

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

Report on the Financial Statements

We have audited the accompanying financial statements of Indiabulls Distribution Services 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 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 March 31, 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 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) 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 Distribution Services 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 the Company's programme of physical verification of fixed assets in a phased manner. 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) In our opinion and 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 in respect of loans and investments, to the extent applicable to it. The Company has not entered into any transactions in respect of security and guarantees covered under 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 from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under 3 (vi) pertaining to the maintenance of cost records is 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. 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 has not defaulted in repayment of dues to banks. The Company did not have any dues in respect of loans or borrowing to debenture holders, financial institution or government.
- (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) during the year under audit. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were raised.
- (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 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 Distribution Services 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 Distribution Services 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's Registration No. 021890N

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

Indiabulls Distribution Services 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	500,000	500,000
(b) Reserves and surplus	4	<u>1,272,415,257</u>	<u>1,222,994,316</u>
		1,272,915,257	1,223,494,316
Non - current liabilities			
(a) Long-term borrowings	5	4,102,944	5,715,075
(b) Long-term provisions	6	<u>42,969,119</u>	<u>49,012,518</u>
		47,072,063	54,727,593
Current liabilities			
(a) Short-term borrowings	7	8,098,890,410	9,787,499,840
(b) Trade payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,170,722	25,833,704
(c) Other current liabilities	9	245,677,925	180,826,643
(d) Short-term provisions	10	<u>8,736,548</u>	<u>1,304,423</u>
		8,357,475,605	9,995,464,610
Total		<u>9,677,462,925</u>	<u>11,273,686,519</u>
II. Assets			
Non - current assets			
(a) Fixed assets	11		
(i) Tangible assets		56,965,504	67,376,313
(ii) Intangible assets		<u>25,213,157</u>	<u>49,801,562</u>
		82,178,661	117,177,875
(b) Non-Current Investments	12	2,862,600,000	2,027,775,600
(c) Deferred tax assets (net)	13	70,942,346	61,356,216
(d) Long-term loans and advances	14	1,649,097,507	150,583,675
(e) Other Non-Current Assets	15	<u>146,681,245</u>	<u>-</u>
		4,811,499,759	2,356,893,366
Current assets			
(a) Trade receivables	16	1,603,688,208	2,943,066,849
(b) Cash and cash equivalents	17	520,205,962	256,877,951
(c) Short-term loans and advances	18	<u>2,742,068,996</u>	<u>5,716,848,353</u>
		4,865,963,166	8,916,793,153
Total		<u>9,677,462,925</u>	<u>11,273,686,519</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 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

Naveen
Director
DIN: 07145185
New Delhi, April 21, 2018

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services 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	1,073,913,442	1,639,375,344
II.	20	356,622,363	1,974,631,607
III. Total revenue (I + II)		1,430,535,805	3,614,006,951
IV. Expenses			
Employee benefits expense	21	274,387,527	532,610,351
Finance costs	22	894,457,279	1,087,078,425
Depreciation and amortisation	11	45,698,592	40,638,033
Other expenses	23	176,157,596	297,332,456
Total Expenses		1,390,700,994	1,957,659,265
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		39,834,811	1,656,347,686
VI. Exceptional items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		39,834,811	1,656,347,686
VIII. Extraordinary items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		39,834,811	1,656,347,686
X. Tax expense			
(1) Current tax		8,405,000	346,809,000
Less: MAT credit Entitlement (net)		(8,405,000)	(53,159,000)
(2) Deferred tax expense/ (credit)		(9,586,130)	(1,589,409)
		(9,586,130)	292,060,591
XI. Profit/(Loss) for the year from continuing operations (IX-X)		49,420,941	1,364,287,095
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the year (XI + XIV)		49,420,941	1,364,287,095
XVI. Earnings per equity share:	36		
(1) Basic		988.42	27,285.74
(2) Diluted		988.42	27,285.74
(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 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

Naveen
Director
DIN: 07145185
New Delhi, April 21, 2018

Usha Devi
Director
DIN: 03498022

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

	Year ended March 31, 2018 Amount (Rs.)	Year ended March 31, 2017 Amount (Rs.)
A Cash flow from operating activities :		
Net Profit/(Loss) before tax	39,834,811	1,656,347,686
Adjustments for :		
Profit on Sale of Investments in Units of Mutual Funds	(10,243,413)	(2,685,620)
Dividend Income on Current Investments	-	(36,124)
Interest Income	(66,861,882)	(65,304,218)
Excess Provisions Written Back	(5,857,443)	(6,621,912)
Provision for compensated Absences written back	(1,144,364)	
Profit on sale of long term investments	(261,147,400)	
Interest Expenses	894,161,969	1,087,007,193
Depreciation and Amortisation	45,698,592	40,638,033
Provision for contingencies	7,500,000	
Provision for Doubtful Deposits	-	385,000
Loss on Sale of Fixed Assets	-	1,423,572
Bad debts written off	1,150,000	5,112,400
Provision for Gratuity and Compensated Absences	1,105,592	13,397,319
Operating Profit/(Loss) before working capital changes	644,196,463	2,729,663,329
Adjustments for:		
Other Current Liabilities	69,772,909	(53,345,080)
Trade Payables	(21,662,982)	21,777,527
Long-Term and Short-Term Provisions	(6,072,503)	(5,211,244)
Trade Receivables	1,338,228,641	(858,317,922)
Other Non-current Assets	(146,681,245)	
Long-Term and Short-Term Loans and Advances	2,501,185,239	84,420,297
Cash generated from / (used in) operations	4,378,966,522	1,918,986,907
Direct taxes refund/(paid) (net)	19,048,286	(427,658,256)
Net cash generated from/(used in) operating activities	<u>4,398,014,808</u>	<u>1,491,328,651</u>
B Cash flow from investing activities :		
Purchase of Fixed Assets/Changes in Capital Work in Progress (net)	(10,699,378)	(34,070,668)
Proceeds from Sale of/(Investment in) Equity Shares of Subsidiary Companies (net)	2,176,323,000	2,898,106,667
Proceeds from Sale of/(Investment in) Preference Shares of Subsidiary Companies	(2,750,000,000)	30,000,000
Proceeds from Redemption of / (Investment in) Units of Mutual Funds (net)	10,243,413	2,721,744
Inter Corporate Deposits (Given)/Repayment Received (net)	(1,043,968,000)	(410,804,231)
Interest Received	66,861,882	65,304,218
Net cash (used in)/ generated from investing activities	<u>(1,551,239,083)</u>	<u>2,551,257,730</u>
C Cash flow from financing activities		
Proceeds from/(Repayment of) Secured Loans (Including Current Maturity of Long Term Debt) (net)	(1,785,905)	2,831,125
Proceeds from/ (Repayment of) Short Term Borrowings from Banks (Bank Overdraft) (net)	1,923,890,570	(3,004,886,966)
Proceeds from/(Repayment of) Other Short Term Borrowings (Net)	(3,612,500,000)	412,400,000
Dividend Paid	-	(100,000,000)
Corporate Dividend Tax Paid	-	(20,357,647)
Interest Paid	(893,052,379)	(1,087,007,193)
Net cash (used in)/generated from financing activities	<u>(2,583,447,714)</u>	<u>(3,797,020,681)</u>
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	263,328,011	245,565,700
E Cash and cash equivalents at the beginning of the year	256,877,951	11,312,251
F Cash and cash equivalents at the close of the year (D + E)	<u>520,205,962</u>	<u>256,877,951</u>

Note:

- 1 Figures for the previous year have been 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 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.

3 Cash and cash equivalents as at the close of the Year include:	March 31, 2018	March 31, 2017
Cash In Hand	56,931	34,796
Balances with Banks:		
- in current accounts	520,149,031	256,843,155
Cash and Cash Equivalents at the end of the year	<u>520,205,962</u>	<u>256,877,951</u>

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 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

Naveen
Director
DIN: 07145185
New Delhi, April 21, 2018

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited

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

1. Corporate information:

Indiabulls Distribution Services Limited ("IBDSL" or "the Company") was incorporated on June 11, 2009. The Company is engaged primarily in the business of underwriting/distribution of real estate projects on behalf of developers and related consultancy services.

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. 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 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 Brokerage and commission is recognized on accrual basis, generally as set out under the terms of contracts/agreements with respective customers.
- Income from fee based consultancy is recognised on an accrual basis.
- Income from project management fee is recognized on accrual basis.
- Interest income is recognized on accrual basis.
- Other income is recognized 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 are recognized on the date of 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 /

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 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 Profit and Loss Account. 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.

x) Share issue

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 Profit and Loss account, as incurred.

Indiabulls Distribution Services Limited

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

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 profit and loss account, as incurred.

xiv) 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 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 recognised in Statement of Profit and Loss as income or expenses.

xv) 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.

xvi) 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 the results would be anti-dilutive.

xvii) 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.

xviii) 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.

xix) 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.

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Indiabulls Distribution Services 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.)
Authorised				
Equity Shares of face value of Rs. 10 each	2,000,000	20,000,000	2,000,000	20,000,000
		<u>20,000,000</u>		<u>20,000,000</u>
Issued, subscribed and paid up				
Equity Shares of face value of Rs. 10 each fully paid up	50,000	500,000	50,000	500,000
		<u>500,000</u>		<u>500,000</u>
As Per Balance Sheet		<u>500,000</u>		<u>500,000</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	50,000	500,000	50,000	500,000
Add: Issued during the year:	-	-	-	-
Outstanding at the end of the year	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</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 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

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	50,000	100%	50,000	100%
The entire share capital is held by Indiabulls Ventures Limited (formerly known as Indiabulls Securities Limited (The Holding Company including its nominees))				

d. Employee Stock Option Schemes: (Refer Note 41)

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	1,141,416,817	(102,512,631)
Add: Profit/(Loss) for the year	49,420,941	1,364,287,095
Amount available for appropriation	(a) 1,190,837,758	1,261,774,464
Less: Appropriations :		
Interim Dividend on Equity Shares	-	100,000,000
Corporate Dividend Tax on Interim Dividend on Equity Shares	-	20,357,647
Total Appropriations	(b) -	120,357,647
Balance Surplus/(Deficit) Carried Forward	(a)-(b) 1,190,837,758	1,141,416,817
General Reserve		
Balance as per last Balance Sheet date	81,577,499	81,577,499
Add: Transfer from the Statement of Profit and Loss	-	-
Less: Utilised during the year	-	-
Closing balance	<u>81,577,499</u>	<u>81,577,499</u>
As Per Balance Sheet	<u>1,272,415,257</u>	<u>1,222,994,316</u>

Indiabulls Distribution Services Limited

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

Note - 5

Long-Term borrowings

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Term Loans		
Secured		
From Banks [Refer Notes (a), (b) and (c) below]	5,715,075	7,500,980
Less: Amount disclosed as current maturities of long term debt under Other current liabilities	(1,612,131)	(1,785,905)
As Per Balance Sheet	4,102,944	5,715,075

(a) The above term loans are secured against hypothecation of respective vehicles. The rate of interest of such loans ranges from 9% per annum to 10.30% per annum.

(b) The above term loans are repayable in equated monthly instalments for a period upto five years.

(c) There is no continuing default as on the Balance Sheet date in repayment of the loans or interest amounts.

Note - 6

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	34,451,323	39,166,297
Provision for Compensated Absences	8,517,796	9,846,221
As Per Balance Sheet	42,969,119	49,012,518

Note - 7

Short-Term Borrowings

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Secured		
- From Banks - Bank Overdraft [Refer Notes (a) and (d) below]	8,098,890,410	6,174,999,840
Unsecured		
- From Holding Company [Refer Notes (b) and (d) below]	-	455,600,000
- From Fellow Subsidiary Companies [Refer Notes (b) and (d) below]	-	76,900,000
- From Subsidiary Companies [Refer Notes (b) and (d) below]	-	130,000,000
- From others [Refer Notes (c) and (d) below]	-	2,950,000,000
As Per Balance Sheet	8,098,890,410	9,787,499,840

(a) The overdraft from bank is secured against pledge of fixed deposits and corporate guarantee of the Holding Company (Refer Note 29) and carry interest rates ranging from 1.00% per annum, (Previous year 1.00% to 4.00 % per annum) in addition to the respective interest rate of the pledged fixed deposits. The overdraft from bank is repayable by way of a bullet repayment at the end of the tenure of 14 days.

(b) The unsecured loans from related parties have been taken for a term upto two years and are repayable at the option of the Company, on or before the expiration of the tenure of the said loans. These unsecured loans carry interest rate ranging from 9% per annum to 12% per annum, which may be revised based upon mutual agreement of the parties.

(c) The unsecured loans from Others have been taken for a term ranging from 12 months to 24 months and are repayable at the option of the Company, on or before the expiration of the tenure of the said loans. These loans carry interest rate ranging from 9% per annum to 12% per annum, which may be revised based upon mutual agreement of the parties.

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

Indiabulls Distribution Services Limited

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

Note - 8

Trade payables:

[Also Refer Note: 28]

	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	4,170,722	25,833,704
As Per Balance Sheet	4,170,722	25,833,704

Note - 9

Other Current Liabilities

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Current maturities of Long term Debt	1,612,131	1,785,905
Statutory Liabilities	139,682,175	89,810,085
Expenses payable	24,561,286	39,652,869
Interest accrued but not due	1,109,590	-
Other Payables	78,659,646	49,577,784
Temporary Overdrawn bank balances as per books	53,097	-
As Per Balance Sheet	245,677,925	180,826,643

Note - 10

Short-Term Provisions

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(i) Provision for employee benefits [Refer Note: 31]		
Provision for Gratuity	958,007	1,005,581
Provision for Compensated Absences	278,541	298,842
(ii) Others		
Provision for contingencies (Refer Note 24)	7,500,000	-
As Per Balance Sheet	8,736,548	1,304,423

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Indiabulls Distribution Services Limited

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

Note - 11
Fixed Assets:

Particulars	Gross Block (At Cost)			Accumulated Depreciation/Amortization			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, 2017 Rs.
A. Tangible Assets									
Office equipment	9,598,490	342,272	-	9,940,762	3,377,802	2,102,786	-	5,480,588	4,460,174
Vehicles	42,891,132	-	-	42,891,132	13,742,422	5,436,487	-	19,178,909	23,712,223
Furniture and fixtures	17,928,241	988,915	-	18,917,156	3,964,609	1,836,563	-	5,801,172	13,115,984
Computers	30,269,200	8,982,271	-	39,251,471	12,225,917	11,348,431	-	23,574,348	15,677,123
TOTAL (A)	100,687,063	10,313,458	-	111,000,521	33,310,750	20,724,267	-	54,035,017	56,965,504
Previous Year	77,579,564	27,931,285	4,823,786	100,687,063	18,869,141	16,169,074	1,727,465	33,310,750	67,376,313
B. Intangible Assets									
Software	100,373,558	385,920	-	100,759,478	50,571,996	24,974,325	-	75,546,321	25,213,157
TOTAL (B)	100,373,558	385,920	-	100,759,478	50,571,996	24,974,325	-	75,546,321	25,213,157
Previous Year	91,820,816	8,552,742	-	100,373,558	26,103,037	24,468,959	-	50,571,996	49,801,562
TOTAL (A+B)	201,060,621	10,699,378	-	211,759,999	83,882,746	45,698,592	-	129,581,338	82,178,661
Previous Year	169,400,380	36,484,027	4,823,786	201,060,621	44,972,178	40,638,033	1,727,465	83,882,746	117,177,875

Indiabulls Distribution Services Limited

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

Note - 12

Non-current investments:

(At cost)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Trade, Unquoted		
Investments in equity shares		
<u>In Subsidiary Companies</u>		
Pushpanjli Finsolutions Limited (6,010,000 (Previous year 6,010,000) equity shares of face value of Rs. 10 each)	60,100,000	60,100,000
IVL Finance Limited (Formerly Shivshakti Financial Services Limited) (Nil (Previous year 5,219,000) equity shares of face value of Rs. 10 each)	-	1,915,175,600
Astraea Constructions Limited (50,000 (Previous year 50,000) equity shares of face value of Rs. 10 each)	500,000	500,000
Astilbe Builders Limited (50,000 (Previous year 50,000) equity shares of face value of Rs. 10 each)	500,000	500,000
Silenus Buildtech Limited (50,000 (Previous year 50,000) equity shares of face value of Rs. 10 each)	500,000	500,000
Auxesia Soft Solutions Limited (50,000 (Previous year 50,000) equity shares of face value of Rs. 10 each)	500,000	500,000
Indiabulls Alternate Investments Limited (5,050,000 (Previous year 5,050,000) equity shares of face value of Rs. 10 each)	50,500,000	50,500,000
Investments in Preference Shares		
<u>In Fellow Subsidiary Company</u>		
IVL Finance Limited (5,500,000 (Previous year Nil) 0.001 % Compulsorily Convertible Preference shares of face value of Rs. 10 each)	2,750,000,000	-
As Per Balance Sheet	<u>2,862,600,000</u>	<u>2,027,775,600</u>
Aggregate book value of unquoted investments	2,862,600,000	2,027,775,600
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

Note - 13

Deferred Tax Assets (net)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Deferred Tax Assets		
Arising on account of temporary differences due to:		
- Disallowance under Section 40A(7) of the Income-Tax Act, 1961	12,373,436	13,902,684
- Disallowance under Section 43B of the Income Tax Act, 1961	3,073,792	3,511,003
- Provision for doubtful debts, advances and security deposits	628,986	622,938
- Provision for contingencies	2,620,800	-
- Tax losses carried forward [Refer Note: 40]	57,696,067	57,141,297
	<u>76,393,081</u>	<u>75,177,922</u>
Deferred Tax Liabilities		
Arising on account of temporary differences due to:		
- Difference between book balance and tax balance of fixed assets	5,450,735	13,821,706
As Per Balance Sheet	<u>70,942,346</u>	<u>61,356,216</u>

In compliance with AS - 22 'Accounting for Taxes on Income' as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the Company has recorded deferred tax credit of Rs. 9,586,130 (Previous year Rs.1,589,409) to the Statement of Profit and Loss for the year.

Indiabulls Distribution Services Limited

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

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 14		
Long-term loans and advances:		
(Unsecured, considered good, unless otherwise stated)		
(a) Security Deposits		
- For Underwriting/Distribution of real estate projects	1,386,917,214	-
	<u>1,386,917,214</u>	<u>-</u>
- For Rental Premises		
Considered good	7,795,280	8,413,830
Considered doubtful	1,799,982	1,799,982
	<u>9,595,262</u>	<u>10,213,812</u>
Less: Provision for doubtful deposits	1,799,982	1,799,982
	<u>7,795,280</u>	<u>8,413,830</u>
	<u>1,394,712,494</u>	<u>8,413,830</u>
(b) Balances with government authorities		
- Advance income tax/tax deducted at source (net)	191,367,896	88,833,181
[Net of provision for taxation Rs. 356,576,762 (Previous year Rs. 346,809,000)]		
	<u>191,367,896</u>	<u>88,833,181</u>
(c) Capital advances	90,355	177,664
	<u>90,355</u>	<u>177,664</u>
(d) MAT credit entitlement	62,926,762	53,159,000
	<u>62,926,762</u>	<u>53,159,000</u>
As Per Balance Sheet	<u>1,649,097,507</u>	<u>150,583,675</u>
Note - 15		
Other Non-current assets		
(unsecured, considered good)		
Long Term Trade Receivables	146,681,245	-
As Per Balance Sheet	<u>146,681,245</u>	<u>-</u>
Note - 16		
Trade Receivables		
(unsecured, considered good)		
(Refer Note 26 d) and footnote 1 below)		
Debts outstanding for a period exceeding six months	1,495,556,978	1,558,170,878
Other receivables	108,131,230	1,384,895,971
As Per Balance Sheet	<u>1,603,688,208</u>	<u>2,943,066,849</u>
(1) net of balance of trade receivables of Rs. 1,332,823,625 (Previous year Nil) assigned to fellow subsidiary company		
Note - 17		
Cash and Cash Equivalents		
(a) Balance with Banks		
In Current Accounts	520,149,031	256,843,155
(b) Cash on Hand	56,931	34,796
As Per Balance Sheet	<u>520,205,962</u>	<u>256,877,951</u>

Indiabulls Distribution Services Limited

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

Note - 18

Short-Term Loans And Advances

(unsecured, considered good)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Security Deposits		
- For Underwriting/Distribution of real estate projects	834,466,561	4,780,855,309
- For Rental Premises	2,085,050	2,907,069
- Others	19,600	19,600
	<u>836,571,211</u>	<u>4,783,781,978</u>
(b) Advances recoverable in cash or in kind or for value to be received	128,728,604	117,905,182
	<u>128,728,604</u>	<u>117,905,182</u>
(c) Balances with government authorities		
- GST input credit (Previous year Service tax credit)	63,957,067	16,329,078
- Advance income tax/tax deducted at source (net) [Net of provision for taxation Rs. 668,648,669 (Previous year Rs. 668,648,669)]	40,324,114	170,312,115
	<u>104,281,181</u>	<u>186,641,193</u>
(d) Inter-corporate deposits		
- to related parties*	1,672,488,000	628,520,000
	<u>1,672,488,000</u>	<u>628,520,000</u>
As Per Balance Sheet	<u><u>2,742,068,996</u></u>	<u><u>5,716,848,353</u></u>

*The Company has given unsecured, short term interest bearing (not lower than applicable prevailing yeild of government security) inter corporate deposits (repayable on demand) for the business activities of such related parties.

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Indiabulls Distribution Services 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		
Commission and brokerage	863,364,822	1,548,770,935
Consultancy fees	210,548,620	90,604,409
As Per Statement of Profit and Loss	<u>1,073,913,442</u>	<u>1,639,375,344</u>
Note - 20		
Other Income		
Interest income from inter corporate deposits (Gross)	66,861,882	19,160,665
Interest on earnest money deposit	-	42,072,851
Interest on fixed deposits	-	4,068,493
Excess provisions written back	5,857,443	6,621,912
Provision for compensated absences written back	1,144,364	-
Interest on income tax refund	11,328,022	-
Miscellaneous income	39,839	-
Dividend Income on current investments	-	36,124
Interest income from non-convertible debentures	-	2,209
Profit on sale of long term investments	261,147,400	1,899,983,733
Profit on redemption of mutual funds	10,243,413	2,685,620
As Per Statement of Profit and Loss	<u>356,622,363</u>	<u>1,974,631,607</u>
Note - 21		
Employee Benefits Expense		
Salaries (Refer Note 26)	259,595,630	499,935,462
Staff welfare expenses	11,083,709	17,163,084
Contribution to provident fund and other statutory funds [Refer Note: 31]	2,602,596	2,114,486
Provision for gratuity and compensated absences (net) [Refer Note: 31]	1,105,592	13,397,319
As Per Statement of Profit and Loss	<u>274,387,527</u>	<u>532,610,351</u>
Note - 22		
Finance Costs		
Bank charges	35,118	25,486
Interest on inter corporate deposits	875,992,426	1,057,887,611
Interest on vehicle loans	625,022	520,508
Interest on bank overdraft	17,544,521	28,590,365
Interest on taxes	260,192	45,746
Interest on non convertible debentures	-	8,709
As Per Statement of Profit and Loss	<u>894,457,279</u>	<u>1,087,078,425</u>
Note - 23		
Other Expenses		
Lease rent [Refer Note: 26 and 35]	31,971,095	62,953,001
Rates & taxes	160,668	493,188
Commission expenses	74,392,360	90,175,169
Professional and consultancy charges	8,165,847	31,395,758
Recruitment & training expenses	1,313,189	438,902
Stamp paper expenses	137,775	225,615
Travelling and conveyance	11,662,360	12,911,834
Electricity expenses	8,300,127	9,154,378
Business promotion expenses	6,587,463	36,343,040
Printing and stationery	2,673,586	4,022,501
Communication expenses	5,962,087	6,613,494
Office maintenance expenses	9,503,023	17,379,680
Loss on sale of fixed assets	-	1,423,572
Donation [Refer Note: 37]	1,713,000	10,642,000
Provision for doubtful deposits	-	385,000
Bad debts written off	1,150,000	5,112,400
Repairs and maintenance - others	3,812,248	7,007,025
Auditors' remuneration		
- As statutory auditor	700,000	300,000
- As tax auditor	-	75,000
Insurance expenses	432,646	253,915
Provision for contingencies (Refer Note 24)	7,500,000	-
Miscellaneous expenses	20,122	26,984
As Per Statement of Profit and Loss	<u>176,157,596</u>	<u>297,332,456</u>

Indiabulls Distribution Services Limited

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

Note - 24

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, except for an estimated provision for contingencies for Rs. 7,500,000 (Previous year Nil) arising from the Company's contractual arrangements, which has been appropriately debited to the Statement of Profit and Loss for the year ended March 31, 2018.

	(Amount in Rs.)	
	March 31, 2018	March 31, 2017
Provision for contingencies		
Balance as at the beginning of the reporting year	-	-
Add: Provision made during the year	7,500,000	-
Less: Amounts used/reversed during the year	-	-
Balance as at the end of the reporting year	7,500,000	-

Note - 25

Balances of trade receivables, trade payables, current / non-current advances given/ received are subject to reconciliation and confirmation from respective parties. The balance of said trade receivables, trade payables, current / non-current advances given/ received are taken as shown by the books of accounts. In the opinion of the Board of Directors, all current assets, 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

a) Expenses apportioned by the Holding Company to the Company (excluding goods and services tax/service tax), during the year ended March 31, 2018 include:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Lease rent and office maintenance	8,804,262	35,276,570

b) Expenses apportioned by the Company to its Fellow Subsidiary Company (excluding goods and services tax/service tax), during the year ended March 31, 2018 include:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Salaries	236,537,611	-
- Lease rent and office maintenance	9,239,907	-

c) Expenses apportioned by the Company to its Holding Company (excluding goods and services tax/service tax), during the year ended March 31, 2018 include:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
- Lease rent and office maintenance	2,265,330	1,844,549
- Salaries	-	26,213,655

d) During the year ended March 31, 2018, the Company has entered into agreements (assignment) with its fellow subsidiary company, Indiabulls Investment Advisors Limited (IIAL) and certain customers, wherein the Company has assigned receivables from such customers to IIAL. Pursuant to the said agreements, during the year ended March 31, 2018, the Company has received Rs. 1,332,823,625 (Previous year Nil) from IIAL. In addition, IIAL shall receive future cash flows from commission/brokerage services to be rendered by IIAL to such customers.

Note - 27

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 Rs. Nil).

Note - 28

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 as given in Note 8: 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 Distribution Services Limited

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

Note - 29

Contingent liabilities not provided in respect of:

(i) Overdraft facility from bank is secured by way of pledge of fixed deposits of Rs. 9,000,000,000 (Previous year Rs. 6,500,000,000) of the Holding Company.

(ii) A search was conducted by the competent authority u/s 132(1) of the Income Tax Act, 1961 (the Act) at the Company's premises in the previous year. Pursuant to the search, the assessing officer has issued notices under section 153A of the Act for the assessment of its income for the period from assessment year 2011-12 to 2016-17. The Company has made submissions before the assessing officer and matter is now pending for closure of proceedings/assessment. The Company does not expect any material demands/liabilities resulting from these assessments.

(iii) There are no other contingent liabilities to be reported as at March 31, 2018 (Previous year Rs. Nil).

Note - 30

Capital commitments outstanding as at March 31, 2018 Rs. Nil (Previous year Rs. 87,900).

Note - 31

Employee benefits:

(a) Defined contribution plans

The Company's contribution amounting to Rs. 2,602,596 (Previous year Rs. 2,114,486) to defined contribution plans (Provident Fund, Employees State Insurance and other statutory funds) is recognised as expenses in the Statement of Profit and Loss for the year ended March 31, 2018.

(b) Defined benefit plans:

Provision for Gratuity and Compensated Absences for all employees is based upon actuarial valuation done at the end of every financial year. 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.

Disclosures in respect of Gratuity and Compensated Absences:

(Amount in Rupees)

Particulars	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)	35,409,330	40,171,878	8,796,337	10,145,063
Fair value of plans	-	-	-	-
Net liability in the Balance sheet (Actuals)	35,409,330	40,171,878	8,796,337	10,145,063
Movement in net liability recognized in the Balance sheet:				
Net liability as at beginning of the year	40,171,878	32,656,562	10,145,063	9,474,304
Net expense/(gain) recognized in the Profit and Loss account	1,105,592	12,188,692	(1,144,364)	1,208,626
Acquisition adjustment	(95,240)	3,012,613	(13,167)	1,244,382
Benefits paid during the year	(5,772,900)	(7,685,989)	(191,195)	(1,782,249)
Contribution during the year	-	-	-	-
Net liability as at end of the year	35,409,330	40,171,878	8,796,337	10,145,063
Expense recognized in the Profit and Loss account:				
Current service cost	5,525,745	6,812,047	1,684,523	1,901,829
Past service cost	4,185,454	-	-	-
Interest cost	2,870,091	2,811,091	672,690	664,842
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	(11,475,698)	2,565,554	(3,501,577)	(1,358,045)
Expense/(Income) charged to the Profit and Loss account	1,105,592	12,188,692	(1,144,364)	1,208,626
Return on plan assets:				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-
Reconciliation of defined-benefit commitments:				
As at beginning of the year	40,171,878	32,656,562	10,145,063	9,474,304
Current service cost	5,525,745	6,812,047	1,684,523	1,901,829
Past service cost	4,185,454	-	-	-
Interest cost	2,870,091	2,811,091	672,690	664,842
Benefits paid during the year	(5,772,900)	(7,685,989)	(191,195)	(1,782,249)
Acquisition adjustment	(95,240)	3,012,613	(13,167)	1,244,382
Actuarial (gains)/ losses	(11,475,698)	2,565,554	(3,501,577)	(1,358,045)
Commitments as at end of the year	35,409,330	40,171,878	8,796,337	10,145,063
Reconciliation of plan assets:				
Plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions during the year	-	-	-	-
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Plan assets as at end of the year	-	-	-	-

Indiabulls Distribution Services 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):

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)	

(Amount in Rs.)

Experience adjustment:	Gratuity (Unfunded)				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities gain/ (loss)	8,987,875	1,385,782	(1,753,838)	(3,249,470)	(4,910,620)
On plan assets gain/ (loss)	N.A	N.A	N.A	N.A	N.A
Present value of benefit obligation	35,409,330	40,171,878	32,656,562	27,321,759	20,665,060
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	(35,409,330)	(40,171,878)	(32,656,562)	(27,321,759)	(20,665,060)
Experience adjustment:	Compensated Absences (Unfunded)				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities gain/ (loss)	2,851,323	2,053,986	(279,243)	1,521,187	319,312
On plan assets (gain)/ loss	N.A	N.A	N.A	N.A	N.A
Present value of benefit obligation	8,796,337	10,145,063	9,474,304	6,046,848	5,538,780
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	(8,796,337)	(10,145,063)	(9,474,304)	(6,046,848)	(5,538,780)

N.A.: Not applicable

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity is Rs. 9,745,898 (Previous year Rs. 11,736,132) and Compensated Absences is Rs. 3,013,986 (Previous year Rs. 3,369,112) respectively.

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 underwriting/distribution of real estate projects on behalf of developers and related consultancy services. The Company operates solely in one Geographic segment namely "Within India". No further disclosures are required under Accounting Standard 17, 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

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
(a) Related parties where control exists:	
(i) Holding Company	Indiabulls Ventures Limited
(ii) Subsidiary Companies (including step down subsidiaries)	IVL Finance Limited (upto May 19, 2017) (formerly known as Shivshakti Financial Services Private Limited)
	Pushpanjli Finsolutions Limited
	Astilbe Builders Limited
	Astraea Constructions Limited
	Silenus Buildtech Limited
	Positive Housings Private Limited (upto February 28, 2017)
	India Land and Properties Limited (upto March 16, 2017)
	Indiabulls Alternate Investments Limited (with effect from February 10, 2016)
	Auxesia Soft Solutions Limited
	(iii) Entities under common control:
- Fellow Subsidiary Companies (including step down subsidiaries)	Indiabulls Commodities Limited
	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited (Formerly known as Indiabulls Brokerage Limited)
	India Ethanol and Sugar Limited
	IVL Finance Limited (with effect from May 20, 2017) (formerly known as Shivshakti Financial Services Private Limited)
	Positive Housings Private Limited (upto March 30, 2018)
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Pushpanjli Fincon Limited
	Indiabulls Asset Reconstruction Company Limited (with effect from October 03, 2016)
	Indiabulls Infra Resources Limited (with effect from February 01, 2017)
	Indiabulls Logistics Limited (with effect from January 19, 2017)
	Indiabulls Consumer Products Limited (with effect from July 05, 2016)

Indiabulls Distribution Services Limited

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

Note - 34

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)

(b) Other related parties:	
- Key Management personnel	Mr. Sameer Gehlaut, Individual exercising significant influence
	Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited
	Mr. Usha Devi, Director
	Mr. Ishwar Singh Goyat, Director (with effect from September 14, 2017)
	Mr. Aishwarya Katoch, Director (upto September 14, 2017)
	Mr. Naveen, Director
	Mr. Gagan Banga, Director (with effect from June 30, 2016)
	Mr. Labh Singh Sitara, Director

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

(Amount in Rs.)

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiary Companies	Total
Investments				
Investments in Equity Share Capital	-	-	-	-
	-	1,150,009,600	-	1,150,009,600
Investments in Preference Share Capital	-	-	2,750,000,000	2,750,000,000
	-	-	-	-
Investment in Non-Convertible Debentures (NCD)	-	-	-	-
	-	528,300,000	-	528,300,000
Redemption of Investment in NCD	-	-	-	-
	-	528,300,000	-	528,300,000
Sale of investment in equity shares	2,176,323,000	-	-	2,176,323,000
	-	-	-	-
Finance				
Issue of Non Convertible Debentures (NCD)	-	-	-	-
	9,515,000,000	-	-	9,515,000,000
Redemption of NCD	-	-	-	-
	9,515,000,000	-	-	9,515,000,000
Inter Corporate Deposit Taken (Maximum Balance Outstanding during the year)	9,870,600,000 7,202,200,000	62,000,000 3,309,100,000	913,600,000 682,400,000	10,846,200,000 11,193,700,000
Inter Corporate Deposit Given (Maximum Balance Outstanding during the year)	-	513,000,000 505,000,000	4,412,677,517 240,275,769	4,925,677,517 745,275,769
Employee Benefits Liabilities				
Acquisition of Employee Benefits Received	-	-	-	-
	2,473,272	-	1,783,723	4,256,995
Income				
Interest income on Inter Corporate Deposits	-	45,537,879 124,521	21,324,002 14,599,021	66,861,882 14,723,542
Interest income on NCD	-	-	-	-
	-	2,209	-	2,209
Consultancy Fees	-	-	150,000,000	150,000,000
	-	-	-	-
Expenses/Appropriations				
Interest expense on Inter Corporate Deposits	563,103,668 399,862,749	901,973 117,973,247	6,774,459 13,311,616	570,780,100 531,147,612
Reimbursement of Expenses (paid)	8,804,262 35,276,570	-	245,777,518	254,581,780 35,276,570
Reimbursement of Expenses (received)	2,265,330 28,058,204	-	-	2,265,330 28,058,204
Interest expense on NCD	-	-	-	-
	8,709	-	-	8,709
Dividend	-	-	-	-
	100,000,000	-	-	100,000,000
Professional Consultancy charges	-	-	100,000 16,225,000	100,000 16,225,000
Other receipts and payments				
Assignment of receivables	-	-	1,332,823,625	1,332,823,625
	-	-	-	-
Contingent Liabilities				
Fixed deposits pledged against overdraft facility taken by the Company	9,000,000,000 6,500,000,000	-	-	9,000,000,000 6,500,000,000

Note: Figures in italics relate to the previous year

Indiabulls Distribution Services Limited

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

Note - 34

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:

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Investments		
Investment in Equity Share Capital		
-Indiabulls Alternate Investments Limited	-	50,000,000
-IVL Finance Limited	-	1,100,009,600
Investment in Preference Share Capital		
-IVL Finance Limited	2,750,000,000	-
Investment in NCD		
-Auxesia Soft Solutions Private Limited	-	528,300,000
Redemption of Investment in NCD		
-Auxesia Soft Solutions Private Limited	-	528,300,000
Sale of Investment in equity shares of IVL Finance Limited		
-Indiabulls Ventures Limited	2,176,323,000	-
Finance		
Issue of NCD		
-Indiabulls Ventures Limited	-	9,515,000,000
Redemption of NCD		
-Indiabulls Ventures Limited	-	9,515,000,000
Inter corporate deposit taken (Maximum balance outstanding at any time during the year):		
-Indiabulls Ventures Limited	9,870,600,000	7,202,200,000
-Indiabulls Commodities Limited	28,700,000	105,500,000
-Indiabulls Investment Advisors Limited	47,500,000	47,500,000
-Auxesia Soft Solutions Limited	-	68,700,000
-India Land and Properties Limited	-	3,110,400,000
-IVL Finance Limited	130,000,000	130,000,000
-Indiabulls Asset Reconstruction Company Limited	678,000,000	500,000,000
-Pushpanjali Finsolutions Limited	62,000,000	-
-Indiabulls Infra Resources Limited	29,400,000	29,400,000
Inter corporate deposit given (Maximum balance outstanding at any time during the year):		
-Devata Tradelink Limited	25,120,000	24,620,000
-Gyansagar Buildtech Limited	82,739,517	79,655,769
-Indiabulls Commodities Limited	99,900,000	128,500,000
-Auxesia Soft Solutions Limited	506,000,000	505,000,000
-Indiabulls Alternate Investments Limited	7,000,000	-
-Arbutus Constructions Limited	19,000,000	-
-IVL Finance Limited	2,625,000,000	-
-Pushpanjali Fincon Limited	94,918,000	-
-Indiabulls Investment Advisors Limited	1,456,800,000	-
-Indiabulls Consumer Products Limited	9,200,000	7,500,000
Employee Benefits Liabilities Received		
-Indiabulls Ventures Limited	-	2,473,272
-Indiabulls Commodities Limited	-	1,783,723
Income		
Interest Income		
-Devata Tradelink Limited	2,161,936	2,085,727
-Gyansagar Buildtech Limited	2,280,507	7,016,464
-Indiabulls Commodities Limited	3,115,282	5,385,871
-Auxesia Soft Solutions Limited	45,375,288	124,521
-Indiabulls Consumer Products Limited	222,978	110,959
-Indiabulls Investment Advisors Limited	1,008,000	-
-Arbutus Constructions Limited	281,096	-
-Pushpanjali Fincon Limited	6,424,422	-
-IVL Finance Limited	5,829,781	-
-Indiabulls Alternate Investments Limited	162,592	-
Consultancy Fee		
-Indiabulls Investment Advisors Limited	150,000,000	-
Interest on NCD		
-Auxesia Soft Solutions Private Limited	-	2,209

Indiabulls Distribution Services Limited

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

Note - 34

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 (continued) :

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses/ Appropriations		
Interest Expenses		
-Indiabulls Ventures Limited	563,103,668	399,862,749
-Indiabulls Commodities Limited	333,098	2,160,739
-Indiabulls Investment Advisors Limited	548,950	3,942,197
-Pushpanjli Finsolutions Limited	901,973	-
-Auxesia Soft Solutions Limited	-	3,531,822
-India Land and Properties Limited	-	114,409,370
-IVL Finance Limited	865,479	32,055
-Indiabulls Infra Resources	2,638,110	57,995
-Indiabulls Asset Reconstruction Company Limited	2,388,822	7,150,685
Reimbursement of Expenses (paid)		
-Indiabulls Ventures Limited	8,804,262	35,276,570
-Indiabulls Investment Advisors Limited	245,777,518	-
Reimbursement of Expenses (received)		
-Indiabulls Ventures Limited	2,265,330	28,058,204
Dividend		
-Indiabulls Ventures Limited	-	100,000,000
Interest expense on NCD		
-Indiabulls Ventures Limited	-	8,709
Professional and Consultancy Charges		
-Pushpanjli Fincon Limited	-	3,350,000
-Positive Housing Private Limited	-	350,000
-Indiabulls Consumer Products Limited	-	12,500,000
-Indiabulls Investment Advisors Limited	100,000	25,000
Trade receivables		
Assignment of receivables		
-Indiabulls Investment Advisors Limited	1,332,823,625	-
Contingent Liabilities		
Fixed deposits pledged against overdraft facility taken by the Company		
-Indiabulls Ventures Limited	9,000,000,000	6,500,000,000

(d) Outstanding as at March 31, 2018:

(Amount in Rs.)

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Total
Finance				
Inter Corporate Deposits Taken	-	-	-	-
	<i>455,600,000</i>	<i>130,000,000</i>	<i>76,900,000</i>	<i>662,500,000</i>
Inter Corporate Deposits Given	-	36,000,000	1,636,488,000	1,672,488,000
	-	<i>505,000,000</i>	<i>123,520,000</i>	<i>628,520,000</i>
Fixed deposits pledged against overdraft facility taken by the Company	9,000,000,000	-	-	9,000,000,000
	<i>6,500,000,000</i>	-	-	<i>6,500,000,000</i>

Note: Figures in italics relate 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.

Note - 35

Leases:

The Company has taken office premises on operating leases at various locations and lease rent of Rs.31,971,095 (Previous Year Rs. 62,953,001) in respect of the same have been charged to the Statement of Profit and Loss. The agreements are executed for a period ranging from three to six years with a renewable clause and also provides for termination by either party giving a prior notice period ranging from one month to three months. The future minimum lease rentals payable are as follows:

Particulars	As at March 31, 2018 (Rs.)	As at March 31, 2017 (Rs.)
Within One year	21,515,095	28,250,840
One to Five years	55,576,004	72,184,024
More than Five years	7,375,029	14,667,250

Indiabulls Distribution Services Limited**Summary of the significant accounting policies and other explanatory information to financial statements for the year ended March 31, 2018****Note - 36****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.)	49,420,941	1,364,287,095
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	50,000	50,000
Nominal Value per equity share – (Rs. Per Share)	10.00	10.00
Earnings Per Share – Basic (Rs. Per Share)	988.42	27,285.74
Earnings Per Share – Diluted (Rs. Per Share)	988.42	27,285.74

Note - 37

During the year ended March 31, 2018, the Company has incurred Rs. 1,713,000 (Previous year Rs. 10,642,000) towards expenditure on activities relating to its corporate social responsibility, by way of donation, in accordance with the requirements of Section 135 of the Companies Act 2013 and the applicable Rules thereon.

Note - 38

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 at March 31, 2018 (Previous year Rs. Nil).

Note - 39

During the year ended March 31, 2015, the Company had acquired 11,435,007 equity shares of India Land and Properties Limited ("ILPL") for a total consideration of Rs.3,915,506,741 (Rupees Three Billion Nine Hundred Fifteen Million Five Hundred Six Thousand Seven Hundred Forty One Only) pursuant to share purchase agreements (SPAs) executed with the erstwhile shareholders of ILPL. Accordingly, ILPL became the wholly owned subsidiary of the Company with effect from November 18, 2014. In terms of the SPAs, as amended from time to time, the Company was liable to discharge balance consideration of Rs. 2,278,261,468 (Rupees Two Billion Two Hundred Seventy Eight Million Two Hundred Sixty One Thousand Four Hundred Sixty Eight only) and the same has been appropriately discharged during the year ended March 31, 2016. Further, during the year ended March 31, 2016, in terms of the SPAs, the Company has paid an additional Rs. 130,292,865 to the erstwhile shareholders of the ILPL as additional cost. Consequently, the Company's investment in equity shares of ILPL stands increased to Rs. 40,481,16,267 as at March 31, 2016.

On March 17, 2017 the investment in India Land and Properties Limited was sold to Indiabulls Real Estate Limited for total sales consideration of 5,978,100,000 resulting in total gain of Rs.1,505,295,491, which has been appropriately reflected in the financial statements for the year ended March 31, 2017.

Note - 40

During the year ended March 31, 2018, the Company has recognized deferred tax assets of Rs.57,696,067 (Previous year Rs. 57,141,297), due to temporary differences arising on account of tax losses carried forward. Based on projections of future profitability, the Board of Directors of the Company is virtually certain, that sufficient future taxable income will be earned against which such deferred tax assets can be realised; on which assertion the auditors have placed reliance.

Indiabulls Distribution Services Limited

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

Note - 41

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 authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of 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	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-Scholes model based on the above parameters:	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 authorised 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.

Indiabulls Distribution Services Limited

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

Note - 41

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

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%	48.96%	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

There is no impact on the Company's net profit after taxes and earnings per share in respect of IVL ESOP 2008 and IVL ESOP 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	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

Indiabulls Distribution Services Limited

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

Note - 41

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

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)	669,400 (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

Note - 42

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

Naveen
Director
DIN: 07145185
New Delhi, April 21, 2018

Usha Devi
Director
DIN: 03498022