos.)#	-	-	-	242,400	-	30,000	-
Outstanding at the end of the year (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Exercisable at the end of the year (Nos.)	-	-	-	72,500	-	-	-
Remaining contractual Life (Weighted Months)	-	72	-	79	-	89	96

#Net of options surrendered before vesting

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Indiabulls Commodities Limited

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

Note - 37

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 A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2018

Anil Mittal
Director
DIN: 01931203
New Delhi, April 21, 2018

Pankaj Sharma
Director
DIN: 00472879