

**Independent Auditor's Report  
To The Members of  
Indiabulls Investment Advisors Limited  
(formerly known as Indiabulls Brokerage Limited)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Indiabulls Investment Advisors Limited (formerly known as Indiabulls Brokerage 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 Investment Advisors Limited for the year ended March 31, 2018**

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

- (i) In respect of its Fixed Assets:
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
  - (c) The Company does not own immovable properties.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of transactions for loan given. The Company has not entered into any transactions in respect of investments, guarantees and security as covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits 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 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, *except for statutory dues in respect of provident fund and employees' state insurance which have not been regularly deposited by the Company, though the delays in deposit have not been serious*. 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 and 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) 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 31 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 Investment Advisors 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 Investment Advisors Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

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

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

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

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

## **Opinion**

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

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

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

**Indiabulls Investment Advisors Limited**  
**(formerly known as Indiabulls Brokerage Limited)**  
**Balance Sheet as at March 31, 2018**

	Note No.	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>I. Equity And Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	55,000,000	55,000,000
(b) Reserves and surplus	4	<u>113,072,179</u>	<u>(6,178,864)</u>
		<b>168,072,179</b>	<b>48,821,136</b>
<b>Non - current liabilities</b>			
(a) Long-term borrowings	5	1,341,774	-
(b) Long-term provisions	6	3,318,038	458,802
(c) Other non current liabilities	7	<u>15,000,000</u>	<u>-</u>
		<b>19,659,812</b>	<b>458,802</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	8	1,522,900,000	-
(b) Other current liabilities	9	535,969,936	61,905
(c) Short-term provisions	10	<u>351,679</u>	<u>361,673</u>
		<b>2,059,221,615</b>	<b>423,578</b>
<b>Total</b>		<b><u>2,246,953,606</u></b>	<b><u>49,703,516</u></b>
<b>II. Assets</b>			
<b>Non - current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		12,196,114	1,162,746
(ii) Intangible assets		<u>686,176</u>	<u>-</u>
		<b>12,882,290</b>	<b>1,162,746</b>
(b) Deferred tax assets (net)	12	909,170	277,350
(c) Long-term loans and advances	13	366,901,867	-
(d) Other non current assets	14	<u>1,755,823,036</u>	<u>-</u>
		<b>2,136,516,363</b>	<b>1,440,096</b>
<b>Current assets</b>			
(a) Trade receivables	15	96,204,725	-
(b) Cash and cash equivalents	16	1,272,883	541,087
(c) Short-term loans and advances	17	<u>12,959,635</u>	<u>47,722,333</u>
		<b>110,437,243</b>	<b>48,263,420</b>
<b>Total</b>		<b><u>2,246,953,606</u></b>	<b><u>49,703,516</u></b>

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

Pankaj Kumar  
Whole time Director  
DIN: 06956444  
New Delhi, April 21, 2018

Vaseem Raja  
Director  
DIN: 07709789

Ram Mehar Garg  
Company Secretary  
AKJPM3656K



**Indiabulls Investment Advisors Limited**  
**(formerly known as Indiabulls Brokerage Limited)**  
**Statement of Profit and Loss for the year ended March 31, 2018**

	Note No.	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>Income</b>			
I. Revenue from operations	18	719,678,314	25,000
II. Other income	19	548,950	3,952,934
<b>III. Total revenue (I + II)</b>		<b>720,227,264</b>	<b>3,977,934</b>
<b>IV. Expenses</b>			
Employee benefits expense	20	273,552,982	1,439,796
Finance costs	21	24,043,671	28,008
Depreciation and amortisation		1,746,577	329,287
Other expenses	22	253,275,400	81,139
<b>Total Expenses</b>		<b>552,618,630</b>	<b>1,878,230</b>
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>167,608,634</b>	<b>2,099,704</b>
VI. Exceptional items		-	-
<b>VII. Profit/(Loss) before extraordinary items and tax (V - VI)</b>		<b>167,608,634</b>	<b>2,099,704</b>
VIII. Extraordinary items		-	-
<b>IX. Profit/(Loss) before tax (VII- VIII)</b>		<b>167,608,634</b>	<b>2,099,704</b>
X. Tax expense			
(1) Current tax		48,990,000	745,000
(2) Tax expense relating to prior periods (net)		(589)	(192,881)
(3) Deferred tax expense/ (credit)		(631,820)	(103,053)
		<b>48,357,591</b>	<b>449,066</b>
<b>XI. Profit/(Loss) for the year from continuing operations (IX-X)</b>		<b>119,251,043</b>	<b>1,650,638</b>
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV. Profit/(Loss) for the year (XI + XIV)</b>		<b>119,251,043</b>	<b>1,650,638</b>
XVI. Earnings per equity share:	34		
(1) Basic		21.68	0.30
(2) Diluted		21.68	0.30
(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

Pankaj Kumar  
Whole time Director  
DIN: 06956444  
New Delhi, April 21, 2018

Vaseem Raja  
Director  
DIN: 07709789

Ram Mehar Garg  
Company Secretary  
AKJPM3656K

**Indiabulls Investment Advisors Limited**  
**(formerly known as Indiabulls Brokerage Limited)**  
**Cash Flow Statement for the year ended March 31, 2018**

	<b>Year ended March 31, 2018 Amount (Rs.)</b>	<b>Year ended March 31, 2017 Amount (Rs.)</b>
<b>A Cash flow from operating activities :</b>		
Net Profit/(Loss) before tax	167,608,634	2,099,704
Adjustments for :		
Interest Income from Inter Corporate Deposits (Gross)	(548,950)	(3,942,197)
Interest on Fixed Deposits	-	(10,737)
Interest Expenses	24,033,193	-
Depreciation and Amortisation	1,746,577	329,287
Provision for Gratuity and Compensated Absences	2,936,757	232,542
	<hr/>	<hr/>
Operating Profit/(Loss) before working capital changes	195,776,211	(1,291,401)
Adjustments for:		
Other Non-Current Liabilities	15,000,000	-
Other Current Liabilities	535,562,343	429
Trade Receivables	(96,204,725)	1,510,110
Long-Term and Short-Term Loans and Advances	(309,802,520)	(23,270,314)
Other Non Current Assets	(1,755,823,036)	-
	<hr/>	<hr/>
Cash (used in)/ generated from operations	(1,415,491,727)	(23,051,176)
Direct taxes paid (net)	(71,413,575)	(651,292)
	<hr/>	<hr/>
<b>Net cash (used in)/ generated from operating activities</b>	<b><u>(1,486,905,302)</u></b>	<b><u>(23,702,468)</u></b>
<b>B Cash flow from investing activities :</b>		
Purchase of Fixed Assets	(13,466,121)	-
Interest Received	548,950	3,962,598
	<hr/>	<hr/>
<b>Net cash (used in)/ generated from investing activities</b>	<b><u>(12,917,171)</u></b>	<b><u>3,962,598</u></b>
<b>C Cash flow from financing activities</b>		
Proceeds From/(Repayment Of) Secured Loans (Including Current Maturity Of Long Term Debt) (Net)	1,687,462	-
Proceeds From/(Repayment Of) Short Term Borrowings (Net)	1,522,900,000	-
Interest Paid	(24,033,193)	-
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	<b><u>1,500,554,269</u></b>	<b><u>-</u></b>
<b>D Net increase/(decrease) in cash and cash equivalents ( A+B+C )</b>	<b>731,796</b>	<b>(19,739,870)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>541,087</b>	<b>20,280,957</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b><u>1,272,883</u></b>	<b><u>541,087</u></b>

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: (Refer Note: 16)

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Cash In Hand	13,466	387
Balances with Banks:		
- in current accounts	1,259,417	540,700
	<hr/>	<hr/>
<b>Cash and Cash Equivalents at the end of the year</b>	<b><u>1,272,883</u></b>	<b><u>541,087</u></b>

The accompanying notes are an integral part of the financial statements

This is the Statement of Cash Flows 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

Pankaj Kumar  
Whole time Director  
DIN: 06956444  
New Delhi, April 21, 2018

Vaseem Raja  
Director  
DIN: 07709789

Ram Mehar Garg  
Company Secretary  
AKJPM3656K

**Indiabulls Investment Advisors Limited**  
**(formerly known as Indiabulls Brokerage 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 Investment Advisors Limited (formerly known as Indiabulls Brokerage Limited) ("the Company") was incorporated on August 22, 2008. On January 15, 2009 the Company received a certificate of registration from the Securities and Exchange Board of India ("SEBI") under sub-section 1 of section 12 of the Securities and Exchange Board of India Act, 1992 to carry on its business as stock and share brokers. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and rules and regulations relating thereto are applicable to IIAL. During the year ended March 31, 2013, the Company surrendered its trading membership in all segments with the National Stock Exchange of India Limited (NSE) and in cash segment with the BSE Ltd. (BSE). On September 17, 2013, SEBI, vide its letter to the NSE and BSE, confirmed the cancellation of the Company's registration certificate with effect from March 28, 2013. On March 28, 2013, NSE issued a notification approving the Company's request for surrender of membership in all segments.

In accordance with the provisions of section 13 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, the members of the company at their Extraordinary General Meeting held on April 29, 2017, accorded their approval to change the name of the Company. The Company has since received fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated May 12, 2017, in respect of the said change. Accordingly, the name of the Company was changed from Indiabulls Brokerage Limited to Indiabulls Investment Advisors Limited.

In accordance with the approval of the members of the Company, vide special resolution passed at their Extraordinary general meeting held on April 29, 2017 and of the Registrar of Companies, National Capital Territory of Delhi & Haryana, and pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made thereunder, new set of Memorandum of Association (MOA) of the Company in accordance with Table A of Schedule I of the Companies Act, 2013, inter alia modifying sub clause 5 of the erstwhile main object of the MOA, as reproduced below, was adopted as follows:

- 1) To act as investment advisors and/or distributor for all third party product in financial service sector including insurance products such as life, pension, fire, motor & other products and to carry on the business of insurance either directly or as an insurance agent, insurance broker or otherwise.
- 2) To engage in the business of insurance intermediation and acting as corporate agent, direct insurance brokers, composite insurance brokers for life, general & health, re-insurance brokers, insurance consultant, assessors, valuers and surveyors, for the purpose of soliciting or procuring life or general or health insurance business for clients and insurance companies
- 3) To carry on the business of providing business process outsourcing and all other services to insurers and insurance intermediaries including but not limited to data entry, procurement, compilation, analysis and processing, report generation, discrepancy marking, quality check of proposal forms, processing of claims and claims support activities, providing of infrastructure and communication support facilities, data sharing and providing of referrals.
- 4) To acquire, hold / sell properties, buildings, farms, lands tenements and such other moveable and immovable properties and to rent, let on hire and manage them and to act as consultants, financial advisors and to give expert advice and advice on acquisition and commercial exploitation of real estate and suggest ways and means for improving efficiency in real estate development and to act as real estate agent and immovable property dealers.
5. To carry on in India or elsewhere the business to undertake, develop, build, design, organize, promote, finance, operate, maintain or manage Industrial Parks, Special Economic Zone(s) (SEZ), including Multi product and Multiservice Industrial Parks, SEZ, Software Parks, IT Parks and to act as developers, co-developer of Industrial Parks, Special Economic Zone(s) and any other industrial, commercial or social infrastructure or other facilities necessary for the development of Industrial Parks, Special Economic Zone(s), Software Parks, IT Parks including development, construction, run repair, maintain, decorate, improve, remodel, build, operate and manage roads, bridges, highways, gaslines, gardens, public places, buildings, and other structures, developments, utilities etc. and to do all other related acts, deeds and things as may be necessary from time to time.

During the year ended March 31, 2018, in accordance with the applicable provisions of the relevant Real Estate Regulation Act in various states in India, the Company was registered as a real estate agent and has commenced such activities subsequent to obtaining the aforesaid registrations.

**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**

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.

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

**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.
- Interest Income is recognized on accrual basis.

**vi) 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.

**vii) Fixed Assets:**

**Tangible**

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**

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.

**viii) Depreciation / Amortization:**

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for up to the date of sale / deduction as the case may be. Assets taken on finance lease are depreciated over the life of the lease. Assets costing less than Rs. 5000 or less are fully depreciated in the year of purchase. Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

**ix) 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.

**x) 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.

**xi) Taxes on Income:**

Current tax is determined as the tax payable in respect of taxable income for the period 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. In case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization supported by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**xii) Borrowing costs:**

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

**xiii) Preliminary expenses:**

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

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

**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) 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.

**xvi) 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.

**xvii) 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.

**xviii) 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.

**xix) Share issue expenses:**

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

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**Indiabulls Investment Advisors Limited**  
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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.)
<b>Authorised</b>				
Equity shares of face value of Rs. 10 each	5,500,000	55,000,000	5,500,000	55,000,000
		<u>55,000,000</u>		<u>55,000,000</u>
<b>Issued, subscribed and paid up</b>				
Equity shares of face value of Rs. 10 each fully paid up	5,500,000	55,000,000	5,500,000	55,000,000
<b>As Per Balance Sheet</b>		<u>55,000,000</u>		<u>55,000,000</u>

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

**Equity shares**

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Opening balance at the beginning of the year	5,500,000	55,000,000	5,500,000	55,000,000
Add: Issued during the year:	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>5,500,000</u>	<u>55,000,000</u>	<u>5,500,000</u>	<u>55,000,000</u>

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

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to 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	5,500,000	100%	5,500,000	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:32]**

**Note - 4**

**Reserves and surplus**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Opening balance	(6,178,864)	(7,829,502)
Add: Profit/(Loss) for the year	119,251,043	1,650,638
<b>As Per Balance Sheet</b>	<u>113,072,179</u>	<u>(6,178,864)</u>

**Note - 5**

**Long-term borrowings**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>Secured</b>		
<b>Vehicle loans</b>		
From banks	1,687,462	-
Less: Amount disclosed as current maturities of long term debt under Other current liabilities (Refer Note 9)	(345,688)	-
<b>As Per Balance Sheet</b>	<u>1,341,774</u>	<u>-</u>

(a) The above vehicle loans are secured against hypothecation of respective vehicles purchased . Interest is payable on such loans at 8.75 % p.a.

(b) The above vehicle loans are repayable in equated monthly instalments over a period of five years.

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

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

**Note - 6**

**Long-term provisions**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>Provision for employee benefits</b> [Refer Note: 30]		
Provision for gratuity	2,827,743	402,311
Provision for compensated absences	490,295	56,491
<b>As Per Balance Sheet</b>	<b><u>3,318,038</u></b>	<b><u>458,802</u></b>

**Note - 7**

**Other non current liabilities**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Security deposits	15,000,000	-
<b>As Per Balance Sheet</b>	<b><u>15,000,000</u></b>	<b><u>-</u></b>

**Note - 8**

**Short-term borrowings**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>Unsecured</b>		
- From holding company <sup>(Refer a) and c) below</sup>	66,100,000	-
- From fellow subsidiary company <sup>(Refer b) and c) below</sup>	1,456,800,000	-
<b>As Per Balance Sheet</b>	<b><u>1,522,900,000</u></b>	<b><u>-</u></b>

(a) The unsecured loan from the Holding Company is repayable at the option of the Company, on or before the expiration of the tenure of the loan agreement of three years. During the year ended March 31, 2018, the said loan carried interest rate at the rate of 9% per annum.

(b) The unsecured loan from the Fellow Subsidiary Company is repayable at the option of the Company, on or before the expiration of the tenure of the loan agreement of five years. During the year ended March 31, 2018, the said loan carried interest rate at the rate of 9.50% per annum.

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

**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	345,688	-
Statutory liabilities	24,051,688	880
Expenses and others payable	20,328,023	61,025
Temporary overdrawn bank balances as per books	491,244,537	-
<b>As Per Balance Sheet</b>	<b><u>535,969,936</u></b>	<b><u>61,905</u></b>

**Note - 10**

**Short-term provisions**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>a) Provision for employee benefits</b> [Refer Note: 30]		
Provision for gratuity	78,035	12,769
Provision for compensated absences	13,948	1,693
<b>b) Provision for taxation (net)</b>	259,696	347,211
[Net of Advance tax/Tax deducted at source Rs. 484,715 (Previous year Rs. 2,178,685)]		
<b>As Per Balance Sheet</b>	<b><u>351,679</u></b>	<b><u>361,673</u></b>

**Indiabulls Investment Advisors Limited**  
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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	As at April 1, 2017 Rs.	Gross block (at cost)			As at March 31, 2018 Rs.	Accumulated depreciation/ amortization			Net block		
		Additions during the year Rs.	Adjustments/ Sales during year Rs.			As at April 1, 2017 Rs.	Additions during the year Rs.	Adjustments during the year Rs.	As at March 31, 2018 Rs.	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
<b>A. Tangible Assets</b>											
Office Equipment	761,652	1,193,240	-	1,954,892	761,652	102,913	-	864,565	1,090,327	-	
Vehicles	-	2,929,175	-	2,929,175	-	261,452	-	261,452	2,667,723	-	
Furniture and fixtures	2,755,686	3,017,563	-	5,773,249	1,592,940	391,925	-	1,984,865	3,788,384	1,162,746	
Computers	1,624,751	5,585,803	-	7,210,554	1,624,751	936,123	-	2,560,874	4,649,680	-	
<b>TOTAL (A)</b>	<b>5,142,089</b>	<b>12,725,781</b>	<b>-</b>	<b>17,867,870</b>	<b>3,979,343</b>	<b>1,692,413</b>	<b>-</b>	<b>5,671,756</b>	<b>12,196,114</b>	<b>1,162,746</b>	
Previous Year	5,142,089	-	-	5,142,089	3,650,056	329,287	-	3,979,343	1,162,746	-	
<b>B. Intangible Assets</b>											
Software	-	740,340	-	740,340	-	54,164	-	54,164	686,176	-	
<b>TOTAL (B)</b>	<b>-</b>	<b>740,340</b>	<b>-</b>	<b>740,340</b>	<b>-</b>	<b>54,164</b>	<b>-</b>	<b>54,164</b>	<b>686,176</b>	<b>-</b>	
Previous Year	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL (A+B)</b>	<b>5,142,089</b>	<b>13,466,121</b>	<b>-</b>	<b>18,608,210</b>	<b>3,979,343</b>	<b>1,746,577</b>	<b>-</b>	<b>5,725,920</b>	<b>12,882,290</b>	<b>1,162,746</b>	
Previous Year	5,142,089	-	-	5,142,089	3,650,056	329,287	-	3,979,343	1,162,746	-	



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

**Note - 12**

**Deferred tax assets (net)**

	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>Deferred tax assets</b>		
Arising on account of temporary differences due to:		
- Disallowance under section 40A(7) of the Income-Tax Act, 1961	846,163	123,984
- Disallowance under section 43B of the Income Tax Act, 1961	146,836	17,380
- Difference between book balance and tax balance of fixed assets	-	135,986
	992,999	277,350
<b>Deferred Tax Liabilities</b>		
- Difference between book balance and tax balance of fixed assets	83,829	-
<b>As Per Balance Sheet</b>	<b>909,170</b>	<b>277,350</b>

In compliance with AS - 22 'Accounting for Taxes on Income' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the Company has recorded deferred tax credit of Rs. 631,820 (Previous year Rs. 103,053) to the Statement of Profit and Loss for the year ended March 31, 2018.

**Note - 13**

**Long-term loans and advances:**  
(Unsecured, considered good)

	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>(a) Security deposits</b>		
- For underwriting/ distribution of real estate projects	341,409,327	-
- For rental premises	2,528,199	-
<b>(b) Balances with government authorities</b>		
- Advance income tax/tax deducted at source (net) [Net of provision for taxation Rs. 48,990,000]	22,336,649	-
<b>(c) Capital advances</b>	627,692	-
<b>As Per Balance Sheet</b>	<b>366,901,867</b>	<b>-</b>

**Note - 14**

**Other non current assets**  
(Unsecured, considered good)

	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
Long term trade receivables	422,999,411	-
Other receivables (Refer Note 36 b)	1,332,823,625	-
<b>As Per Balance Sheet</b>	<b>1,755,823,036</b>	<b>-</b>

**Note - 15**

**Trade receivables**  
(Unsecured, considered good)

	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
Debts outstanding for a period exceeding six months	4,805,186	-
Other receivables	91,399,539	-
<b>As Per Balance Sheet</b>	<b>96,204,725</b>	<b>-</b>

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

**Note - 16**

**Cash and cash equivalents**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) Balance with banks		
In current accounts	1,259,417	540,700
(b) Cash on hand	13,466	387
<b>As Per Balance Sheet</b>	<b>1,272,883</b>	<b>541,087</b>

**Note - 17**

**Short-term loans and advances**

(Unsecured, considered good)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
(a) <b>Advances recoverable in cash or in kind or for value to be received</b>		
From employees	32,083	39,391
From others	5,395,165	495
	<b>5,427,248</b>	<b>39,886</b>
(b) <b>Balances with government authorities</b>		
- GST input credit (Previous year Service tax input credit)	7,532,387	182,447
(c) <b>Inter-corporate deposits</b>		
- to related parties (fellow subsidiary company)	-	47,500,000
<b>As Per Balance Sheet</b>	<b>12,959,635</b>	<b>47,722,333</b>

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**Indiabulls Investment Advisors Limited**  
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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.)
<b>Note - 18</b>		
<b>Revenue from operations</b>		
Commission and brokerage	719,578,314	-
Consultancy fees	100,000	25,000
<b>As Per Statement of Profit and Loss</b>	<b>719,678,314</b>	<b>25,000</b>
<b>Note - 19</b>		
<b>Other income</b>		
Interest income from inter corporate deposits (gross)	548,950	3,942,197
Interest on fixed deposits	-	10,737
<b>As Per Statement of Profit and Loss</b>	<b>548,950</b>	<b>3,952,934</b>
<b>Note - 20</b>		
<b>Employee benefits expense</b>		
Salaries [Refer Note: 36 a)]	268,880,688	1,205,934
Staff welfare expenses	1,663,574	-
Contribution to provident fund and other statutory funds [Refer Note: 30]	71,963	1,320
Provision for gratuity and compensated absences [Refer Note: 30]	2,936,757	232,542
<b>As Per Statement of Profit and Loss</b>	<b>273,552,982</b>	<b>1,439,796</b>
<b>Note - 21</b>		
<b>Finance costs</b>		
Interest on inter corporate deposits	23,914,233	-
Interest on vehicle loans	118,960	-
Interest on taxes	10,478	28,008
<b>As Per Statement of Profit and Loss</b>	<b>24,043,671</b>	<b>28,008</b>
<b>Note - 22</b>		
<b>Other Expenses</b>		
Lease rent [Refer Notes: 33 and 36 a)]	37,461,894	-
Rates & taxes	1,218,919	12,493
Commission expenses	240,867	-
Professional and consultancy charges	164,549,530	12,256
Stamp paper expenses	86,476	-
Travelling and conveyance	2,804,942	-
Electricity expenses	138,841	-
Business promotion expenses	36,139,508	-
Printing and stationery	1,618,988	-
Communication expenses	159,604	-
Office maintenance expenses	6,867,051	-
Repairs and maintenance - others	1,711,569	-
Auditors' remuneration		
- as statutory auditor	240,250	50,000
Miscellaneous expenses	36,961	6,390
<b>As Per Statement of Profit and Loss</b>	<b>253,275,400</b>	<b>81,139</b>

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

**Note - 23**

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) -- Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

**Note - 24**

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. Balances of Current/Non-current trade receivables, current/non-current advances given are subject to reconciliation and confirmation from respective parties. The balances of said trade receivables, current/non-current advances given are taken as shown by the books of accounts.

**Note - 25**

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 - 26**

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

(b) Capital commitments outstanding as at March 31, 2018 Rs. 3,07,663 (Previous year Rs. Nil).

**Note - 27**

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

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

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

**Note - 28**

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

**Note - 29**

**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 - 30**

**Employee benefits:**

**(a) Defined contribution plans**

The Company's contribution amounting to Rs. 71,963 (Previous year Rs. 1,320) 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/period. 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.

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

Note - 30

Employee benefits (continued) :

Disclosure in respect of Gratuity and Compensated Absences:

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2018	Gratuity (unfunded) March 31, 2017	Compensated absences (unfunded) March 31, 2018	Compensated absences (unfunded) March 31, 2017
<b>Reconciliation of liability recognized in the</b>				
Present value of commitments (as per	2,905,778	415,080	504,243	58,184
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	<b>2,905,778</b>	<b>415,080</b>	<b>504,243</b>	<b>58,184</b>
<b>Movement in net liability recognized in the Balance Sheet:</b>				
Net liability as at beginning of the year	415,080	212,981	58,184	27,741
Net expense/(gain) recognized in the Statement of Profit and Loss	2,490,698	202,099	446,059	30,443
Benefits paid during the year	-	-	-	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	2,905,778	415,080	504,243	58,184
<b>Expense recognized in the Statement of Profit and Loss:</b>				
Current service cost	466,777	39,642	70,786	6,035
Interest cost	30,508	17,038	4,277	2,219
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	1,993,413	145,419	370,996	22,189
Expense/(Income) charged to the Statement of Profit and Loss	2,490,698	202,099	446,059	30,443
<b>Return on plan assets:</b>				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-
<b>Reconciliation of defined-benefit commitments:</b>				
As at beginning of the year	415,080	212,981	58,184	27,741
Current service cost	466,777	39,642	70,786	6,035
Interest cost	30,508	17,038	4,277	2,219
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	1,993,413	145,419	370,996	22,189
Commitments as at end of the year	2,905,778	415,080	504,243	58,184
<b>Reconciliation of plan assets:</b>				
Plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions during the year	-	-	-	-
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Plan assets as at end of the year	-	-	-	-

Experience adjustments:

Particulars	Gratuity (Unfunded)				
	Financial years				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities gain/(loss)	(2,170,031)	(107,658)	(184,543)	(36,855)	10,244
On plan assets gain/(loss)	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	2,905,778	415,080	212,981	231,501	140,130
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	(2,905,778)	(415,080)	(212,981)	(231,501)	(140,130)
Particulars	Compensated absences (Unfunded)				
	Financial years				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities gain/(loss)	(405,889)	(16,951)	48,048	4,569	(295)
On plan assets gain/(loss)	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	504,243	58,184	27,741	64,475	51,194
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	(504,243)	(58,184)	(27,741)	(64,475)	(51,194)

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

**Note - 30**

**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)	IALM (2006-08)

N.A.: Not Applicable

The employer best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs. 20,77,525 (Previous year Rs. 93,693) and Rs.1,72,086 (Previous year Rs. 12,821) respectively.

**Note - 31**

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:**

Nature of relationship	Names of related parties
(i) Where control exists	
Holding Company	Indiabulls Ventures Limited
- Entities under common control (Fellow Subsidiary Companies (including step down subsidiaries))	Indiabulls Commodities Limited
	Devata Tradelink Limited
	Auxesia Soft Solutions Limited
	Indiabulls Distribution Services Limited
	India Ethanol and Sugar Limited
	Positive Housings Private Limited (upto March 30, 2018)
	Indiabulls Alternate Investments Limited
	IVL Finance Limited
	(Formerly known as Shivshakti Financial Services Limited)
	Pushpanjli Finsolutions Limited
	Astilbe Builders Limited
	Astraea Constructions Limited
	Silenus Buildtech Limited
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Pushpanjli Fincon Limited
Indiabulls Consumer Products Limited (with effect from July 05, 2016)	
Indiabulls Asset Reconstruction Company Limited (with effect from October 03, 2016)	
Indiabulls Logistics Limited (with effect from January 19, 2017)	
Indiabulls Infra Resources Limited (with effect from February 01, 2017)	
(ii) 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. Satish Chand, Director
	Mr. Pankaj Kumar, Whole time Director
	Mr. Amiteshwar Choudhary, Director (with effect from August 29, 2017)
	Mr. Vaseem Raja, Director (with effect from April 25, 2017)

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

(Amount in Rs.)

Nature of Transaction	Holding Company	Entities under common control	Total
<b>Finance</b>			
Inter Corporate Deposit Taken (Maximum Balance Outstanding during the year)	462,400,000	1,456,800,000	1,919,200,000
Inter Corporate Deposit Given (Maximum Balance Outstanding during the year)	-	47,500,000	47,500,000
<b>Other current assets</b>			
Other receivables (assignment of receivables/actionable claims)	-	1,332,823,625	1,332,823,625
<b>Income</b>			
Interest income on Inter Corporate Deposits	-	548,950	548,950
Consultancy Fees	-	3,942,197	3,942,197
<b>Expenses</b>			
Interest expense on Inter Corporate Deposits	22,906,233	1,008,000	23,914,233
Professional and Consultancy Charges	-	158,000,000	158,000,000
Reimbursement of Expenses received (Rent and office maintenance)	210,251	-	210,251
Reimbursement of Expenses paid (Rent and office maintenance)	30,775,768	9,239,907	40,015,675
Reimbursement of Expenses paid (Salaries)	-	236,537,611	236,537,611

Note: Figures in italics relate to the previous year

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

**Note - 31**

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
<b>Finance</b>		
<b>Inter corporate deposit taken</b>		
<b>(Maximum balance outstanding at any time during the year):</b>		
-Indiabulls Ventures Limited	462,400,000	-
-Indiabulls Distribution Services Limited	1,456,800,000	-
<b>Inter corporate deposit given</b>		
<b>(Maximum balance outstanding at any time during the year):</b>		
-Indiabulls Distribution Services Limited	47,500,000	47,500,000
<b>Other receivables (assignment of receivables/actionable claims)</b>		
-Indiabulls Distribution Services Limited	1,332,823,625	-
<b>Income</b>		
<b>Interest Income</b>		
-Indiabulls Distribution Services Limited	548,950	3,942,197
<b>Consultancy Fee</b>		
-Indiabulls Distribution Services Limited	100,000	25,000
<b>Expenses/ Appropriations</b>		
<b>Interest Expenses</b>		
-Indiabulls Ventures Limited	22,906,233	-
-Indiabulls Distribution Services Limited	1,008,000	-
<b>Professional and Consultancy Charges</b>		
-Pushpanjali Fincon Limited	8,000,000	-
-Indiabulls Distribution Services Limited	150,000,000	-
<b>Reimbursement of Expenses received (Rent and office maintenance)</b>		
-Indiabulls Ventures Limited	210,251	-
<b>Reimbursement of Expenses paid (Rent and office maintenance)</b>		
-Indiabulls Ventures Limited	30,775,768	-
-Indiabulls Distribution Services Limited	9,239,907	-
<b>Reimbursement of Expenses paid (Salaries)</b>		
-Indiabulls Distribution Services Limited	236,537,611	-

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

(Amount in Rs.)

Nature of Transaction	Holding Company	Entities under common control	Total
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Finance</b>			
Inter Corporate Deposits Taken	66,100,000	1,456,800,000	1,522,900,000
	-	-	-
Inter Corporate Deposits Given	-	-	-
	-	47,500,000	47,500,000

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.

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**Indiabulls Investment Advisors Limited  
(formerly known as Indiabulls Brokerage Limited)**

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

**Note - 32**

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

**Note - 32**

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 <sup>nd</sup> each year, commencing July 2, 2017	September 2 <sup>nd</sup> each year, commencing September 2, 2018	March 25 <sup>th</sup> 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 Investment Advisors Limited  
(formerly known as Indiabulls Brokerage Limited)**

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

**Note - 32**

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

	<b>IBVL ESOP – 2009</b>						
<b>Total Options under the Scheme</b>	<b>20,000,000</b>						
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

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

**Note - 33**

**Leases:**

The Company has taken office premises on operating leases at various locations and lease rent of Rs. 37,461,894 (Previous Year Nil) (net of apportionment) in respect of the same have been charged to the Statement of Profit and Loss. The agreements are executed for a period ranging from eleven months to nine years (including lock in period in certain cases) 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	7,244,587	-
One to Five years	25,663,592	-
More than Five years	3,111,402	-

**Note - 34**

**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.)	119,251,043	1,650,638
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	5,500,000	5,500,000
Nominal Value per equity share – (Rs. Per Share)	10.00	10.00
Earnings Per Share – Basic (Rs. Per Share)	21.68	0.30
Earnings Per Share – Diluted (Rs. Per Share)	21.68	0.30

**Note - 35**

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

**Note - 36**

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

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Fellow Subsidiary Company</b>		
- Salaries	236,537,611	-
- Rent (including office maintenance)	9,239,907	-
<b>Holding Company</b>		
- Rent (including office maintenance)	30,775,768	-

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

Particulars	(Amount in Rs.)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Holding Company</b>		
- Rent (including office maintenance)	210,251	-

b) During the year ended March 31, 2018, the Company has entered into agreements with its fellow subsidiary company, Indiabulls Distribution Services Limited and certain customers, wherein the Company has acquired receivables from such customers in the form of actionable claims, and the rights to receive future cash flows against commission/brokerage services to be rendered by the Company to such customers. As a result, the Company has paid Rs. 1,332,823,625 (Previous year Nil) to its fellow subsidiary company as consideration for the right to receive future cash flows against actionable claims from the respective customers.

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

**Note - 37**

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

As per our report of even date

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

For and on behalf of the Board of Directors

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

Pankaj Kumar  
Whole time Director  
DIN: 06956444  
New Delhi, April 21, 2018

Vaseem Raja  
Director  
DIN: 07709789

Ram Mehar Garg  
Company Secretary  
AKJPM3656K