

Indiabulls
VENTURES

**ANNUAL
REPORT**

INDIABULLS
VENTURES
LIMITED

2017

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Corporate Information

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Board of Directors:

Mr. Sameer Gehlaut
 Mr. Divyesh B. Shah
 Mr. Gagan Banga
 Mr. Ajit Kumar Mittal
 Mr. Pinank Jayant Shah
 Mrs. Vijayalakshmi Rajaram Iyer
 Mr. Shyam Lal Bansal
 Mr. Alok Kumar Misra
 Mr. Aishwarya Katoch
 Mr. Prem Prakash Mirdha
 Retd. Brig. Labh Singh Sitara

Company Secretary:

Mr. Lalit Sharma

Chief Financial Officer:

Mr. Rajeev Lochan Agrawal

Statutory Auditors:

Deloitte Haskins & Sells LLP
 Chartered Accountants
 Indiabulls Finance Centre, Tower 3
 32nd Floor, Elphinstone Mill Compound,
 Senapati Bapat Marg, Elphinstone (W),
 Mumbai – 400 013

Internal Auditors:

N.D. Kapur & Co.
 Chartered Accountants
 0-24B, LGF, Jangpura Extension,
 New Delhi – 110 014.

Secretarial Auditors:

A. K. Kuchhal & Co.
 Company Secretaries,
 C-154, Sector-51,
 Noida- 201301

Registered Office:

M- 62 & 63, First Floor,
 Connaught Place, New Delhi – 110 001
 Email: helpdesk@indiabulls.com
 Tel: 0124-6681199, Fax: 0124-6681240
 Website: www.indiabullsventures.com

Corporate Offices:

Indiabulls House,
 Indiabulls Finance Centre,
 Senapati Bapat Marg,
 Elphinstone Road,
 Mumbai - 400 013

Indiabulls House, 448-451,
 Udyog Vihar, Phase V,
 Gurugram – 122 016

Registrars & Transfer Agents:

Karvy Computershare Pvt. Ltd.,
 Unit: Indiabulls Ventures Limited,
 Karvy Selenium, Tower B,
 Plot No. 31-32, Gachibowli Financial District,
 Nanakramguda, Hyderabad - 500 032

Bankers:

Allahabad Bank
 Andhra Bank
 Axis Bank Ltd.
 Bank of Baroda
 Bank of India
 Canara Bank
 Citi Bank
 HDFC Bank Ltd.
 ICICI Bank Ltd.
 IDBI Bank Ltd.
 IDFC Bank
 IndusInd Bank
 Kotak Mahindra Bank
 Karnataka Bank Ltd.
 Karur Vysya Bank
 Oriental Bank of Commerce
 Punjab and Sind Bank
 Punjab National Bank
 RBL Bank Ltd.
 State Bank of India
 Syndicate Bank
 UCO Bank
 Union Bank of India
 Vijaya Bank
 Yes Bank Ltd.

Letter from the CEO

Dear Shareholders and Friends,

It gives me great pleasure to share with you your Company's progress in the year under review and thoughts on the path ahead. The Company continues to consolidate and build its retail equity & broking and wealth management businesses supported by strong macroeconomic drivers. The Company is now also poised to scale new frontiers in other business areas that the country's changing demographics, economic landscape and the digital ecosystem present. Two major new business initiatives your Company has launched are consumer & MSME lending and asset reconstruction businesses.

Financial year 2016-17 was a momentous year dominated by the government's decision in November 2016 to demonetise high denomination currency notes. Belying initial apprehensions, economic activity bounced back to pre-demonetisation levels within the subsequent March 2017 quarter. Very importantly, the positive aftereffects of demonetisation are proving to be transformational. Digital payments' ecosystem received a tremendous fillip as industry participants increased focus and investments. End-customers and businesses too readily adopted and adapted to digital transactions. Today, the atmosphere in digital payments industry is charged up and is ripe for a future where digital distribution and fulfilment models will come to be the mainstay of retail credit and banking sectors.

Another immensely beneficial outcome of demonetisation has been the acceleration in disintermediation of Indian retail savings and investments. In a matter of three months demonetisation sucked nearly ₹ 15 trillion of currency in circulation into the banking system leading to a surge in banks' current account and savings account (CASA) balances. Since then this enormous liquidity has moved into more lucrative investments such as equity markets and mutual funds and from there into bond markets, especially as banks have cut CASA interest rates.

On the larger macroeconomic front, India is on very sound financial footing. The government met its fiscal deficit target of 3.5% of GDP and current account deficit contracted to 0.7% of GDP down from 1.1% in FY 2015-16. CPI inflation for the year ending March 2017 stood at 3.8% and slipped further to 2.2% in June 2017. GST implementation was smoothly accomplished and the government has been expending considerable efforts in increasing tax compliance. Early indicators point towards a very healthy expansion in tax base and tax collections boosting the government's ability to keep fiscal deficit in check.

The very positive outlook for fiscal deficit, contracting current account deficit, falling inflation and vastly increased bond market liquidity will ensure interest rates remain low and the outlook benign for an extended period of time. This represents a very marked shift for equity markets and also the lending industry where the advantage that banks enjoyed for the longest time in the form of low-cost CASA and deposits is now moving to non-banks through the bond markets in a low interest rate environment.

Retail Equity and Broking Business

The year saw a strong resurgence in capital markets propelled by demonetisation driven influx of liquidity into equity and debt markets. The capital markets brought cheer as they reached close to breaking the 30,000 barrier in March 2017; finally crossing this mark in April 2017. The resounding victory of the BJP in Uttar Pradesh state elections, the most populous and politically crucial state, and the passage of the GST bill in Rajya Sabha, also contributed to the scaling of this peak. India can look forward to a stable political regime and a continuation of economic policy.

Indiabulls Distribution Services Limited

As I write this, the Real Estate Regulation Act has been rolled out effective May 1 2017. With this the sector is



Mr. Divyesh B. Shah
CEO, Indiabulls Ventures Limited

expected to be more transparent, credible and attractive. With home ownership always being a priority ambition, these reforms should have a positive impact on the sector and boost buyer confidence. Demand is expected to go up as lending rates are expected to drop owing to surplus liquidity and lower cost of funds. Your Company is geared up to meet this change and reap the benefits in its wealth management business.

IVL Finance Limited

Digital Driven Consumer Lending: A Lucrative Business Opportunity

The consumer lending business is propelled by favourable demographics of an aspiring population supported by steady economic growth. 65% of India's 1.32 billion population is below 35 years of age, employment opportunities in burgeoning urban centres is driving urbanisation which is expected to rise to 40% from the present 31%. Disposable income is rapidly rising and per capita income grew by 9.7% in FY 2016-17 compared with 7.4% the year before. As an indication of the depth of the opportunity, India's household debt to GDP stands at 10.6% the lowest amongst BRICS countries compared with 44.4% for China and 60%+ for developed countries.

Consumer lending ecosystem has also transformed over the last decade. Credit bureaus have truly come of age and provide access to customer credit behaviour going back several years across all types of credit facilities availed by the customer. Detailed bureau data permits inference of repayment behaviour, amounts of EMIs serviced through the years, types of credit products and assets purchased - a house, a car etc. Advanced analytical tools, both provided by the bureau and customised solutions developed by lenders, allow construction of credit and behavioural scorecards. Resultantly, underwriting efficacy and efficiency have vastly improved: delinquencies in consumer lending products, especially in unsecured products like personal loans, are at an all-time low for the industry.

Another crucial business challenge in consumer lending has been operating expenses. Here again digital channels of fulfilment are proving to be transformational. The reach multiplies manifold and the inherent low transaction costs of a low-manpower channel is further pared down by scale. The government is deserving of immense credit on this front. The adoption of Aadhar platform is driving digital credit and banking transformation by enabling crucial elements such as e-signature, e-payments, online EMI repayment mandates and online customer verification. Demonetisation driven push towards digital payments has ensured that these crucial elements have not remained restricted to a few marginal early adopters but is now actively used by the mainstream.

To tie all of this together, I am very enthused by the opportunity that digital driven consumer lending represents. Fortuitously, Indiabulls group is a reservoir of deep lending expertise and enjoys immense support and goodwill amongst important stakeholders like banks and debt market participants, and our long standing shareholders like yourselves. Our strong IT expertise, a crucial component in all of the group's businesses, has proven execution capabilities. We are in the process of building the digital platform to address this vast consumer lending opportunity and this vertical is expected to significantly add to the consolidated bottom line of the Company. This business will be conducted under 'IVL Finance Ltd', a wholly owned subsidiary of your Company which is an NBFC registered with RBI.

MSME Lending: A Vast Opportunity That Has Come of Age

IVL Finance Ltd will also cater to meet the funding requirements of small and medium businesses (Business Loans). There are more than 51 million medium and small enterprises (MSME) in the country, employing circa 117.1 million people. 95% of these are micro enterprises and the remainder 5% are small and medium enterprises. In our country, MSMEs account for 37.5% of GDP, 45% industrial output and 40% of exports. As per an IFC report, there is a capital shortfall of ₹ 32.5 trillion in the MSME sector, of which the debt shortfall is ₹ 26 trillion. Bank funding to this sector is only ₹ 8 trillion. Hence, this represents a huge opportunity.

In the MSME sector also demonetisation and GST represent transformational steps. Sections of MSMEs dominated by cash transactions have to now move to dealing through formal banking channels and bring their transactions on-books. Clients of MSME firms will insist on GST compliance as otherwise they will not be able to avail of tax credits and will have to bear the entire GST burden. This will pull the MSME sector business dealings into the formal sphere permitting proper credit assessment. This represents an immense opportunity and one that we are fully prepared to address.

Analytics Backbone

Over the last decade data sources, data availability and data quality have tremendously improved. Credit bureaus and start-ups that provide access to tax data bases and customer bank accounts, permit comprehensive credit assessment at computing speeds. Data solutions and advanced analytics tools have enabled predictive analytics to anticipate customer needs and offer tailor-made credit solutions. Analytics, backed by the top-of-the-line technology, is going to be the backbone of our lending business. Business analytics, credit scoring and credit bureau data will be used to process loan applications in real-time.

Indiabulls Asset Reconstruction Company Ltd.

Your Company is also entering the Asset Reconstruction Business (ARC) under its wholly owned subsidiary, Indiabulls Asset Reconstruction Co. Ltd (ARC). IVL, as a sponsor, owns 100% equity in the ARC, and has already infused ₹ 100 Crs as equity in it. I am very happy to share that we have recently been granted the Certificate of Registration (CoR) by the Reserve Bank of India and the core team is already on board. We are all set to commence operations shortly. This business offers a very attractive opportunity given the current thrust and resolve of the Government and RBI to resolve the stressed assets situation in the banking industry. Here again the depth of lending and real estate expertise within the Indiabulls Group will stand us in good stead.

Corporate Social Responsibility: Indiabulls Foundation

Your Company prides itself in being a responsible corporate citizen. CSR initiatives are close to my heart and we carry along all employees of the organisation, seeking their active participation and keeping them abreast of our CSR efforts. Indiabulls' CSR arm, Indiabulls Foundation, has focused on areas like healthcare, education, art and culture, nutrition, sanitation and rural development. In healthcare, the foundation operates 20 mobile vans. The Foundation's healthcare outreach has helped diagnose and treat 765,000 patients to date. The Foundation conducts free cleft and palate surgeries in impoverished rural areas of the country and 600 such successful surgeries were performed this year.

An important area of focus for the Foundation is rural education. The Foundation contributed 1,000 computers to tribal ashram schools, night schools and shelter homes across Maharashtra state. Scholarships were offered to over 600 meritorious students enabling them to pursue higher studies.

I wish to assure you that the organisation is hard at work rising to the opportunities presented across our business lines. I have every confidence that your Company will achieve a new growth trajectory and emerge as an integrated financial services provider, straddling securities, third party distribution/non-discretionary wealth management products, consumer lending and asset reconstruction businesses. I convey my deep gratitude to all our stakeholders including our lenders and customers for their support and their faith in us. I am also grateful to our regulators for their wholehearted support and guidance. I especially thank our every shareholder for your continuing confidence and faith in us.

Thank you!

Divyesh B. Shah

Whole-time Director & CEO

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Second Annual Report and the audited statement of accounts of the Company for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The highlights of the standalone financial results for the financial year ended March 31, 2017 are as under:

	Year ended 31-Mar-17 (Amount in Rs.)	Year ended 31-Mar-16 (Amount in Rs.)
Profit before Depreciation & Amortisation expenses and Tax	609,004,115	286,998,928
Less: Depreciation & Amortisation expenses	16,226,995	25,677,731
Profit before Tax	592,777,120	261,321,197
Less: Provision for Taxation & prior period tax adjustments	121,847,591	92,668,834
Profit after Tax and prior period tax adjustment	470,929,529	168,652,363
Add: balance of profit brought forward	81,63,762	864,671,275
Amount available for appropriation	479,093,291	1,033,323,638
Appropriations		
Interim Dividend on Equity Shares	320,206,920	877,132,756
Corporate Dividend Tax on Interim Dividend on Equity Shares	15,269,644	148,027,120
Transfer to General Reserves	—	—
Balance of profit carried forward to Balance Sheet	143,616,727	8,163,762

The Total Revenue of the Company during the financial year ended March 31, 2017 was Rs. 151.42 crores with a net profit of Rs. 47.09 crores. The Company proposes to retain the entire amount of Rs. 143,616,727 in the statement of profit & loss. The consolidated revenue of the Company was Rs. 509.11 crores and the consolidated net profit was Rs. 102.25 crores.

DIVIDEND

In keeping with the Company's policy of rewarding its shareholders, the Board of Directors of the Company, had, for the financial year 2016-17, declared interim dividend of Re. 1/- per share on shares of face value Rs. 2/- each, in its meeting held on March 17, 2017.

During the financial year 2016-17, the unclaimed dividend pertaining to the financial year ended March 31, 2009, got transferred to Investor Education and Protection Fund, after giving due notice to the members. Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or Karvy Computershare Private Limited.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

To achieve the highest standards of Corporate Governance in its management and to introduce a true sense of professionalism in the Board of the Company (the Board), the following individuals have been appointed as the Additional Directors on the Board with effect from August 28, 2017:

- Mr. Sameer Gehlaut (DIN: 00060783), as Non - Executive Chairman of the Company.
- Mr. Gagan Banga (DIN: 00010894), as Non-Executive Director of the Company.
- Mr. Ajit Kumar Mittal (DIN: 02698115), as Non-Executive Director of the Company.
- Mr. Pinank Jayant Shah (DIN: 07859798), as Whole-Time Director and Key Managerial Personnel of the Company, designated as its Executive Director.

Directors' Report (contd.)

- (e) Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960), Ex-Member, Finance & Investment and Enforcement, Insurance Regulatory and Development Authority of India, and Ex-Chairman & Managing Director of Bank of India, as Independent Director of the Company.
- (f) Mr. Shyam Lal Bansal (DIN: 02910086), Ex-Chairman & Managing Director of Oriental Bank of Commerce, as Independent Director of the Company.
- (g) Mr. Alok Kumar Misra (DIN: 00163959), Ex-Chairman & Managing Director of Bank of India, as Independent Director of the Company.

Being Additional Directors, the respective appointments of all the above mentioned individuals, on the Board is upto the date of ensuing Annual General Meeting. Keeping in view of their leadership and guidance abilities, wide and rich professional knowledge and experience, in diverse fields viz. finance, banking, regulatory and public policy etc., the Board recommends the appointment of all these Directors at the ensuing Annual General Meeting of the Company.

During the year Mr. Ashok Kumar Sharma (DIN: 00010912) had resigned from the Board w.e.f. August 26, 2016. Mr. Amiteshwar Choudhary (DIN: 01679090) (who was appointed on the Board on September 28, 2016) and Ms. Pia Johnson (DIN: 00722403) have resigned from the Board w.e.f. August 28, 2017. The Board has placed on record its appreciation for the contribution made by Mr. Sharma, Mr. Choudhary and Ms. Johnson, during their tenure of office.

All the Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act, 2013 (the Act).

In accordance with the provisions of Section 152 of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. Divyesh B. Shah (DIN: 00010933), Whole-time Director and CEO of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment. The Board recommends his re-appointment.

Present composition of the Board is provided in the Report on Corporate Governance, presented in a separate section forming part of this Annual Report. The brief resume of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, terms of appointment and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, are provided in the Notice convening the 22nd Annual General Meeting of the Company.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2017, was Rs. 640,413,840 comprising of 320,206,920 equity shares of face value of Rs. 2/- each.

Subsequently, during the current financial year till the date of this report, the Company has issued and allotted the following securities:

- (i) Pursuant to and in terms of shareholders' approval dated July 15, 2016 and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (ICDR Regulations), the Company, on April 10, 2017, had allotted 33,650,000 fully Paidup equity shares of face value of Rs. 2/- each against conversion of 33,650,000 convertible warrants earlier issued on preferential basis to certain promoter group entities and Whole-time Director and CEO of the Company.
- (ii) Pursuant to and in terms of shareholders' approval dated April 25, 2017 and in terms of Chapter VII of ICDR Regulations, the Company, on April 28, 2017, has issued and allotted an aggregate of 33,800,000 warrants, convertible into equivalent number of equity shares of face value of Rs. 2 each at a conversion price of Rs. 43.75 (including a premium of Rs. 41.75) per equity share, to certain promoter group entities of the Company.
- (iii) Pursuant to and in terms of shareholders' approval dated May 6, 2017 and in terms of Chapter VII of ICDR Regulations, the Company, on May 10, 2017, has issued and allotted an aggregate of 38,865,582 fully paid up equity shares of face value of Rs. 2/- each of the Company, at an issue price of Rs. 58.40 (including a premium of Rs. 56.40) per equity share, to Cinnamon Capital Limited, a Category III foreign portfolio investor registered with the Securities and Exchange Board of India.

Directors' Report (contd.)

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- (iv) The Company, on May 15, 2017, has issued and allotted 519,900 fully paid up equity shares of face value Rs. 2/- each of the Company, to eligible employees upon exercise of options vested in their favour under –'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008' and 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'.
- (v) Pursuant to and in terms of shareholders' approval dated May 22, 2017 and in terms of Chapter VII of ICDR Regulations, the Company, on June 6, 2017, has issued and allotted an aggregate of 47,390,000 fully paid up equity shares of face value of Rs. 2/- each of the Company, at an issue price of Rs. 94.70 (including a premium of Rs. 92.70) per equity share, to Tamarind Capital Pte Ltd, a company incorporated in Singapore.
- (vi) The Company, on June 20, 2017, has issued and allotted 1,758,600 fully paid up equity shares of face value Rs. 2/- each of the Company, to eligible employees upon exercise of options vested in their favour under – 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008' and 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'.

As a result of the aforesaid allotments of equity shares, the paid up share capital of the Company stands increased to Rs. 884,782,004 comprising of 442,391,002 equity shares of Rs. 2/- each.

EMPLOYEE STOCK OPTIONS

During the year under review, on May 12, 2016, the Company had granted 9,500,000 Stock Options under "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009", to certain eligible employees, at an exercise price of Rs. 16/- per option. Further, on July 1, 2016, the Company had granted an aggregate of 19,700,000 Stock Options, (9,700,000 Stock Options under "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" and 10,000,000 Stock Options under "Indiabulls Ventures Limited Employees Stock Option Scheme – 2009") to certain eligible employees, at an exercise price of Rs. 24.15 per option. All these schemes are in compliance with SEBI (Share Based Employee Benefits) Regulation 2014.

The disclosures required to be made in compliance with the applicable regulations are set out in the Annexure to this Report and have been placed on the website of the Company <http://www.indiabullsventures.com/>.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2017-18 have been paid. The GDRs issued by the Company continue to remain listed on Luxembourg Stock Exchange.

AUDITORS

- (a) Statutory Auditors

In compliance with the applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the existing term of M/s Deloitte Haskins & Sells LLP (Firm Regn. No. 117366W / W-100018), Chartered Accountants, as the Statutory Auditors of the Company shall come to an end at the conclusion of the ensuing Annual General Meeting of the Company and are not eligible for re-appointment as the Statutory Auditors of the Company. The Board places on record its appreciation for the services rendered by M/s. Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company.

The Board, on the proposal of the Audit Committee, have recommended for the appointment of M/s Walker Chandiook & Co LLP, Chartered Accountants (ICAI Registration No.: 001076N/N500013), (a member of Grant Thornton International), as the Statutory Auditors of the Company for a term of 5 years, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s Walker Chandiook & Co LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in

Directors' Report (contd.)

accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Walker Chandiok & Co LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation.

(b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s A. K. Kuchhal & Co., a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2016-17. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2016-17, is annexed as "Annexure 1" and forming part of this Report. The Report is self – explanatory and therefore do not call for any further explanation.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Education, Animal Welfare/Development and Health, as per its CSR Policy (available on your Company's website <http://www.indiabullventures.com/>) and the details are contained in the Annual Report on CSR Activities given in "Annexure 2", forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), Management's Discussion and Analysis Report (MDA), for the year under review, is presented in a separate section forming part of this Annual Report. The disclosures made under MDA is to be read together with this Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 24 of SEBI LODR Regulations, a separate section on Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, form part of this Annual Report, which is to be read together with this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2017 and the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Directors' Report (contd.)

INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES AND SEBI LODR REGULATIONS

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013 read with the relevant rules (to the extent applicable) and SEBI LODR Regulations, not elsewhere mentioned in this Report, are given in "Annexure A" forming part of this Report.

GREEN INITIATIVES

The Company's Environmental Management System (EMS) focuses on assessing the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects. Environmental sustainability is important to the Company and is one of the reasons behind the Company's push to digitize its processes.

Electronic copies of the Annual Report 2017 and Notice of the 22nd AGM are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2017 and Notice of the 22nd AGM are sent in the permitted mode.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the 22nd AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR Regulations. The instructions for remote e-voting are provided in the Notice convening the 22nd AGM.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made and committed services rendered by the employees of the Company at various levels. Your Directors also wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year.

For and on behalf of the Board of Directors

Date: August 28, 2017
Place: Mumbai

Divyesh B. Shah
Whole-time Director & CEO
DIN: 00010933

Pinank Jayant Shah
Executive Director
DIN: 07859798

Directors' Report (contd.)

Annexure A

ANNEXURE FORMING PART OF THE DIRECTORS REPORT

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2017, pursuant to Section 92 (3) of the Companies Act, 2013, in form MGT-9, are given in Annexure 3 forming part of this Report.

BOARD MEETINGS

During the FY 2016-17, 9 (Nine) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI LODR Regulations, were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on January 24, 2017, without the attendance of Non-Independent Directors and the members of the Company Management.

BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and Clause 17 of the SEBI LODR Regulations, the Board has carried out an evaluation of its performance, the directors individually as well as the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this Annual Report.

REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report forming part of this Annual Report.

LOANS, GUARANTEES OR INVESTMENTS

During the FY 2016-17, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies. The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by Company are given in the notes to the financial statements.

RELATED PARTY TRANSACTIONS

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC 2 are not applicable. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company (<http://www.indiabullventures.com/>).

MATERIAL CHANGES AND COMMITMENTS

Other than those disclosed in this report, there are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2017 and the date of this Report.

Further, no significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

Directors' Report (contd.)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, is as under:

A. Conservation of Energy

The Company operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. As an ongoing process, the following measures are undertaken:

- a. Replacing all of its lighting system with LEDs, which is expected to slash related electricity consumption by over 50%.
- b. Installation of five star energy conservation air conditioning systems.
- c. Installation of automatic power controllers to save maximum demand charges and energy.
- d. Installation of TFT monitors that saves power.
- e. Periodic Training sessions for employees on ways to conserve energy in their individual roles.

B. Technology Absorption

The nature of business being carried out by the Company entails an extensive use of effective information technology so as to ensure that its services reach the end users i.e. its clients without any loss of time. The Company has implemented best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services.

The Company's investment in technology has improved customer services, reduced operational costs and development of new business opportunities.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there was no foreign exchange outgo and foreign exchange earnings (please refer Note No. 36 of the Standalone Financial Statements).

BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Company has in place a robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in "Annexure -4" forming part of this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the said rules, the Directors' Report is being sent to all the shareholders of the Company excluding the annexure on the names and other particulars of employees, required in accordance with Rule 5.2 of said rules, which is available for inspection by the members, subject to their specific written request, in advance, to the Company Secretary. The inspection is to be carried out at the Company's Registered Office or at its Corporate Office, at Gurugram, during business hours on working days of the Company up to date of ensuing Annual General Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources,

Directors' Report (contd.)

technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Independent Directors. The details of the familiarization programmes have been hosted on the website of the Company: (<http://www.indiabullsvventures.com/>).

SUBSIDIARY COMPANIES

The Company has 20 subsidiaries as on March 31, 2017. There are no associate/joint venture companies, within the meaning of Section 2(6) of the Act.

Pursuant to Section 129 of the Act, the Company has prepared its Consolidated Financial Statements along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing 22nd Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiaries, for the year ended March 31, 2017, form part of this Annual Report.

For the performance and financial position of each of the subsidiaries of the Company, included in its Consolidated Financial Statements, the members are requested to refer to Note No. (2) (e) of the Notes to the Consolidated Financial Statements of the Company.

Further pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are also available on the website of the Company. Shareholders may write to the Company for the annual financial statements and detailed information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company.

During the year under review the Company has incorporated/acquired new subsidiaries namely Indiabulls Consumer Products Limited, Indiabulls Logistics Limited, Indiabulls Infra Resources Limited and Indiabulls Asset Reconstruction Company Limited. Further, pursuant to and in terms of shareholders' approval dated July 15, 2016, during the year under review, Indiabulls Distribution Services Limited (a wholly owned subsidiary of the Company) has sold its 100% shareholding in India Land and Properties Limited, for an aggregate consideration of Rs. 685 crores. Indiabulls Distribution Services Limited, India Land and Properties Limited and IVL Finance Limited (formerly Shivshakti Financial Services Limited) were material unlisted subsidiaries of the Company during the F.Y.2016-17.

COMMITTEES OF THE BOARD

The Company has following Board constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Compensation Committee
- e) Corporate Social Responsibility Committee
- f) Allotment Committee
- g) Management Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of relevant committees are given in details in the Corporate Governance Report forming part of this Annual Report.

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee of the Company. The Company's Sexual Harassment Policy provides for protection against sexual harassment

Directors' Report (contd.)

of women at workplace and for prevention and redressal of such complaints. During the financial year 2016-17, no cases of sexual harassment were reported.

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has formulated several policies to assist its employees in achieving and maintaining these standards. The purpose of the Whistle Blower Policy ("the Policy") is to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. A whistle-blowing or reporting mechanism as such set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company (<http://www.indiabullsventures.com/>).

The Company adopts accounting policies and practices in accordance with the applicable accounting standards to present a true and fair view of its operations and financial position. Selection of accounting practices requires interpretation and exercise of judgment, which may give rise to differing opinions. Employees are free to raise issues, if any, which they may have on the accounting policies and procedures adopted for any area or item and discuss the same.

'INDIABULLS VENTURES LIMITED EMPLOYEES STOCK OPTION SCHEME – 2008' (IBVL ESOP 2008) - AS ON MARCH 31, 2017

Particulars	IBVL ESOP 2008
a. Options Granted	29,700,000 (including options regranted)
b. Exercise price	20,000,000 Options @ Rs. 17.40 9,700,000 Options @ Rs. 24.15
c. Options vested	10,687,661
d. Options exercised	7,406,272
e. The total number of Shares arising as a result of exercise of option	7,406,272
f. Options lapsed/surrendered/expired	11,067,412
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Rs. 128,869,132.80
i. Total number of options in force	11,226,316
j. Employee wise details of options granted to; <ul style="list-style-type: none"> i. Key Management Personnel (during the year) ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of Grant. 	<p>Mr. Divyesh B. Shah – 975,000 Options</p> <p>Mr. Gagan Banga – 3,000,000 Options</p> <p>Mr. Sachin Chaudhary – 950,000 Options</p> <p>Mr. Ajit Kumar Mittal – 750,000 Options</p> <p>Mr. Ashwini Kumar – 750,000 Options</p> <p>Mr. Gurbans Singh – 500,000 Options</p> <p>Mr. Saket Bahuguna – 500,000 Options</p> <p>Mr. Gagan Banga – 3,000,000 Options</p>
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	Rs. 1.51
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer to Note 32 of financial statements (standalone) forming part of the Annual Report.

Particulars	IBVL ESOP 2008
<p>m. Weighted - average exercise prices and weighted - average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.</p>	<p>(1) 20,000,000 Options Weighted average exercise price: Rs. 17.40 per option Weighted average fair value: Rs. 0.84 per option (2) 9,700,000 Options (Regranted) Weighted average exercise price: Rs. 24.15 per option Weighted average fair value: Rs. 4.31 per option</p>
<p>n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted - average information:</p> <ul style="list-style-type: none"> i. risk free interest rate ii. expected life iii. expected volatility iv. expected dividends, and v. the price of the underlying share in market at the time of option grant 	<p>Refer to Note 32(a) of financial statements (standalone) forming part of the Annual Report.</p>

Directors' Report (contd.)

'INDIABULLS VENTURES LIMITED EMPLOYEES STOCK OPTION SCHEME - 2009' (IBVL ESOP 2009) - AS ON MARCH 31, 2017

Particulars	IBVL ESOP 2009
a. Options Granted	41,550,000 (including options regranted)
b. Exercise price	10,000,000 options @ Rs. 35.25 2,050,000 options @ Rs. 31.35 10,000,000 options regranted @ Rs. 27.45 9,500,000 options regranted @ Rs. 16.00 10,000,000 options regranted @ Rs. 24.15
c. Options vested	1,455,000
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed/surrendered/expired	31,947,000
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	9,603,000
j. Employee wise details of options granted to; <ul style="list-style-type: none"> i. Key Management Personnel (during the year) ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of Grant. 	Mr. Amiteshwar Choudhary- 800,000 Options Mr. Rajeev Lochan Agrawal- 100,000 Options Mr. Lalit Sharma - 40,000 Options Nil Nil
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share']	Rs. 1.51
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer to Note 32 of financial statements (standalone) forming part of the Annual Report.

Directors' Report (contd.)

'INDIABULLS VENTURES LIMITED EMPLOYEES STOCK OPTION SCHEME - 2009' (IBVL ESOP 2009) - AS ON MARCH 31, 2017 (Contd.)

Particulars	IBVL ESOP 2009
<p>m. Weighted - average exercise prices and weighted - average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.</p>	<p>(1) 10,000,000 Options Weighted average exercise price: Rs. 35.25 per option Weighted average fair value: Rs. 6.48 per option (2) 2,050,000 Options Weighted average exercise price: Rs. 31.35 per option Weighted average fair value: Rs. 9.39 per option (3) 10,000,000 Options (Regranted) Weighted average exercise price: Rs. 27.45 per option Weighted average fair value: Rs. 4.77 per option (4) 9,500,000 Options (Regranted) Weighted average exercise price: Rs. 16 per option Weighted average fair value: Rs. 1.38 per option (5) 10,000,000 Options (Regranted) Weighted average exercise price: Rs. 24.15 per option Weighted average fair value: Rs. 4.31 per option</p>
<p>n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted - average information:</p> <ul style="list-style-type: none"> i. risk free interest rate ii. expected life iii. expected volatility iv. expected dividends, and v. the price of the underlying share in market at the time of option grant 	<p>Refer to Note 32(b) of financial statements (standalone) forming part of the Annual Report.</p>

Secretarial Audit Report

Annexure 1 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Indiabulls Ventures Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not-applicable
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not-applicable and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not-applicable
- (vi) Other Laws, as applicable:-
 - (a) The Securities and Exchange Board of India Act, 1992.
 - (b) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996;
 - (c) The Bye laws and Business Rules of NSDL/CDSL ;
 - (d) Directives/ Circular/ Clarifications/ Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL/ CDSL, From time to Time;
 - (e) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

Secretarial Audit Report (contd.)

- (ii) Compliances under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Applicable so far;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

- i. Issued 27,337,378 Equity Shares of the face value of ₹ 2/- per share during the financial year 2016-17 i.e. 24,650,000 equity shares upon conversion of equivalent number of warrants and 2,687,378 equity shares to the employees upon exercise of option under the Company's Employees Stock Option Scheme, 2008;
- ii. Incorporated/acquired 4 (Four) Wholly Owned Subsidiary companies and Indiabulls Distribution Services Limited, a wholly owned subsidiary of the Company has sold its 100% shareholding in India Land and Properties Limited.
- iii. The Board of Directors of the Company, had for the year 2016-17, declared interim dividend of Re. 1/- per share on shares of face value ₹ 2/- each.

For A. K. Kuchhal & Co.
Company Secretaries

(Varun Kwatra)
Partner
C. P. 9840

Date: 25.05.2017
Place: Noida

ANNEXURE 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards education, health, nutrition, sanitation, animal welfare and rural development etc. the Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

CSR Policy is stated herein below:

2. Web-link:

<http://www.indiabullsvventures.com/uploads/downloads/csr-policy-isl-0707935001497868298.pdf>

3. Composition of the CSR Committee

Mr. Aishwarya Katoch, Chairman (Independent Director)

Mr. Divyesh B. Shah, Member (Whole-time Director & CEO)

Ms. Pia Johnson, Member (Non-Executive Director)

4. Average Net Profit of the Company for last three financial years: ₹ 37.64 crores
5. Prescribed CSR Expenditure (two percent of the amount as in item 4 above) : ₹ 75.29 lacs
6. Details of CSR spend for the financial year:
- a. Total amount spent for the financial year: ₹ 75.29 lacs
- b. Amount unspent, if any: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

(Figs. In Rupees)

1	2	3	4		5	6	7	8
			Projects or Programs					
Sr. No.	CSR project or activity identified	Sector in which the project is covered	District	State	Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cummulative Expenditure up to 31st March 2017	Amount Spent Direct or through implementing agency *
1	Scholarships	Education	PAN India	PAN India	4,000,000	-	-	Implementing Agency (Indiabulls Foundation)
2	Gaushala Project	Animal Welfare	PAN India	PAN India	1,000,000	-	-	Implementing Agency (Indiabulls Foundation)

1	2	3	4		5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs on		Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cummulative Expenditure up to 31st March 2017	Amount Spent Direct or through implementing agency *
			District	State				
3	Kumud - Distribution	Sanitation	Mumbai Thane Raigad Palghar	Maharashtra	2,529,000	-	-	Implementing Agency (Indiabulls Foundation)
Total					7,529,000	-	-	

* *Indiabulls Foundation is a registered Trust established by the Company along with its group companies.*

7. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.**

During the financial year 2016-17, the Company has contributed its entire CSR expenditure aggregating to ₹ 75.29 lacs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf. Contribution made covers the mandatory CSR expenditure which was required to be made by the Company.

8. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.**

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2016-17, the implementation and monitoring of CSR Policy of the Company were environment friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For Indiabulls Ventures Limited

Date: April 27, 2017

Place: Mumbai

Divyesh B. Shah
Whole-time Director & CEO
DIN: 00010933

Aishwarya Katoch
Chairman-CSR Committee
DIN: 00557488

Annexure 3**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**as on financial year ended on **31.03.2017**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	L74999DL1995PLC069631
ii	Registration Date	9-Jun-95
iii	Name of the Company	Indiabulls Ventures Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	M - 62 & 63, First Floor, Connaught Place, New Delhi - 110001. Ph: (011) 30252900 Fax: (011) 30252901
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Unit : Indiabulls Ventures Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel : 040-6716 2222 - Fax: 040-23001153 E-mail: einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Carries on the business of stock and share brokers and depository participants	66120	55.21%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Indiabulls Brokerage Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74992DL2008PLC182331	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2	Indiabulls Commodities Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2003PLC122874	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Auxesia Soft Solutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U72900DL2011PLC225699	Subsidiary	100%	Section 2(87) of Companies Act, 2013
4	India Ethanol And Sugar Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U01403DL2006PLC154898	Subsidiary	100%	Section 2(87) of Companies Act, 2013
5	Indiabulls Distribution Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2009PLC191143	Subsidiary	100%	Section 2(87) of Companies Act, 2013
6	Devata Trade link Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U51109DL2008PLC172459	Subsidiary	100%	Section 2(87) of Companies Act, 2013
7	IVL Finance Limited (formerly Shivshakti Financial Services Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74899DL1994PLC062407	Subsidiary	100%	Section 2(87) of Companies Act, 2013
8	Pushpanjli Fin solutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC196822	Subsidiary	100%	Section 2(87) of Companies Act, 2013
9	Astraea Constructions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2013PLC247007	Subsidiary	100%	Section 2(87) of Companies Act, 2013
10	Silenus Buildtech Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2013PLC247611	Subsidiary	100%	Section 2(87) of Companies Act, 2013

SI No	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
11	Astilbe Builders Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70102DL2013PLC247000	Subsidiary	100%	Section 2(87) of Companies Act, 2013
12	Arbutus Constructions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2010PLC208342	Subsidiary	100%	Section 2(87) of Companies Act, 2013
13	Gyansagar Buildtech Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70200DL2010PLC209963	Subsidiary	100%	Section 2(87) of Companies Act, 2013
14	Pushpanjali Fincon Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC197255	Subsidiary	100%	Section 2(87) of Companies Act, 2013
15	Positive Housings Private Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2005PTC138966	Subsidiary	100%	Section 2(87) of Companies Act, 2013
16	Indiabulls Alternate Investments Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2016PLC290926	Subsidiary	100%	Section 2(87) of Companies Act, 2013
17	Indiabulls Consumer Products Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2016PLC302574	Subsidiary	100%	Section 2(87) of Companies Act, 2013
18	Indiabulls Asset Reconstruction Company Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67110DL2006PLC155167	Subsidiary	100%	Section 2(87) of Companies Act, 2013
19	Indiabulls Logistics Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2017PLC310798	Subsidiary	100%	Section 2(87) of Companies Act, 2013
20	Indiabulls Infra Resources Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2017PLC311192	Subsidiary	100%	Section 2(87) of Companies Act, 2013

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to Total Equity)

(i) CATEGORY - WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	40,158,292	0	40,158,292	13.71	40,158,292	0	40,158,292	12.54	-1.17
b) Central Govt.	0	0	0	0	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0	0	0	0	0.00	0.00
d) Bodies Corporates	58,290,510	0	58,290,510	19.90	82,940,510	0	82,940,510	25.90	6.00
e) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL: (A) (1)	98,448,802	0	98,448,802	33.62	123,098,802	0	123,098,802	38.44	4.82
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/Fl	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	98,448,802	0	98,448,802	33.62	123,098,802	0	123,098,802	38.44	4.82
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	1,933	0	1,933	0.00	0	0	0	0	0.00
b) Banks/Fl	520,128	0	520,128	0.18	783,659	0	783,659	0.24	0.06
c) Central govt	0	0	0	0	0	0	0	0	0.00
d) State Govt.	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs	31,236	0	31,236	0.01	193,520	0	193,520	0.06	0.05
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others- Foreign Portfolio Investors	9,000	0	9,000	0	4,604,665	0	4,604,665	1.44	1.44
SUB TOTAL (B)(1):	562,297	0	562,297	0.19	5,581,844	0	5,581,844	1.74	1.55
(2) Non Institutions									
a) Bodies corporates									
i) Indian	49,915,897	0	49,915,897	17.04	93,424,946	0	93,424,946	29.18	12.14
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individuals holding nominal share capital upto ₹ 1 lakh	77,843,494	36,611	77,880,105	26.59	57,115,087	36,771	57,151,858	17.85	-8.74
ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	52,072,666	70,500	52,143,166	17.80	34,160,990	1,250,000	35,410,990	11.06	-6.74
c) Others (specify)									
i) Non-Resident Indians	12,278,396	0	12,278,396	4.19	3,560,689	0	3,560,689	1.11	-3.08
ii) Clearing Members	1,580,402	0	1,580,402	0.54	1,917,314	0	1,917,314	0.60	0.06
SUB TOTAL (B)(2):	193,690,855	107,111	193,797,966	66.17	190,179,026	1286771	191,465,797	59.80	-6.36
Total Public Shareholding (B)= (B)(1)+(B)(2)	194,253,152	107,111	194,360,263	66.36	195,760,870	1286771	197,047,641	61.54	-4.82
C. Shares held by Custodian for GDRs & ADRs									
promoter and promoter group	0	0	0	0	0	0	0	0	0
Public	60,477	0	60,477	0.02	60,477	0	60,477	0.02	0
Grand Total (A+B+C)	292,762,431	107,111	292,869,542	100	318,920,149	1286771	320,206,920	100	

(ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No of shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mr. Sameer Gehlaut	40,158,292	13.71	0.00	40,158,292	12.54	0.00	1.17
2	Orthia Properties Private Limited	39,981,305	13.65	0.00	39,981,305	12.49	0.00	-1.16
3	Zelkova Builders Private Limited	6,607,534	2.26	0.00	18,557,534	5.80	0.00	3.54
4	Orthia Constructions Private Limited	11,701,671	4.00	0.00	24,401,671	7.62	0.00	3.62
5	Inuus Developers Private Limited*	0	0	0.00	0	0.00	0.00	0.00
6	Inuus Properties Private Limited*	0	0	0.00	0	0.00	0.00	0.00
	Total	98,448,802	33.62	0.00	123,098,802	38.44	0.00	4.82

* person acting in concert (PAC) with promoters.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	98,448,802	33.62		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)#	#		#	
	At the end of the year	123,098,802	38.44		

Date wise increase/decrease in Promoters Shareholding

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Sameer Gehlaut	40,158,292	13.71	01-Apr-16				
At the end of the year (31.03.2017)							40,158,292	12.54
2	Orthia Properties Private Limited	39,981,305	13.65	01-Apr-16				
At the end of the year (31.03.2017)							39,981,305	12.49
3	Zelkova Builders Private Limited	6,607,534	2.26	01-Apr-16				
				07-Mar-17	11,950,000 (Increase)	Shares were allotted upon conversion of warrants	18,557,534	5.80
At the end of the year (31.03.2017)							18,557,534	5.80
4	Orthia Constructions Private Limited	11,701,671	4.00	01-Apr-16				
				07-Mar-17	12,700,000 (Increase)	Shares were allotted upon conversion of warrants	24,401,671	7.62
At the end of the year (31.03.2017)							24,401,671	7.62
5	Inuus Developers Private Limited*						0	0.00
6	Inuus Properties Private Limited*						0	0.00

* person acting in concert (PAC) with promoters.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)[§]

Sl. No.	Name	Shareholding at the beginning of the Year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Mr. Rajiv Rattan *	19,208,148	6.56	0	0
2	Mr. Saurabh K Mittal *	8,296,886	2.83	1,605,710	0.50
3	Mahima Stocks Private Limited *	1,460,000	0.50	0	0
4	Mr. Tejinderpal Singh Miglani *	1,801,075	0.61	850,000	0.27
5	Blue Star Investments and Financial Service Private Ltd.*	8,34,613	0.29	0	0
6	Pace Stock Broking Services Pvt. Ltd. *	4,093,039	1.40	88,815	0.03
7	HDFC Securities Limited *	1,066,012	0.36	144,185	0.05
8	Inuus Constructions Private Limited **	11,670,463	3.98	4,911,456	1.53
9	Hespera Realty Private Limited **	7,585,219	2.59	4,199,581	1.31
10	Brijkishor Trading Private Limited **	8,300,000	2.83	8,300,000	2.59
11	Globe Capital Market Ltd. #	461,199	0.16	4,969,974	1.55
12	Tupelo Consultancy LLP #	0	0	25,115,371	7.84
13	Shubhi Consultancy Services LLP #	0	0	5,467,375	1.71
14	Jasol Investment And Trading Company Private Limited #	0	0	4,763,919	1.49
15	Joindre Finance Private Limited #	0	0	4,692,000	1.47
16	Davos International Fund #	0	0	2,587,500	0.81
17	Global Strong Growth Fund #	0	0	1,750,002	0.55

* Top 10 shareholders as on April 1, 2016 only

** Top 10 shareholders as on April 1, 2016 and March 31, 2017

Top 10 shareholders as on March 31, 2017 only

§ 99.60% of paid-up Equity share capital of the Company was held in dematerialised form. These are traded on a daily basis at BSE & NSE and hence, the date wise increase/decrease in shareholding is not indicated.

(V) Shareholding of Directors & Key Managerial Personnel**A) Shareholding of Directors**

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Divyesh B. Shah, Whole-time Director & CEO	4,769,000	1.63	01-Apr-16				
				23-Feb-17	250,000 (Increase)	Pursuant to exercise of ESOPs	5,019,000	1.71
				10-Mar-17	1,250,000 (Increase)	Pursuant to exercise of ESOPs	6,269,000	1.96
At the end of the year (31.03.2017)							6,269,000	1.96
2	Mr. Ashok Kumar Sharma*, Executive Director	663,500	0.23					
At the end of the year (31.03.2017)*							*	*
3	Mr. Amiteshwar Choudhary#, Executive Director	350,000	0.12	01-Apr-16				
				23-Feb-17	140,000 (Increase)	Pursuant to exercise of ESOPs	490,000	0.17
At the end of the year (31.03.2017)							490,000	0.15
4	Mr. Prem Prakash Mirdha, Non-Executive Independent Director	1,250	0	01-Apr-16				
				04-Jul-16	25,000 (Increase)	Market Purchase	26,250	0.01
				15-Sep-16	10,000 (Increase)	Market Purchase	36,250	0.01
				21-Mar-17	20,000 (Decrease)	Market Sale	16,250	0.01
At the end of the year (31.03.2017)							16,250	0.01

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Mr. Aishwarya Katoch, Non-Executive Independent Director	0	0	01-Apr-16				
At the end of the year (31.03.2017)							0	0
6	Brig. Labh Singh Sitara, Non-Executive Independent Director	0	0	01-Apr-16				
At the end of the year (31.03.2017)							0	0
7	Ms. Pia Johnson, Non-Executive Director	0	0	01-Apr-16				
				20-Jun-16 to 21-Jun-16	305,000 (Increase)	Market Purchase	305,000	0.10
				05-Jul-16	25,000 (Decrease)	Market Sale	280,000	0.09
				16-Feb-17 to 17-Feb-17	355,000 (Increase)	Market Purchase	635,000	0.22
				22-Feb-17	150,000 (Increase)	Market Purchase	785,000	0.27
At the end of the year (31.03.2017)							785,000	0.25

* ceased to be director during the financial year 2016-17

appointed as director during the financial year 2016-17

B) Shareholding of KMP

1	Mr. Rajeev Lochan Agrawal, CFO	1,500	0	01-Apr-16				
				16-Sep-16	1,500 (Increase)	Pursuant to exercise of ESOPs	3,000	0
				23-Feb-17	1,500 (Increase)	Pursuant to exercise of ESOPs	4,500	0
At the end of the year (31.03.2017)							4,500	0
2	Mr. Lalit Sharma, Company Secretary	0	0	01-Apr-16				
At the end of the year (31.03.2017)							0	0

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment****Amount (₹)**

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	903,989,425	5,000,000,000	-	5,903,989,425
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2,205,479	-	-	2,205,479
	Total (i+ii+iii)	906,194,904	5,000,000,000	-	5,906,194,904
	Change in Indebtedness during the financial year				
	Additions	153,073,676	-	-	153,073,676
	Reduction	-	-	-	-
	Net Change	153,073,676	-	-	153,073,676
	Indebtedness at the end of the financial year				
i)	Principal Amount	1,058,272,210	5,000,000,000	-	6,058,272,210
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	996,370	-	-	996,370
	Total (i+ii+iii)	1,059,268,580	5,000,000,000	-	6,059,268,580

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	Particulars of Remuneration	Amount (in ₹)			
		Mr. Divyesh B Shah (CEO & Whole-time Director)	Mr. Ashok Kumar Sharma (Whole-time Director)**	Mr. Amiteshwar Chaudhary (Whole-time Director) #	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	3,225,885	-	-	3,225,885
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option*	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)(excluding perquisites on stock options)	3,225,885	-	-	3,225,885
	Ceiling as per the Act	₹ 5.91 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)			

* Excludes value of perquisites on exercise of stock options

** ceased to be director during the financial year 2016-17

appointed as director during the financial year 2016-17

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Amount (in ₹)			
		Mr. Aishwarya Katoch	Mr. Prem Prakash Mirdha	Brig. Labh Singh Sitara (Retd.)	Total
1	Independent Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Director	Ms. Pia Johnson			
	(a) Fee for attending board committee meetings			-	
	(b) Commission			-	
	(c) Others, please specify			-	
	Total (2)			-	
	Total (B)=(1+2)			-	
	Total Managerial Remuneration			-	
	Overall Ceiling as per the Act.	₹ 0.27 crores (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel other than MD/MANAGER/WTD		Amount (in ₹)
		Mr. Rajeev Lochan Agrawal, Chief Financial Officer	Mr. Lalit Sharma, Company Secretary	
	Gross Salary			Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,598,599	872,283	3,470,882
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option*	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others	-	-	-
	Total (excluding perquisites on stock options)	2,598,599	872,283	3,470,882

* Excludes value of perquisites on exercise of stock options

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

During the year under review, the Company, its directors or any of its officers were not liable for any penalty, punishment or any compounding of offences under the Companies Act, 2013

Annexure 4 to Directors' Report Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under -

Ratio of the remuneration of each director to the median employees' remuneration, for FY 2016-17.

Designation	Ratio of remuneration to the median employees' remuneration
Chief Executive Officer & Whole time Director	97.93:1

The above ratio has been computed after considering the remuneration received from the subsidiary company(s) during Financial Year 2016-17

No remuneration was paid to other Director(s) during the Financial Year 2016-17 and hence, not forming part of this clause.

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in FY 2016-17.

Designation	Increase in Remuneration (%)
Chief Executive Officer & Whole time Director	-
Chief Financial Officer	18.30
Company Secretary	13.41

The above percentage has been computed after considering the remuneration received from the subsidiary company(s) during Financial Year 2015-16 and 2016-17.

No remuneration was paid to other Director(s) during the Financial Year 2016-17 and FY 2015-16, hence not forming part of this clause.

The percentage increase in the median remuneration of employees in the FY 2016-17.

There has been an increase of 9.52% in the median remuneration of all the employees (including KMPs), Computed on the basis of median remuneration for FY 2015-16 and FY 2016-17.

Number of permanent employees on the rolls of Company.

The Company had 528 employees on its permanent rolls, as on March 31, 2017

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2016-17 is around 9.27%, while the average increase in the remuneration of key managerial personnel is around 18.30%.

The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

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

It is hereby affirmed that the aforesaid remuneration paid by the Company, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company.

Management Discussion and Analysis

Financial year 2016-2017 saw a rebound in global economic growth led by the US, the Eurozone, Chinese economic recovery and India's sustained strong growth.

For India, the year was marked by progress on historic economic policy measures. The much-awaited Goods and Services Tax (GST) amendment was passed and was rolled out smoothly in July 2017. An economically transformative reform, GST will create a common Indian market and leading to an improvement in tax compliance and a boost in investment and growth.

Beyond this headline reform were other less heralded but nonetheless important actions. The National Payments Corporation of India (NPCI) successfully finalized the Unified Payments Interface (UPI) platform. Further FDI reform measures were implemented, allowing India to become one of the world's largest recipients of foreign direct investment. These measures cemented India's reputation as one of the few bright spots in an otherwise grim global economy.

The resounding victory of the BJP in the state elections of India's most populous and politically crucial state of Uttar Pradesh was seen as an affirmation of Prime Minister Modi's policies, especially since they were held in the backdrop of demonetisation. In a break from tradition, both the Union and Railway Budget were presented as a joint document on February 1, 2017.

Despite demonetization, India's economic growth was robust with GDP growth for FY 2016-17 estimated at 7.1%. Good monsoons boosted the agricultural sector. But industrial sector growth and growth in non-government service sectors saw moderation. Another area of concern remained banking sector credit growth and persisting asset quality issues.

Confuting initial fears around demonetisation the economy quickly rebounded. The flush of liquidity into formal banking channels has now found its way into equity and debt markets. The country's strong financial footing coupled with enhanced liquidity has unveiled what is expected to be an elongated period of benign interest rates aiding an expected rebound in credit off take.

CPI inflation for the year ending March 2017 stood at 3.8% and slipped further to 2.2% by June 2017. Other important macroeconomic indicators like fiscal deficit and current account deficit are strong and place the country on sound financial footing. Gathering momentum from reforms and an expanding tax realisation are expected to transit India's growth trajectory to 8-10% by the end of the decade.

Capital Markets Overview

While the Capital markets had their share of ups and downs during the year, the overall momentum was strongly positive. Indian Government's commitment to fiscal and taxation reforms, as well as the approval of the GST in Rajya Sabha were key contributing factors to strong market performance. From a low of 24,000 the sensex nearly breached the 30,000 mark in March 2017, before finally scaling it in April 2017. Demonetization driven liquidity inflow of liquidity into the capital markets is expected to sustain performance in the near-term.

Business Review

The Company, which is a corporate member of the capital market and derivative segment of the National Stock Exchange of India Limited (NSE) and of the BSE Limited (BSE), directly and through its subsidiaries is in the business of equity, commodities and currency broking, depository service, consumer finance, asset reconstruction and marketing of non-discretionary wealth management products (real estate, home loans, IPO etc.).

The roll out of the Real Estate Regulation Act (RERA) augurs well for the Company's realty distribution business conducted under Indiabulls Distribution Services Limited. The transparency and credibility brought into the sector by the Act will give a fillip to demand, and the Company is geared to take advantage of the same.

Given the new opportunities in the retail lending space, the Company through its subsidiary, IVL Finance Ltd, has forayed into the Consumer Finance business. On the back of the country's drive towards digitization in the banking and finance sector, the Company is also putting in place a digital platform to dispense credit. This segment is expected to boost the consolidated bottom line of IVL going forward.

Management Discussion and Analysis (contd.)

The Company is also a 100% sponsor of its subsidiary Indiabulls Asset Reconstruction Company Ltd. (IARCL), which has been recently granted the Certificate of Registration by the Reserve Bank of India. The current stressed asset situation in the banking industry and the resolve of the Government and RBI to address the same, makes this an attractive opportunity. The core team for the business is already on board and operations for this business will commence shortly.

Strengths

The Company's retail equity business primarily covers secondary market equity, derivative, currency and debt broking and mainly targets retail investors. It offers automated on-line investing trading facilities as well as broker assisted trade execution to its customers. Investors have full access to personalized portfolio tracking, charting and quote applications and real-time market commentary and real-time quotes and news. The Company also facilitates off-line trading for clients via operator assisted service branch and relationship managers.

The Company was one of the first companies to develop an in-house real-time link with the NSE. The Company has also introduced a seamless funds transfer platform for its clients where-in clients can transfer funds from their own bank accounts to Indiabulls Ventures Limited ("IVL")'s Bank accounts through payment gateways. Credit for the same is given instantly to the client's linked trading account.

Indiabulls Trading Portal is an on-line trading portal which is accessed through IVL's website. Clients can execute the sale and purchase of securities, with or without the assistance of off-line relationship managers.

Power Indiabulls and Mobile Power Indiabulls (MPIB) are versatile tools that provide enhanced trade information and order execution on an integrated software-based trading platform. MPIB the latest offering from Indiabulls Ventures Limited, is again a benchmark trading platform in its category and its rich user interface and seamless trading options allow clients to enjoy high speed trading on their hand held devices.

IVL also has a centralized Customer Care help desk, equipped with state-of-art facilities, to resolve customer queries.

Depository Services

The Company is a depository participant with the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). Services provided by it include dematerialization, rematerialisation, settlement of trades through market transfers, off market transfers. It performs clearing services for all securities transactions. Clients of the brokerage business are able to use the depository services in respect of transaction executed on stock exchange to settle transactions.

CRISIL Broker Grading, Ratings and Opinions

IVL is the first brokerage house to be accorded the highest broker grading by CRISIL. Our Company's quality of operations and services were reaffirmed by CRISIL, which once again assigned the highest broker grading of "BQ1".

Risk Management Systems

The Company has fully automated risk management software, which performs direct monitoring of operational controlling parameters to minimize delinquency risks. IVL risk management team performs real time monitoring of client positions across cash and derivative segments. Clients are informed about their margin requirements through multiple channels including automated SMS and e-mail channels. The Company employs strict risk management standards to reduce delinquency risks and has developed robust recovery processes. The Company has well managed control systems working along with the external audit which performs checks at regular intervals to identify and rectify any discrepancies in the system.

With the start of the consumer finance business, IVL Finance Limited is exposed to credit, liquidity and interest rate risk. The company has invested in people, branches, processes and technology to mitigate risk posed by external environment and by its borrowers. It has on board a strong risk management team and has put in place an effective credit operations structure. IVL Finance has adopted a conservative approach to portfolio management, which along with a rigorous portfolio review mechanism will enable the company to maintain good asset quality. The company has put in place a stringent and conservative provisioning policy.

Management Discussion and Analysis (contd.)

Analytics

IVL Finance is setting up its business on an analytics and technology driven backbone of analytics to attract, deliver and service its customers. Analytical capabilities have been optimised to make relevant offerings to customers, run marketing campaigns, manage risks and enhance customer experience. The company is making substantial investments in analytics to ensure strong asset quality and scale up its business in quality and quantity.

Business Outlook

Driven by GST reforms and demonetisation driven surging liquidity, the markets scaled new peaks. The strengthening of the ruling BJP's political fortunes through key electoral victories boosted market performance. Overall growth is expected to rise due to the continuing implementation of key reforms, loosening of supply side bottlenecks, and appropriate fiscal and monetary policies.

The consumer lending business in IVL Finance is expected to significantly add to the bottom line of the Company, in the medium to long term. NBFCs' growth in advances was 16% for both FY2016 and FY2017 as compared to banking sector advances' growth of 8.8% and 5.1% for FY 2016 and FY2017 respectively. A benign interest rate environment is expected to support expansion of NBFC market share especially as banks continue to be mired by NPA issues.

The Company through its subsidiary has also entered the Asset Reconstruction Business and has been granted the Certificate of Registration by the Reserve Bank of India. This is again an attractive opportunity given the thrust of RBI to resolve the stressed asset situation in the banking industry.

The addition of the new businesses will chart a new trajectory in the growth of the Company, and make it an integrated financial services provider straddling various businesses.

Challenges

The Company's retail equity and brokerage business faces certain challenges inherent to the sector. One such challenge is protecting brokerage yields in this highly competitive landscape. The sector is tightly regulated and the resultant regulatory risks could impact earnings profile. The Company is vigilant of emergent risks and the risk management systems and policies, which need to be continuously upgraded and is especially tested during periods of extreme market volatility. The business also needs to maintain a flexible cost structure to protect profitability in adverse market conditions. Dynamic shift in volumes from capital markets to derivative markets which are low yielding, is another key area of challenge that the Company has to manage.

Through IVL Finance the Company faces challenges typical to a lending business. Profitability of the business is driven by the yield that can be realised from borrowers, which is in turn driven by broader market conditions and the competitive environment. On the expense side a crucial factor would be the ability of the Company to raise funds at competitive rates to sustain book growth. Operating expenses will also need to be closely monitored. Credit costs will have to be kept in check and this is a challenging front for any consumer lending business.

Human Resources

Your Company's vision is to create a cohesive work environment that encourages the employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness. In an endeavour to augment the right talent, the recruitment process was streamlined further by introducing competency framework and up-skilling talent acquisition capabilities. Our focus and belief lies in enabling and empowering our talent pool for the forthcoming changes and challenges by providing new avenues of learning and development through behavioural and leadership training programs

This year we also initiated a full-fledged executive coaching exercise for the senior most leaders followed by leadership training interventions for 2nd and 3rd line leaders and training the sales force. We have also agreed on core values for IVL that includes Integrity, Transparency, Customer First, Professionalism and Respect and we all abide to live by these values and imbibe the same as fresh talent join the organisation. In our constant effort of rewarding talent, ESOPs were allotted to the top performers with consistent track record. With our people working

Management Discussion and Analysis (contd.)

at their highest capabilities we are creating a work force that's engaged, productive and committed towards the goals and objectives of Indiabulls Ventures Limited.

Internal Control Systems

The Company has adequate system of strong internal controls for business processes, with regards to operations, financial reporting, compliance with applicable laws and regulations, etc. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the existing control system in view of changing business needs from time to time.

Indiabulls Foundation

As a responsible corporate citizen, your Company believes in giving back to the society. Indiabulls' CSR arm, Indiabulls Foundation has focused on areas like healthcare, education, art and culture, nutrition, sanitation and rural development. In healthcare, the Foundation operates 20 mobile vans. The Foundation's healthcare outreach has helped diagnose and treat 765,000 patients to date. The Foundation conducts free cleft and palate surgeries in impoverished rural areas of the country and 600 such successful surgeries were performed this year.

Foundation's focus is also on rural education. The Foundation contributed 1,000 computers to tribal ashram schools, night schools and shelter homes across Maharashtra state. Scholarships were offered to over 600 meritorious students enabling them to pursue higher studies.

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Report on Corporate Governance

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company continuously adapts and refines itself to the Corporate Governance practices within the framework of evolving laws and regulations. The Company's philosophy on Corporate Governance encompasses simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable laws while at the same time ensuring complete commitment to values and the highest ethical standards in every facet of its operations and in all spheres of its activities.

The Company also engages itself in a credible and transparent manner with all its stakeholders which help them to understand its long term strategies. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This together with meaningful CSR activities has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities, in which it operates.

In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Independent verification and assured integrity of financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management, internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulations in letter and spirit.

The Company is in compliance the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015].

2. BOARD OF DIRECTORS (BOARD)

(A) Composition and size of the Board

The Company has a broad based Board of Directors (Board), constituted in compliance with the Companies Act, 2013, Listing Agreement executed by the Company with the Stock Exchange and SEBI (LODR) Regulations, 2015 and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience. With effect from August 28, 2017, the Board of the Company comprises of the following directors:

- (i) Mr. Sameer Gehlaut (DIN: 00060783) as its Non - Executive Chairman.
- (ii) Mr. Divyesh B. Shah (DIN: 00010933) as its Whole-time Director & CEO.
- (iii) Mr. Gagan Banga (DIN: 00010894) as its Non-Executive Director.
- (iv) Mr. Ajit Kumar Mittal (DIN: 02698115) as its Non-Executive Director.
- (v) Mr. Pinank Jayant Shah (DIN: 07859798) as its Executive Director.
- (vi) Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960), as its Independent Director.
- (vii) Mr. Shyam Lal Bansal (DIN: 02910086), as its Independent Director.
- (viii) Mr. Alok Kumar Misra (DIN: 00163959), as its Independent Director.
- (ix) Mr. Aishwarya Katoch (DIN: 00557488), as its Independent Director.
- (x) Mr. Prem Prakash Mirdha (DIN: 01352748), as its Independent Director.

Report on Corporate Governance (Contd.)

(xi) Retd. Brig. Labh Singh Sitara (DIN: 01724648), as its Independent Director.

The Board members have excellent leadership and guidance abilities, wide and rich professional knowledge and experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth of the Company.

As on March 31, 2017, the Board consisted of six directors. Details of such directors, number of their directorships in other companies as also the number of their memberships and chairmanships on various Board Committees, as on March 31, 2017, are as under:

S. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
				Member	Chairman
1.	Mr. Divyesh B. Shah (DIN: 00010933)	Whole-time Director & Chief Executive Officer	8	1	Nil
2.	Mr. Aishwarya Katoch (DIN: 00557488)	Non-Executive Independent Director	9	10	3
3.	Brig. Labh Singh Sitara (DIN: 01724648)	Non-Executive Independent Director	8	10	Nil
4.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Non-Executive Independent Director	7	9	Nil
5.	Mr. Amiteshwar Choudhary @ (DIN: 01679090)	Executive Director	Nil	1	Nil
6.	Ms. Pia Johnson@ (DIN: 00722403)	Non-Executive Director	3	1	Nil

*Does not include directorships held in foreign companies & private limited companies and companies under section 8 of the Companies Act, 2013.

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

@ Resigned from the Board of the Company w.e.f. August 28, 2017.

No Director is related to any other Director on the Board of the Company.

As on March 31, 2017, none of the Non-Executive Director held any equity share and convertible security of the Company, except Mr. Prem Prakash Mirdha who was holding 16,250 Equity shares and Ms. Pia Johnson who was holding 7,85,000 Equity shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company (www.indiabullsventures.com/uploads/news/details_of_familiarization_programmes_impacted_to_independent_directors_ivl-0752965001497857682.pdf)

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

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes/ relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Report on Corporate Governance (Contd.)

Senior management including the CFO is invited to attend the board meetings so as to provide additional inputs on the items being discussed by the Board. At the board meetings, the Executive Directors and senior management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

During the financial year 2016-17, the Board met 9 (Nine) times. Meetings were held on May 6, 2016, June 15, 2016, July 27, 2016, September 28, 2016, October 25, 2016, December 22, 2016, January 25, 2017, March 17, 2017 and March 28, 2017. During the year, separate meeting of the Independent Directors was held on January 24, 2017, without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting, except Brig. Labh Singh Sitara, who could not attend the same, as he was out of India.

The last Annual General Meeting of the Company was held on September 8, 2016.

Attendance of Directors at the Board Meetings held during the FY 2016-17 and at the last Annual General Meeting are as under:

Sr. No.	Name of the Director	No. of board meetings attended during tenure	Attendance at the last AGM
1.	Mr. Divyesh B. Shah (DIN: 00010933)	9	Yes
2.	Mr. Ashok Kumar Sharma* (DIN: 00010912)	2	N.A.
3.	Mr. Amiteshwar Choudhary# (DIN: 01679090)	5	N.A.
4.	Mr. Aishwarya Katoch (DIN: 00557488)	8	Yes
5.	Brig. Labh Singh Sitara (DIN: 01724648)	8	Yes
6.	Mr. Prem Prakash Mirdha (DIN: 01352748)	8	Yes
7.	Ms. Pia Johnson (DIN: 00722403)	8	No

*resigned from the directorship of the Company w.e.f. August 26, 2016.

appointed as Director of the Company w.e.f. September 28, 2016.

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under.

(A) Audit Committee

Composition

As on March 31, 2017, the Audit Committee comprised of four members, namely, Mr. Aishwarya Katoch as the Chairman and member, Mr. Amiteshwar Choudhary, Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara (Retd.) as members. Mr. Ashok Kumar Sharma, ceased to be a member of the Committee w.e.f. August 26, 2016.

Out of four, the three members, namely, Mr. Aishwarya Katoch, Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara (Retd.), are Independent Directors. Mr. Lalit Sharma, is the Secretary to the Audit Committee.

Terms of reference

The terms of reference of Audit Committee, inter-alia, include:

- Ø To oversee the financial reporting process and disclosure of financial information;
- Ø To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;

Report on Corporate Governance (Contd.)

- Ø To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- Ø To recommend the appointment of the internal and statutory auditors and their remuneration;
- Ø To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- Ø To hold discussions with the Statutory and Internal Auditors;
- Ø Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Ø Examination of the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Ø Approval or any subsequent modification of transactions of the Company with related parties;
- Ø Scrutiny of inter-corporate loans and investments;
- Ø Valuation of undertakings or assets of the Company, wherever it is necessary;
- Ø Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Ø Evaluation of the risk management systems (in addition to the internal control systems);
- Ø Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- Ø To hold post audit discussions with the auditors to ascertain any area of concern;
- Ø To review the functioning of the whistle blower mechanism;
- Ø Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate.

Meetings and Attendance during the year

During the financial year ended March 31, 2017, the Committee met 5 (five) times on May 6, 2016, July 27, 2016, October 24, 2016, January 24, 2017 and March 28, 2017.

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

Name of the Member	No. of meetings attended during tenure
Mr. Aishwarya Katoch	5
Mr. Ashok Kumar Sharma*	2
Mr. Prem Prakash Mirdha	3
Brig. Labh Singh Sitara (Retd.)	4
Mr. Amiteshwar Choudhary#	1

* ceased to be the member/ resigned from the Committee during the FY 2016-17.

appointed as member of Committee during FY 2016-17.

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings as invitees.

(B) Nomination & Remuneration Committee

Composition

As on March 31, 2017, the Nomination & Remuneration Committee of the Board comprised of three Independent Directors as its members, namely, Mr. Aishwarya Katoch as its Chairman and member, Brig. Labh Singh Sitara (Retd.) and Mr. Prem Prakash Mirdha as the other two members.

Report on Corporate Governance (Contd.)

Terms of reference

The terms of reference of Nomination & Remuneration Committee, inter-alia, include:

- ∅ formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ∅ formulation of criteria for evaluation of performance of independent directors and the board of directors;
- ∅ devising a policy on diversity of board of directors;
- ∅ identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- ∅ whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Meetings and Attendance during the year

During the financial year ended March 31, 2017, the committee met 2 (two) times on September 28, 2016 and October 15, 2016.

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

Name of the Member	No. of meeting attended during tenure
Mr. Aishwarya Katoch	2
Brig Labh Singh Sitara (Retd.)	2
Mr. Prem Prakash Mirdha	2

Policy for selection and appointment of Directors

The Nomination and Remuneration Committee (N&R Committee) has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Executive Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in diverse fields.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the

Report on Corporate Governance (Contd.)

remuneration payable to the Executive Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, the N&R Committee has laid down the criteria for performance evaluation of Independent Directors and Executive Directors, which inter-alia covers level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the Non-Independent Directors. The performance evaluation of Executive Directors and Non-Executive Director was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Policy on Board Diversity

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

Director's Remuneration:

(i) Remuneration of Executive Directors

Executive Directors are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors. Details of remuneration of Executive Directors for the FY 2016-17 are provided in Form MGT-9 forming part of this Annual Report.

(ii) Remuneration of Non-Executive Directors

Non- Executive Directors have not been paid any remuneration/sitting fees during the financial year 2016-17.

(C) Stakeholders Relationship Committee

Composition

As on March 31, 2017, the Stakeholders Relationship Committee of the Board comprised of three Independent Directors as its members, namely, Mr. Aishwarya Katoch as the Chairman and member, Brig. Labh Singh Sitara (Retd.) and Mr. Prem Prakash Mirdha as the other two members.

Terms of reference

- ∅ to approve requests for share transfers and transmissions.
- ∅ to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- ∅ to oversee all matters encompassing the shareholders' / investors' related issues.

Meetings and Attendance during the year

During the financial year ended March 31, 2017, the Committee met 4 (Four) times on May 5, 2016, July 27, 2016, October 24, 2016 and January 24, 2017.

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

Name of the Member	No. of meetings attended during tenure
Mr. Aishwarya Katoch	4
Brig. Labh Singh Sitara (Retd.)	4
Mr. Prem Prakash Mirdha	4

Name and designation of Compliance Officer

Mr. Lalit Sharma, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI (LODR) Regulations, 2015.

Report on Corporate Governance (Contd.)

Details of queries / complaints received and resolved during the year 2016-17:

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	7	7	0
3	Non-receipt of dividend	0	119	119	0
4	Non-receipt of annual report	0	2	2	0
5	Non credit/receipt of shares in demat account	0	0	0	0
6	Non receipt of securities after transfer	0	0	0	0
	Total	0	128	128	0

(D) Corporate Social Responsibility (CSR) Committee

Composition

As on March 31, 2017, the Corporate Social Responsibility Committee comprised of three members, namely, Mr. Aishwarya Katoch, as the Chairman and member and Mr. Divyesh B. Shah and Ms. Pia Johnson as the other two members. Mr. Ashok Kumar Sharma, ceased to be a member of the Committee w.e.f. August 26, 2016.

Terms of Reference

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

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

Meetings and Attendance during the year

During the financial year ended March 31, 2017 the Committee met 2 (Two) times on January 18, 2017 and March 31, 2017.

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

Name of the Member	No. of meetings attended during tenure
Mr. Aishwarya Katoch	2
Mr. Divyesh B. Shah	2
Ms. Pia Johnson	2

Report on Corporate Governance (Contd.)

4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Number of special resolutions passed
2013-2014	Centaur Hotel, IGI Airport, Delhi – Gurgaon Road, New Delhi – 110 037	September 29, 2014	10.00 A.M.	5
2014-2015	Centaur Hotel, IGI Airport, Delhi – Gurgaon Road, New Delhi – 110 037	September 7, 2015	2.00 P.M.	1
2015-2016	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 8, 2016	2.00 P.M.	0

B. Postal Ballot during the FY 2016-17

During the year 2016-17, no resolution was passed by the Company through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

5. MEANS OF COMMUNICATION

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- (i) **Publication of Financial Results:** The quarterly/ annual results of the Company are normally published in the leading newspapers viz. Business Standard (English) and Business Standard (Hindi).
- (ii) **News, Release, etc.:** The Company has its own website <http://www.indiabullsventures.com/> and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. are regularly posted on the website.
- (iii) **Management's Discussion and Analysis Report** has been included in the Annual Report, which forms a part of the Annual Report.

6. GENERAL SHAREHOLDERS' INFORMATION

(A) Company Registration Details

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

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

The 22nd AGM of the Company would be held on the day, date, time and venue as mentioned in the notice convening the said AGM.

(C) Financial year:

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March of the following calendar year.

(D) Dividend Payment Date

The interim dividend for the financial year 2016-17, at the rate of Re. 1 (Rupee one) per share, was paid on/from April 6, 2017.

(E) Date of Book Closure

The dates of book closure are as mentioned in the notice convening the 22nd AGM of the Company.

Report on Corporate Governance (Contd.)

(F) Listing on Stock Exchanges

The Company's shares and GDRs are listed at the following stock exchanges :

Equity Shares: BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Global Depository Receipts (GDRs): Luxembourg Stock Exchange Societe de la Boursede Luxembourg, II av de la Porte – Neuve, L-2227, Luxembourg.
National Stock Exchange of India Limited (NSE) “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	

The listing fees for the financial year 2017-18, have been paid to BSE and NSE.

(G) Stock Code

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

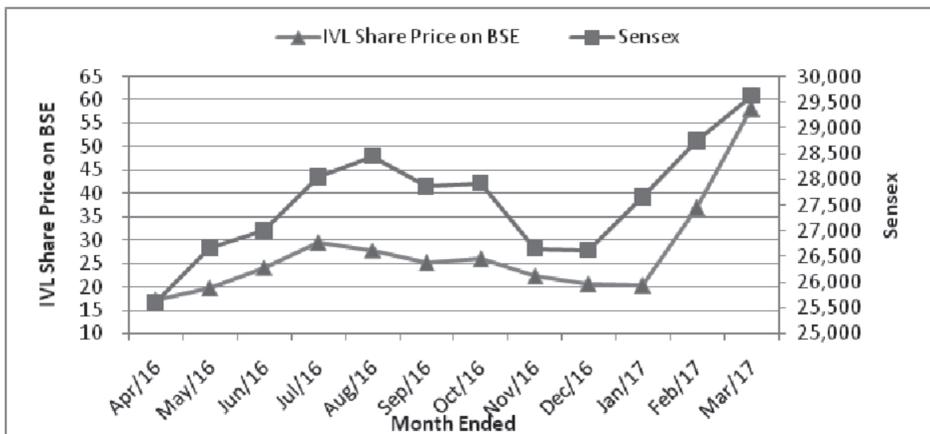
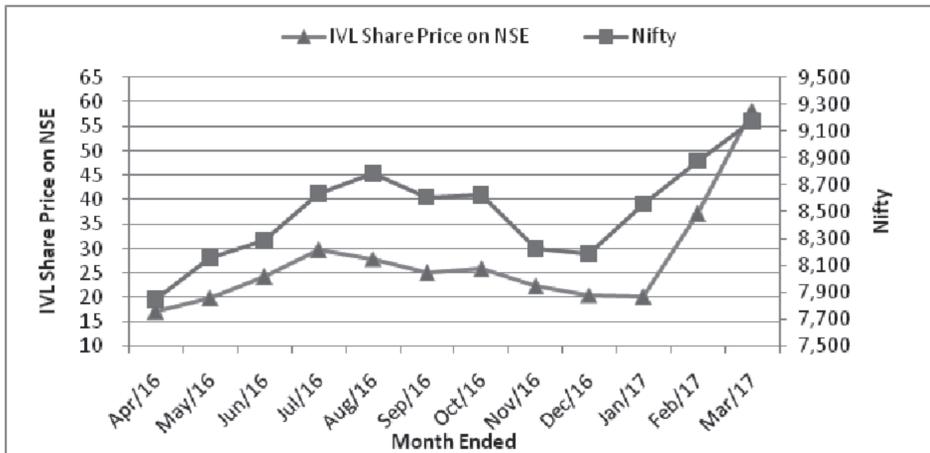
(H) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

The monthly high and low market prices of equity shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2017 are as under:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-16	17.65	13.05	17.68	13.10
May-16	22.85	14.25	22.90	14.55
Jun-16	24.90	18.00	24.90	18.05
Jul-16	34.75	24.25	34.80	24.30
Aug-16	30.85	26.10	30.90	26.35
Sep-16	29.85	24.25	29.70	24.40
Oct-16	28.40	25.05	28.35	25.10
Nov-16	26.20	18.95	26.15	18.90
Dec-16	22.75	18.50	22.75	18.50
Jan-17	22.35	20.00	22.30	20.10
Feb-17	41.00	20.05	40.95	20.00
Mar-17	58.40	35.10	58.20	35.05

Report on Corporate Governance (Contd.)

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



(J) Registrar and Transfer Agents

M/s Karvy Computershare Private Limited is the Registrar and Transfer Agents of the Company for handling the share related matters both in physical and dematerialized mode.

The contact details are as under:

Karvy Computershare Private Limited
 Unit: Indiabulls Ventures Limited
 Karvy Selenium, Tower B, Plot No. 31-32,
 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032
 Contact Person: Ms. Shobha Anand, AGM, Corporate Registry
 Tel : 040-6716 2222 - Fax: 040-23001153
 E-mail: einward.ris@karvy.com

(K) Share Transfer System

The Board has delegated the authority for share transfers, transmissions, remat / demat of shares/sub-division/ consolidation/issue of renewed and duplicate share certificates etc. to the Board constituted Stakeholders’ Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders’ Relationship Committee.

Report on Corporate Governance (Contd.)

(L) (i) Distribution of shareholding as on March 31, 2017

Sl. No.	Category	No. of holders	% to total holders	Total Shares	Amount (in Rs.)	% of Amount
1	1 - 5000	82,971	94.47	25,082,481	50,164,962.00	7.83
2	5001 - 10000	2,320	2.64	8,779,748	17,559,496.00	2.74
3	10001 - 20000	1,191	1.36	9,139,009	18,278,018.00	2.86
4	20001 - 30000	368	0.42	4,657,467	9,314,934.00	1.45
5	30001 - 40000	216	0.25	3,921,305	7,842,610.00	1.23
6	40001 - 50000	128	0.15	2,984,642	5,969,284.00	0.93
7	50001 - 100000	270	0.31	9,660,311	19,320,622.00	3.02
8	100001 & Above	350	0.40	255,981,957	511,963,914.00	79.94
	Total:	87,814	100.00	320,206,920	640,413,840.00	100.00

(ii) Shareholding pattern as on March 31, 2017

Sr. no.	Category	No. of Shares	% holding
1	Promoters and Promoters Group	123,098,802	38.44
2	Banks/Mutual Funds/Indian Financial Institutions	783,659	0.24
3	FII/Foreign Portfolio Investors	4,798,185	1.50
4	Private Bodies Corporate	93,288,521	29.13
5	Indian Public (Employees/HUF/Public/Trusts/Directors)	92,562,848	28.92
6	NRIs / OCBs	3,560,689	1.11
7	GDRs (Shares underlying)	60,477	0.02
8	NBFCs registered with RBI	136,425	0.04
9	Others (Clearing Members)	1,917,314	0.60
	Total	320,206,920	100.00

(M) Dematerialization of shares and liquidity

Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2017, 99.60% Equity shares of the Company representing 318,920,149 out of a total of 320,206,920 Equity shares were held in dematerialized form and the balance 1,286,771 shares representing 0.04% of the total equity capital of the Company were held in physical form.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

(N) Outstanding GDRs/Convertible Instruments

As on 31st March, 2017, an aggregate of 20,829,316 Employees Stock options are in force. These options, upon exercise, are convertible into equal number of Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

The number of outstanding GDRs as on March 31, 2017 was 60,477. Each GDR represents one equity share of Rs. 2/- each in the Company.

Report on Corporate Governance (Contd.)

(O) Commodity price risk or foreign exchange risk and hedging activities

During FY 2016-17, the Company doesn't have Commodity price risk. Further, the Company has not borrowed any loans in foreign currency. The working capital of the Company doesn't comprise of any amount in foreign currency. However, the Company has long term foreign currency amount receivable through loan notes and escrow account against long-term non-trade investment sold in previous years. The same has not been hedged.

(P) Plant Location: Not applicable

(Q) Address for Correspondence

(i) Registered Office:

M- 62 & 63, First Floor,
Connaught Place, New Delhi- 110 001
E-mail: helpdesk@indiabulls.com,
Tel: 0124-6681199, Fax: 0124-6681240
Website:<http://www.indiabullsventures.com/>

(ii) Corporate Office(s):

1. Indiabulls House, 448-451, Udyog Vihar, Phase V, Gurugram – 122 016.
2. Indiabulls House, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013.

(R) Profile of Directors seeking appointment/ re-appointment have been captured in the Notice convening the 22nd Annual General Meeting.

7. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to and forms a part of this Report.

8. OTHER DISCLOSURES

(i) Subsidiary Companies

During the year under review, the Company has incorporated/acquired new subsidiaries, namely, Indiabulls Consumer Products Limited, Indiabulls Logistics Limited, Indiabulls Infra Resources Limited and Indiabulls Asset Reconstruction Company Limited. Further, pursuant to and in terms of shareholders' approval dated July 15, 2016, during the year under review, Indiabulls Distribution Services Limited (a wholly owned subsidiary of the Company) has sold its 100% shareholding in India Land and Properties Limited.

Indiabulls Distribution Services Limited, India Land and Properties Limited and IVL Finance Limited (formerly Shivshakti Financial Services Limited) were material unlisted subsidiaries of the Company during the F.Y.2016-17. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the website of the Company (<http://www.indiabullsventures.com/>).

(ii) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company (<http://www.indiabullsventures.com/>).

(iii) CEO / CFO Certification

- (a) The Chief Executive Officer and CFO have issued certificate pursuant to the Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015, certifying that the financial results do not contain any false or

Report on Corporate Governance (Contd.)

misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

- (b) The Chief Executive Officer and CFO have issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II of the SEBI (LODR) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

(iv) (a) Code of Conduct and Ethics

The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company <http://www.indiabullsventures.com/>. All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this Report.

The Code seeks to ensure that the Board Members and Senior Management personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes along with business values and ethics.

(b) Code of Conduct for Prevention of Insider Trading

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of The Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and Companies Act, 2013, with a view to regulate trading in Securities of the Company by its directors, designated persons and employees.

(v) Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company (<http://www.indiabullsventures.com/>).

(vi) Strictures and Penalties

Following is the details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years:

- SEBI settled the proceedings on the payment of Rs. 10,000,000, vide its consent order dated 24th November 2014 in the matter of Indiabulls Ventures Limited.
- NSE levied a fine of Rs. 5,000/- vide its letter dated September 26, 2014 for Non-compliance to Clause 31 of the Listing Agreement.
- BSE levied a fine of Rs. 5,618/- vide its letter dated January 23, 2015 for Non-compliance to Clause 31 of the Listing Agreement.

(vii) Details of compliance with mandatory requirements and adoption of discretionary requirements pursuant to SEBI (LODR) Regulations, 2015.

The Company has complied with all the mandatory requirements pursuant to SEBI (LODR) Regulations, 2015 in letter as well as in spirit. The details of these compliances have been given in the relevant sections

Report on Corporate Governance (Contd.)

of this Report. The status on compliance with the discretionary requirements is given at the end of the Report.

9. DISCRETIONARY REQUIREMENTS

(A) Shareholders Rights

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information pertaining to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

(B) Unqualified Financial Statements

The Auditors' Report on the audited annual accounts of the Company does not contain any qualification from the Statutory Auditors and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

(C) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO and has direct access to the Audit Committee.

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI (LODR) Regulations, 2015.

This Corporate Governance Report of the Company for the financial year ended 31st March, 2017 are in compliance with the requirements as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations 2015, to the extent applicable to the Company.

Report on Corporate Governance (Contd.)

ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As the Chief Executive Officer of Indiabulls Ventures Limited and as required under Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board Members and Senior Management, for the FY 2016-17.

Date: April 27, 2017
Place: Mumbai

Divyesh B. Shah
Chief Executive Officer

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Indiabulls Ventures Limited

We have examined the compliance of conditions of Corporate Governance by Indiabulls Ventures Limited ("the Company"), for the year ended March 31, 2017, as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned LODR.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

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

Date: April 27, 2017
Place: New Delhi

Independent Auditor's Report

TO THE MEMBERS OF INDIABULLS VENTURES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of INDIABULLS VENTURES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 21 subsidiaries, whose financial statements reflect total assets of ₹ 16,226,277,641 as at March 31, 2017, total revenues of ₹ 5,760,276,487 and net cash inflows amounting to ₹ 335,286,093 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been

Independent Auditor's Report (contd.)

furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and its subsidiary company's internal financial controls over financial reporting.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 31A of the Consolidated Financial Statement.
 - ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and other auditors by the Management of the respective Group entities.

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

A. Siddharth
Partner

Mumbai, April 27, 2017

(Membership No. 31467)

Annexure “A” to the Independent Auditor’s Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Indiabulls Ventures Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, with includes internal financial controls over financial reporting of its subsidiaries, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI)”. 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 the respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

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

Annexure “A” to the Independent Auditor’s Report (contd.)

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 & to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2017, based on the “internal control over financial reporting criteria established by the respective companies 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”.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 21 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

A. Siddharth
Partner

Mumbai, April 27, 2017

(Membership No. 31467)

Consolidated Balance Sheet

as at March 31, 2017

Particulars	Note No.	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	640,413,840	585,739,084
(b) Reserves and Surplus	4	3,840,567,630	2,729,964,912
(c) Money received against Share Warrants	5	166,146,875	—
		4,647,128,345	3,315,703,996
(2) Share application money pending allotment	6	8,622,240	—
(3) Non - Current Liabilities			
(a) Long-Term Borrowings	7	5,715,075	3,919,410,476
(b) Other Long-Term Liabilities	8	—	624,816,794
(c) Long-Term Provisions	9	107,839,219	82,333,346
		113,554,294	4,626,560,616
(4) Current Liabilities			
(a) Short-Term Borrowings	10	15,183,272,050	17,083,769,511
(b) Trade Payables	11		
(i) Total outstanding due to micro enterprises and small enterprises		—	—
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		34,133,794	31,779,729
(c) Other Current Liabilities	12	2,044,960,869	2,082,230,755
(d) Short-Term Provisions	13	122,031,421	57,096,520
		17,384,398,134	19,254,876,515
TOTAL		22,153,703,013	27,197,141,127
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets	14		
(i) Tangible Assets		768,081,244	5,315,978,293
(ii) Intangible Assets		57,289,498	70,303,236
(iii) Intangible Assets Under Development		371,000	—
(iv) Capital Work in Progress		78,747,522	363,399,919
		904,489,264	5,749,681,448
(b) Goodwill on Consolidation	15	31,977,072	1,216,719,114
(c) Non-Current Investments	16	52,760	49,534
(d) Deferred Tax Assets (Net)	17	152,397,624	143,847,716
(e) Long-Term Loans and Advances	18	706,874,417	916,040,449
(f) Other Non-Current Assets	19	4,563,945	178,400,315
		1,800,355,082	8,204,738,576
(2) Current Assets			
(a) Current Investments	20	1,625,000,000	—
(b) Trade Receivables	21	3,369,852,718	3,177,952,185
(c) Cash and Cash Equivalents	22	9,056,613,024	8,337,946,619
(d) Short-Term Loans and Advances	23	6,178,733,074	7,150,415,609
(e) Other Current Assets	24	123,149,115	326,088,138
		20,353,347,931	18,992,402,551
TOTAL		22,153,703,013	27,197,141,127

Notes forming part of the financial statements

1 - 46

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner**Divyesh B. Shah**
Whole Time Director &
Chief Executive Officer
DIN: 00010933**Amiteshwar Choudhary**
Whole Time Director
DIN: 01679090**Rajeev Lochan Agrawal**
Chief Financial Officer**Lalit Sharma**
Company Secretary

Mumbai, April 27, 2017

Mumbai, April 27, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

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Particulars	Note No.	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
I. Revenue from operations	25	4,093,438,139	3,764,777,439
II. Other income	26	997,690,936	331,518,215
III. Total revenue (I+II)		5,091,129,075	4,096,295,654
IV. Expenses :			
Operating expenses	27	272,730,854	294,087,901
Employee benefits expense	28	895,252,980	885,783,328
Finance costs	29	1,386,194,511	1,484,547,146
Depreciation and amortisation expense	14	238,313,433	229,047,188
Other expenses	30	839,373,659	435,360,157
Total expenses		3,631,865,437	3,328,825,720
V. Profit before tax (III-IV)		1,459,263,638	767,469,934
VI. Tax expense / (Benefit) :			
(1) Current tax		614,520,228	204,351,210
Less: MAT credit entitlement		(170,594,751)	(108,870,410)
(2) Short provision for tax relating to prior years		1,370,955	3,972,417
(3) Deferred tax (Net)	17	(8,549,908)	(70,385,255)
		436,746,524	29,067,962
VII. Profit after tax attributable to shareholders of the Company (V-VI)		1,022,517,114	738,401,972
VIII. Earnings per Equity Share:	37		
(1) Basic		3.47	2.53
(2) Diluted		3.28	2.51
Face value per Equity Share		2.00	2.00
Notes forming part of the financial statements	1 - 46		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants**A. Siddharth**
Partner

For and on behalf of the Board of Directors

Divyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933**Amiteshwar Choudhary**
Whole Time Director
DIN: 01679090**Rajeev Lochan Agrawal**
Chief Financial Officer**Lalit Sharma**
Company Secretary

Mumbai, April 27, 2017

Mumbai, April 27, 2017

Consolidated Cash Flow Statement

for the year ended March 31, 2017

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A Cash flows from Operating Activities :				
Profit before Tax		1,459,263,638		767,469,934
Adjustments for :				
Interest Income from Inter-Corporate Deposits	(22,862,936)		(108,754,495)	
Dividend Income on Investments	(1,353,178)		(3,040,501)	
Excess Provision for incentives and other expenses no longer required written back	(71,557,737)		(9,463,098)	
Sundry Credit Balances written back	(30,732,589)		(9,752,449)	
Unrealised Foreign Exchange Gain	(3,813,806)		(4,123,491)	
Profit on Sale of Current Investments	(12,887,441)		(75,894,082)	
Profit on Sale of Assets	(135,000,000)		(65,408,931)	
Profit on Sale of Long-Term Investments	(622,583,304)		—	
Loss / (Profit) on sale/ scrapping of fixed assets	732,991		(732,225)	
Provision for Gratuity and Compensated Absences	12,485,552		17,144,423	
Interest Expense	1,348,795,123		1,434,116,964	
Contingent Provisions / Loan assets written off	414,431,645		66,689,404	
Provision for Doubtful Debts, Advances and Security Deposits	12,385,000		1,714,982	
Bad Debts / Advances / Security Deposits written off	18,365,727		1,344,168	
Depreciation and Amortisation Expense	238,313,433		229,047,188	
		1,144,718,480		1,472,887,857
Operating Profit before Working Capital changes		2,603,982,118		2,240,357,791
Adjustments for:				
Trade Receivable and Other Assets	361,682,572		(2,856,306,390)	
Trade Payables and Other Liabilities	(345,231,743)		1,075,969,696	
		16,450,829		(1,780,336,694)
Cash Generated from Operations		2,620,432,947		460,021,097
Income Taxes Paid (net)	(664,865,911)		(357,618,788)	
		(664,865,911)		(357,618,788)
Net Cash Generated from Operating Activities		1,955,567,036		102,402,309
B Cash flow from Investing Activities :				
Purchase of Fixed Assets (including Capital Advances given (net))		(143,175,534)		(328,721,800)
Proceeds from Sale of Fixed Assets		2,639,598		3,543,138
Purchase of Long-Term Investments		(51,000,000)		(2,405,251,915)
Proceeds from Sale of Long-Term Investments		5,978,100,000		5,407,532
Proceeds from Sale of Rights		143,326,091		47,746,807
(Purchase) / Redemption of units of Mutual Fund		(1,560,112,559)		769,442,469
Inter-Corporate Deposits Received back (net)		120,000,000		988,268,723
Dividend Income on Investments		1,353,178		3,040,501
Interest Income from Inter-Corporate Deposits		22,862,936		146,255,316
Net Cash Generated from / (Used in) Investing Activities		4,513,993,710		(770,269,229)

Consolidated Cash Flow Statement

for the year ended March 31, 2017 (contd.)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
C Cash flows from Financing Activities				
Money received against Share Warrants		287,856,250		—
Proceeds from conversion of share warrants (including Securities Premium)		365,128,125		301,665,010
Proceeds from/ (Refund of) share application money		8,622,240		(1,280,292)
Proceeds from issue of Equity Shares (including Securities Premium)		46,760,377		2,623,920
(Repayment of) / Proceeds from Bank Loans (net)		(2,755,331,672)		2,234,557,838
Repayment of Other Secured Loans (net)		—		(600,000,000)
Proceeds from Commercial Papers (net)		—		1,500,000,000
Inter Corporate Deposits Taken (net)		950,000,000		1,000,000,000
Amount transferred to investor education and protection fund		(1,960,204)		(3,817,245)
Payment of Final Dividend on Equity Shares pertaining to prior years		(38,818)		(347,996)
Payment of Interim Dividend on Equity Shares		(255,029)		(873,464,032)
Corporate Dividend Tax on Interim Dividend on Equity Shares		(65,186,594)		(178,018,296)
Interest Paid		(1,229,096,293)		(1,419,752,501)
Net Cash (Used in) /Generated Financing Activities		(2,393,501,618)		1,962,166,406
D Net Increase in Cash and Cash equivalents (A+B+C)		4,076,059,128		1,294,299,486
E Cash and Cash equivalents at the beginning of the year		6,902,643,314		5,608,343,828
F Cash and bank balances on (disposal) / acquisition of subsidiaries during the year (net)		(3,318,554,418)		—
G Cash and Cash equivalents at the end of the year (D+E+F)		7,660,148,024		6,902,643,314

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on 'Cash Flow Statements'.
- Cash and Cash equivalents as at the end of the year include:

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Cash and Cash equivalents (Refer note - 22)	9,056,613,024	8,337,946,619
Less: in Fixed Deposit Accounts having Maturity of more than three months	1,396,465,000	1,435,303,305
Cash and Cash Equivalents as restated	7,660,148,024	6,902,643,314

- Unpaid dividend account balances in designated bank accounts aggregating to ₹ 346,620,897 (Previous year ₹ 28,668,028) are not available for use by the Company (Refer note - 22).
- Previous year's figures are regrouped wherever considered necessary to conform with current year's groupings/classifications.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants**A. Siddharth**
Partner

For and on behalf of the Board of Directors

Divyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933**Amiteshwar Choudhary**
Whole Time Director
DIN: 01679090**Rajeev Lochan Agrawal**
Chief Financial Officer**Lalit Sharma**
Company Secretary

Mumbai, April 27, 2017

Mumbai, April 27, 2017

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017

Note - 1

Corporate Information:

Indiabulls Ventures Limited (“IBVL” or “the Company”) carries on the business as stock and share brokers on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”); depository participants and other related ancillary services. The Group’s primary businesses are ‘Broking and Related activities’, ‘Financing and Related activities’ and ‘Lease Rental activities’ (lease rental business was carried upto March 16, 2017). Broking and related activities include business as a stock and share broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage / commission on sale of flats, and other related ancillary services relating to broker activities. Lease rental and related activities include business of developing, operating and maintaining of industrial parks. On February 1, 1996 IBVL received a certificate of registration from the Securities and Exchange Board of India (“SEBI”) under sub-section 1 of section 12 of the Securities and Exchange Board of India Act, 1992 to carry on the business as a stock broker. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and Rules and Regulations relating there to are applicable to the Company. On April 2, 2008 the Equity shares of the Company were listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement.

Pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Incorporation) Rules, 2014 and subject to the approval of Registrar of Companies, NCT of Delhi and Haryana, the name of the Company has been changed from “Indiabulls Securities Limited” to “Indiabulls Ventures Limited” w.e.f. 12th March, 2015 to reflect various referral business activities carried on by the Company.

Note - 2

Significant Accounting Policies:

a) Basis of Consolidation:

The consolidated financial statements of the Company and its subsidiaries (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/Companies Act, 1956 (“the 1956 Act”), read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

b) Principles of Consolidation:

The consolidated financial statements relate to Indiabulls Ventures Limited (the ‘Company’) and its subsidiary companies (together the “Group”). The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2017 or upto date of disposal of subsidiary companies, if any.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

c) Goodwill / Capital Reserve on Consolidation:

Goodwill / Capital Reserve represents the difference between the Company’s share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose,

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill on consolidation, if any. The Goodwill on consolidation is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may have been impaired. The Goodwill / Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.

d) Companies included in Consolidation:

Name of Subsidiaries (Ownership as on March 31, 2017)	Country of Incorporation	Year/Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Indiabulls Commodities Limited	India	April 01, 2016 to March 31, 2017	100.00%	A Sardana & Co.
		April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
India Ethanol And Sugar Limited (Subsidiary of Indiabulls Commodities Limited)	India	April 01, 2016 to March 31, 2017	100.00%	A Sardana & Co.
		April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
Devata Tradelink Limited	India	April 01, 2016 to March 31, 2017	100.00%	Sumit Mohit & Company
		April 01, 2015 to March 31, 2016	100.00%	Sumit Mohit & Company
Indiabulls Brokerage Limited	India	April 01, 2016 to March 31, 2017	100.00%	A Sardana & Co.
		April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
Indiabulls Distribution Services Limited	India	April 01, 2016 to March 31, 2017	100.00%	A Sardana & Co.
		April 01, 2015 to March 31, 2016	100.00%	A Sardana & Co.
Auxesia Soft Solutions Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	Sumit Mohit & Company
		April 01, 2015 to March 31, 2016	100.00%	Sumit Mohit & Company
Pushpanjali Finsolutions Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		April 01, 2015 to March 31, 2016	100.00%	S A S & Co.
Arbutus Constructions Limited (Subsidiary of Devata Tradelink Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		April 01, 2015 to March 31, 2016	100.00%	S A S & Co.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Name of Subsidiaries (Ownership as on March 31, 2017)	Country of Incorporation	Year/Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Gyansagar Buildtech Limited (Subsidiary of Devata Tradelink Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>S A S & Co.</i>
IVL Finance Limited (formerly known as Shivshakti Financial Services Limited) (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>S A S & Co.</i>
Astraea Constructions Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>S A S & Co.</i>
Silenus Buildtech Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>S A S & Co.</i>
Astilbe Builders Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>S A S & Co.</i>
Pushpanjali Fincon Limited (50% held by Arbutus Constructions Limited and 50% held by Gyansagar Buildtech Limited)	India	April 01, 2016 to March 31, 2017	100.00%	S A S & Co.
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>S A S & Co.</i>
India Land and Properties Limited (Subsidiary of Indiabulls Distribution Services Limited upto March 16, 2017)	India	April 01, 2016 to March 16, 2017	100.00%	Harish Mittal & Company
		<i>April 1, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>Harish Mittal & Company</i>
Positive Housings Private Limited (Subsidiary of Indiabulls Commodities Limited)	India	April 01, 2016 to March 31, 2017	100.00%	Sumit Mohit & Company
		<i>April 01, 2015 to March 31, 2016</i>	<i>100.00%</i>	<i>Sumit Mohit & Company</i>
Indiabulls Alternate Investments Limited (Subsidiary of Indiabulls Distribution Services Limited)	India	April 01, 2016 to March 31, 2017	100.00%	Harish Mittal & Company
		<i>February 10, 2016 to March 31, 2016</i>	<i>100.00%</i>	<i>Harish Mittal & Company</i>
Indiabulls Consumer Products Limited	India	July 5, 2016 to March 31, 2017	100.00%	A Sardana & Co.
Indiabulls Asset Reconstruction Company Limited	India	October 3, 2016 to March 31, 2017	100.00%	A Sardana & Co.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Name of Subsidiaries (Ownership as on March 31, 2017)	Country of Incorporation	Year / Period ended included in Consolidation	% of Holding and voting power either directly or indirectly through subsidiary	Statutory Auditor
Indiabulls Logistics Limited	India	January 19, 2017 to March 31, 2017	100.00%	MRKS and Associates
Indiabulls Infra Resources Limited	India	February 1, 2017 to March 31, 2017	100.00%	MRKS and Associates

(Previous year details are given in italics)

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its independent financial statements.

- e) Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or (loss)	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
Parent Company				
Indiabulls Ventures Limited	38.7364%	1,800,128,337	-16.9279%	(173,090,259)
Subsidiary Companies				
Indiabulls Commodities Limited	7.3989%	343,834,629	20.1923%	206,469,402
India Ethanol and Sugar Limited	0.0273%	1,268,190	0.0311%	317,675
Devata Tradelink Limited	0.3011%	13,993,200	0.0797%	815,254
Indiabulls Brokerage Limited	0.0284%	1,321,136	-0.2266%	(2,316,559)
Indiabulls Distribution Services Limited	-16.3168%	(758,262,825)	60.5899%	619,542,238
Auxesia Soft Solutions Limited	0.0006%	27,760	-0.0976%	(998,019)
Pushpanjali Finsolutions Limited	-0.0034%	(155,837)	-0.1466%	(1,499,309)
Arbutus Constructions Limited	0.2058%	9,567,268	-0.0018%	(18,811)
Gyansagar Buildtech Limited	5.9058%	274,449,470	1.8909%	19,334,313
IVL Finance Limited	35.1243%	1,632,271,061	11.5940%	118,550,443
Astraea Constructions Limited	0.0131%	606,637	0.0030%	31,166
Silenus Buildtech Limited	0.0186%	863,071	0.0039%	39,425
Astilbe Builders Limited	0.0177%	824,375	0.0021%	21,927
Pushpanjali Fincon Limited	2.0083%	93,329,558	-0.0074%	(76,084)
India Land and Properties Limited	—	—	24.0689%	246,108,349
Positive Housings Private Limited	14.4621%	672,070,152	-0.0308%	(314,553)
Indiabulls Alternate Investments Limited	1.2084%	56,155,192	0.6003%	6,138,512
Indiabulls Consumer Products Limited	0.0200%	928,629	-1.1697%	(11,960,412)
Indiabulls Asset Reconstruction Company Limited	10.8369%	503,603,073	-0.3643%	(3,724,858)
Indiabulls Logistics Limited	0.0054%	252,887	-0.0242%	(247,113)
Indiabulls Infra Resources Limited	0.0011%	52,382	-0.0592%	(605,613)
Total	100.0000%	4,647,128,345	100.0000%	1,022,517,114

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

f) Use of Estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

g) Cash and Cash Equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

h) 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.

i) Revenue Recognition:

- Revenue from securities and commodities brokerage activities are accounted for on the trade date of the transaction.
- Income from brokerage and commission on account of cross-selling of real estate products is recognised on an accrual basis when the services are determined to be completed, generally set out under the terms of contract/agreements with respective customers.
- Income from fee based advisory services and consultancy is recognised on an accrual basis.
- Income from project management fee is recognised on accrual basis.
- Interest Income from financing activities and others is recognised on an accrual basis.
- Income from management fee is recognised on accrual basis in accordance with the SEBI regulations & the respective terms of the contract between the company and the trustee company.
- Lease income from operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.
- Maintenance income is accounted on accrual basis upon rendering of services.
- Revenue from interest charged to customers on margin funding is recognised on a daily/ monthly basis up to the last day of accounting period.
- Depository income is accounted on an accrual basis as and when the right to receive the income is established. Annual Maintenance charges are recognised pro-rata over the period it is charged.
- Commission on mutual funds is recognised on an accrual basis.
- Income from trading account maintenance is accounted on an accrual basis and when the right to receive the income is established.

j) Other Income:

- Revenue from interest on fixed deposits is recognised on an accrual basis.
- Dividend income on Equity shares is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date.
- Dividend income on units of mutual funds is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date. Any gains/losses on sale / redemption of units are recognised on the date of sale / redemption.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

- Interest income on Inter-Corporate Deposits is recognised on an accrual basis.
- Interest income on other deposits is recognised on an accrual basis.

k) Commercial Papers:

The liability is recognised at face value of the commercial paper at the time of issue of the commercial paper. The discount on issue of the commercial paper is amortised over the tenure of the instrument.

l) Fixed Assets:

(i) Tangible Assets:

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

(ii) Intangible Assets:

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

(iii) Capital Work in Progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(iv) Intangible assets under development:

Expenditure on development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

m) Depreciation / Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction / scrapping, as the case may be. Assets costing ₹ 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of Membership Rights of the BSE Limited are amortised on a straight-line method basis over a period of five years from the date when the rights became available for use.

Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change pattern, if any.

n) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised for such excess amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, to the extent the amount was previously charged to the Statement of Profit & Loss.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

o) Investments:

Investments are classified as long-term and current. Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

p) Foreign Currency Transactions and Translations:

Recognition & translation

- i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii. Monetary items denominated in foreign currencies at the year end are translated at year end exchange rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Exchange Differences

- i. Exchange differences arising on a monetary item that in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
- ii. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.
- iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognised as income or as expenses in the period in which they arise.

q) Employee Benefits:

The Company has a defined contribution plan namely Provident Fund. Annual contribution to the Employees Provident Fund Organisation is charged to the Statement of Profit and Loss. The Company has unfunded / funded defined benefit plans namely gratuity and unfunded defined benefit plan namely long-term compensated absences for all eligible employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Actuarial gains / losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

r) Deferred Employee Stock Compensation Cost:

The Company follows the intrinsic value method as per the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India for accounting for Employee Stock

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

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Options granted. Deferred employee stock compensation cost for stock options are recognised and measured by the difference between the intrinsic value of the Company's shares of the stock options at the grant date and the exercise price to be paid by the option holders. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purposes is measured on the basis of a fair valuation certified by an independent firm of Chartered Accountants in respect of the stock options granted.

s) Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

t) Leases:

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

u) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

v) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. All other borrowing costs are charged to the Statement of Profit and Loss.

w) Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segments. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue/ expenses / assets / liabilities.

x) Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

y) Derivative Contracts:

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

z) Operating Cycle:

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

Note - 3

Share Capital

Authorised

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Equity Shares of face value of ₹ 2 each	500,000,000	1,000,000,000	500,000,000	1,000,000,000
Preference Shares of face value of ₹ 4.61 each	25,000,000	115,250,000	25,000,000	115,250,000
		1,115,250,000		1,115,250,000

Issued, subscribed and fully paid up ^{(i) to (v)}

Equity Shares of face value of ₹ 2 each fully paid up	320,206,920	640,413,840	292,869,542	585,739,084
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The Company has only one class of Equity Shares having a face value of ₹ 2 per share. Each holder of Equity Share is entitled to one vote per share. The final dividend proposed by the Board of Directors if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.

640,413,840

585,739,084

(i) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(ii) Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares, less the fees and expenses payable under such Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the Deposited Shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

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for the year ended March 31, 2017 (contd.)

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(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

	Equity Shares As at March 31, 2017		Equity Shares As at March 31, 2016	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Opening balance	292,869,542	585,739,084	261,223,081	522,446,162
Shares issued during the year by exercise of Employee Stock Option Plan	2,687,378	5,374,756	706,460	1,412,920
Shares issued during the year by exercise of Warrants	24,650,000	49,300,000	30,940,001	61,880,002
Closing Balance	320,206,920	640,413,840	292,869,542	585,739,084

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of ₹ 2 each fully paid up				
Promoters and Promoter Group				
Sameer Gehlaut	40,158,292	12.54%	40,158,292	13.71%
Orthia Properties Private Limited	39,981,305	12.49%	39,981,305	13.65%
Orthia Constructions Private Limited	24,401,671	7.62%	11,701,671	4.00%
Zelkova Builders Private Limited	18,557,534	5.80%	6,607,534	2.26%
Public				
Rajiv Rattan *	-	0.00%	19,208,148	6.56%
Tupelo Consultancy LLP	25,115,371	7.84%	-	0.00%
	<u>148,214,173</u>	<u>46.29%</u>	<u>117,656,950</u>	<u>40.18%</u>

* Consequent to the de-classification of the Promoters / Promoter Group Entities / Persons Acting in Concert with the Promoters (PACs) of the Company, intimated by the Company to the Exchanges on July 18, 2014, Mr. Rajiv Rattan, Priapus Land Development Private Limited, Inuus Constructions Private Limited, Mr. Saurabh K Mittal, Hespera Land Development Private Limited and Hespera Constructions Private Limited have ceased to be the Promoters / Promoter Group Entities / PACs of the Company, with effect from July 18, 2014 and their names shall not be included, as such, in any future correspondences / filings by the Company with the Stock Exchanges / other statutory authorities.

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

(v) Shares reserved for issue under options:

- 20,829,316 Equity Shares (Previous year 15,384,894 Equity Shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 32).
- 33,650,000 Equity Shares (Previous year Nil Equity Shares) of face value of ₹ 2 each are reserved towards Share Warrants of the Company (Refer note - 5(i)).

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 4 Reserves and Surplus	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Capital Reserve on Consolidation		
Balance as per last Balance Sheet	228,490,531	228,490,531
Add : Effect of changes in Group's interest	177,246	—
Closing balance	228,667,777	228,490,531
Capital Redemption Reserve		
Balance as per last Balance Sheet	370,036,184	370,036,184
Securities Premium Account		
Balance as per last Balance Sheet	712,980,968	361,761,473
Add : Premium on shares issued during the year	478,923,121	351,219,495
Closing Balance	1,191,904,089	712,980,968
Foreign Currency Monetary Item Translation Difference Account ⁽ⁱ⁾		
Opening Balance	13,553,894	12,898,516
(Less) / Add: Effect of foreign exchange rate variation during the year	(1,807,443)	4,740,188
Less: Amortised during the year	3,813,806	3,192,039
Less: Utilised during the year	—	892,771
Closing balance	7,932,645	13,553,894
Reserve Fund (U/s 45-IC of RBI Act, 1934)		
Balance as per last Balance Sheet	22,253,297	19,503,098
Add : Additions during the year	13,388,069	2,750,199
Closing balance	35,641,366	22,253,297
General Reserve		
Balance as per last Balance Sheet	419,755,476	419,755,476
Surplus in the Statement of Profit and Loss		
Opening Balance	962,894,562	1,252,402,665
Add: Profit for the year	1,022,517,114	738,401,972
Amount available for appropriation (a)	1,985,411,676	1,990,804,637
Less: Appropriations :		
Interim Dividend on Equity Shares	320,206,920	877,132,756
Corporate Dividend Tax on Interim Dividend on Equity Shares	65,186,594	148,027,120
Amount transferred to Reserve Fund (U/s 45-IC of the RBI Act, 1934)	13,388,069	2,750,199
Total Appropriations (b)	398,781,583	1,027,910,075
Balance of Profit Carried Forward (a)-(b)	1,586,630,093	962,894,562
	3,840,567,630	2,729,964,912

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

- (i) Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items. Consequently, an amount of ₹ 7,932,645 (Previous year ₹ 13,553,894) is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on March 31, 2017, net of forex gain amounting to ₹ 3,813,806 (Previous year ₹ 3,192,039) amortised in the Statement of Profit and Loss and ₹ Nil (Previous year ₹ 892,771) utilised towards the partial amount received from the Escrow Account.

Note - 5	As at	As at
Money received against Share Warrants	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Money received against Share Warrants ⁽ⁱ⁾	166,146,875	—
	166,146,875	—

- (i) The Board of Directors of the Company at their meeting held on June 15, 2016 and as approved at its Extra-Ordinary General Meeting held on July 15, 2016 have resolved to create, offer, issue and allot up to 58,300,000 warrants, convertible into 58,300,000 equity shares of ₹ 2/- each on a preferential allotment basis, pursuant to Section 42 and 62 of the Companies Act, 2013, at a conversion price of ₹ 19.75 per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on August 10, 2016 to the certain promoter entities and to an executive director ("the warrant holders") and 25% application money amounting to ₹ 287,856,250/- was received from them. The warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before February 9, 2018. In the event the warrants are not converted into equity shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. During the year ended March 31, 2017, the Company has allotted 24,650,000 Equity Shares on March 7, 2017 on conversion of equivalent numbers of warrants to certain promoter group entities on realisation of balance 75% towards these warrants. Subsequent to the year ended March 31, 2017 the Company has allotted 33,650,000 Equity Shares on April 10, 2017 on conversion of equivalent numbers of warrants to the warrant holders on realisation of balance 75% towards these warrants.

Note - 6	As at	As at
Share application money pending allotment	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Share application money pending allotment ⁽ⁱ⁾	8,622,240	—
	8,622,240	—

- (i) As at March 31, 2017, the Company had received an amount of ₹ 8,622,240/- towards share application money for 250,000 Equity Shares of the Company at a premium of ₹ 29.35 per share under "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009" ("IBVL ESOP - 2009") and for 45,100 Equity Shares of the Company at a premium of ₹ 15.40 per share under "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"). The Company has sufficient authorised share capital to cover the allotment of these shares.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 7	As at	As at
Long-Term Borrowings	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Term Loans		
Secured		
From Banks ^{(i) to (iii)}	5,715,075	3,919,410,476
	5,715,075	3,919,410,476

- (i) Term loans of ₹ 5,715,075 (previous year ₹ 4,776,575) are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 9% p.a. to 12% p.a. The term loans are repayable in equated monthly installments ranging for a period of 3 to 5 years.
- (ii) During the previous year ended March 31, 2016, the Company had taken Term loan facilities from Oriental Bank of Commerce:
- (a) ₹ 394.18 crores had been disbursed during the year ending March 2016 out of Term Loan facility ₹ 405 crores (outstanding as on March 31, 2017: ₹ Nil).
- (b) Term loan facility of ₹ 45 Crores has been sanctioned but no disbursement has been made. Such loans are secured by hypothecation of respective assets as follows :
- 1) First exclusive charge upon all receivables (present and future) from tenants/ lessees in respect of commercial space at One Indiabulls Park, Chennai.
 - 2) First Exclusive charge on all other movable and immovable fixed assets of One Indiabulls Park, present and future.
 - 3) First Exclusive charge on all escrow and Common Account Maintenance (CAM) charges accounts opened in relation to the facility.
- (c) Term Loan Facility of ₹ 405 crores was repayable in 144 equal monthly installments. Interest on loans 9.99% p.a. with monthly rests, and such interest is calculated on the amount of loan outstanding from time to time. The Tenure of this facility is 12 years
- (iii) There is no continuing default as at March 31, 2017 (Previous year ₹ Nil) in the repayment of the respective loan or interest amounts.

Note - 8	As at	As at
Other Long-Term Liabilities	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Others		
Security deposits received ⁽ⁱ⁾	—	525,030,150
Others - Amount received from Depository for GDR	—	99,786,644
	—	624,816,794

- (i) Security deposits collected by the company included deposits in respect of operating leases for commercial infrastructure facility at One Indiabulls Park, Chennai. The deposits were repayable on completion of the lease tenure. In case of premature termination of the lease agreements by the lessee, certain contracts require the lessee to pay rentals for the unused portion of the lease.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

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Note - 9 Long-Term Provisions	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Provision for Gratuity (Refer note - 33)	72,548,837	62,050,633
Provision for Compensated Absences (Refer note - 33)	18,877,534	18,878,426
Provision for Loan Assets	13,785,299	335,798
Contingent Provisions against Standard Assets	2,627,549	1,068,489
	107,839,219	82,333,346

Note - 10 Short-Term Borrowings	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Secured loans		
From Banks ⁽ⁱ⁾		
Bank Overdraft	6,583,272,050	9,583,769,511
Working Capital Loan	650,000,000	500,000,000
Unsecured loans		
From Others		
Commercial Papers	5,000,000,000	5,000,000,000
(Maximum balance outstanding during the year ₹ 5,000,000,000 (Previous year ₹ 5,000,000,000))		
Inter Corporate Deposits	2,950,000,000	2,000,000,000
	15,183,272,050	17,083,769,511

- (i) Bank overdraft amounting to ₹ 6,583,272,050 (Previous year ₹ 9,563,911,727) are secured against fixed deposit placed and ₹ Nil (Previous year ₹ 19,857,784) are secured against book debts placed with respective banks. Working capital loan amounting to ₹ 650,000,000 (Previous year ₹ 500,000,000) are secured against book debts and loans and advances placed with the Banks.

Note - 11 Trade Payables	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
(a) Dues to Micro and Small Enterprises ⁽ⁱ⁾	—	—
(b) Dues to Others	34,133,794	31,779,729
	34,133,794	31,779,729

- (i) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:
- (a) An amount of ₹ Nil (Previous year ₹ Nil) and ₹ Nil (Previous year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of principal and interest respectively.
- (b) No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006; no amount was paid to the supplier beyond the appointed date.
- (c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
- (d) No amount of interest was accrued and unpaid at the end of the accounting year.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

- (e) No amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

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

Note - 12	As at	As at
Other Current Liabilities	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Current maturity of term loans (Refer note - 7 (i) to (iii))	1,785,905	27,124,715
Interest accrued but not due on working capital loan	996,370	2,634,949
Brokerage / depository income / management fee received in advance	11,049,903	4,315,546
Unclaimed dividends ⁽ⁱ⁾	346,620,897	28,668,028
Margin from customers	1,265,120,861	588,055,671
Temporary overdrawn bank balances as per books	11,573,816	43,895,706
Others:		
Security deposit received (Refer note - 8(i))	—	876,498,158
Capital purchases	—	19,585,535
Current liabilities for expense provisions and statutory dues	308,026,473	369,117,433
Amount received from Depository for GDR	99,786,644	—
Other payables	—	122,335,014
	2,044,960,869	2,082,230,755

- (i) In respect of amounts mentioned under Section 205(C) of the Companies Act, 1956, the Company has credited ₹ 1,960,204 (Previous year ₹ 3,817,245) to the Investor Education and Protection Fund. Further, no dues were required to be credited to the Investor Education and Protection Fund as at March 31, 2017.

Note - 13	As at	As at
Short-Term Provisions	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Provision for Gratuity (Refer note - 33)	1,906,806	2,196,095
Provision for Compensated Absences (Refer note - 33)	529,751	616,311
Provision for Taxation (net of advance tax ₹ 1,117,015,421 , Previous year ₹ 967,997,363)	113,043,279	53,058,984
Provision for Loan Assets	5,502,735	292,957
Contingent Provisions against Standard Assets	1,048,850	932,173
	122,031,421	57,096,520

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 15	As at	As at
Goodwill on Consolidation	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Balance as per last Balance Sheet	1,216,719,114	1,086,426,249
Add : On acquisition of Subsidiaries during the year	—	130,292,865
Less: On disposal of Subsidiary during the year	1,184,742,042	—
Closing balance	31,977,072	1,216,719,114
Note - 16	As at	As at
Non-Current Investments	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Long-term - Trade - Quoted (at cost unless otherwise stated)		
Investments in Equity Instruments:		
65,000 (Previous year Nil) fully paid up Equity Shares of face value of ₹ 2 each in BSE Limited	10,000	—
Long-term - Trade - Unquoted (at cost unless otherwise stated)		
Investments in Equity Instruments:		
Nil (Previous year 130,000) fully paid up Equity Shares of face value of ₹ 1 each in BSE Limited	—	10,000
Investments in Government or trust securities :		
Investment in 6 Years National Saving Certificate VIII Issue ⁽ⁱ⁾ (Including interest accrued thereon)	42,760	39,534
	52,760	49,534
(i) Investment in 6 Years National Saving Certificate (VIII Issue) is pledged with sales tax authorities.		
Aggregate market value of quoted investments	63,547,250	—
Aggregate book value of quoted investments	10,000	—
Aggregate book value of unquoted investments	42,760	49,534
Aggregate provision for diminution in value of investments	—	—

Note - 17 Deferred Tax Assets (Net)

In compliance with Accounting Standard - 22 'Accounting for Taxes on Income', deferred tax (net) of ₹ 8,549,908 has been credited (Previous year credited ₹ 70,385,255) to the Statement of Profit and Loss for the year ended March 31, 2017. The breakup of deferred tax into major components is as under:

	As at	As at
	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Deferred Tax Assets:		
Provision for Doubtful Debts and Advances	21,019,934	18,498,849
Disallowances u/s. 43B of the Income-Tax Act, 1961	6,678,432	5,671,265
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	25,593,114	20,995,567
Difference between tax balance and book balance of fixed assets	48,408,680	51,527,089
Others	64,578,595	61,380,298
(a)	166,278,755	158,073,068

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Deferred Tax Liability:		
Difference between book balance and tax balance of fixed assets	13,881,131	14,225,352
(b)	13,881,131	14,225,352
Deferred Tax Assets (Net)	(a) - (b)	152,397,624
	152,397,624	143,847,716
Note - 18	As at	As at
Long-Term Loans and Advances	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Unsecured		
(a) Capital Advances		
Considered Good	10,850,751	37,736,712
(b) Security Deposits		
(i) Deposits (including margin money) with Exchanges (considered good)	37,743,489	35,493,489
(ii) Deposits with Others		
Considered Good	59,423,280	80,666,211
Considered Doubtful	2,225,382	5,981,902
	61,648,662	86,648,113
Less: Provision for Doubtful Deposits	2,225,382	5,981,902
	59,423,280	80,666,211
(c) Unsecured Loans	295,366,414	354,831,140
(d) Loan Notes, Escrow Receivable account and others ⁽ⁱ⁾		
Considered Good	92,047,844	87,611,072
Considered Doubtful	395,976	1,522,303
	92,443,820	89,133,375
Less: Provision for Doubtful Advances	395,976	1,522,303
	92,047,844	87,611,072
(e) Advance Income Tax/ Tax Deducted At Source (Net of provision for tax ₹ 346,937,528; Previous year ₹ 3,113,130)	89,209,942	206,170,777
(f) MAT credit entitlement (considered good)	122,232,697	113,531,048
	706,874,417	916,040,449

(i) During the year ended March 31, 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 231,992,806 vide the Share Purchase Deed. Out of the total consideration of ₹ 231,992,806 receivable from Moody's Group UK LTD, ₹ 59,369,946 (excluding foreign exchange gain of ₹ 19,056,102) [Previous year ₹ 59,369,946 (excluding foreign exchange gain of ₹ 20,863,545)] is receivable as at the year ended March 31, 2017 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account. During the year ended March 31, 2017, the Company had received partial amount of ₹ Nil [Previous year ₹ 5,407,531 (excluding foreign exchange gain of ₹ 1,364,995)] towards Escrow Account.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 19	As at	As at
Other Non-Current Assets	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Unsecured, Considered Good		
Unamortised expenses - Ancillary borrowing cost	—	69,933,205
In fixed deposit accounts with Banks (Refer note - 22(i) & (ii))	4,563,945	28,003,689
Lease equalisation	—	80,463,421
	4,563,945	178,400,315
Note - 20		
Current Investments		
	As at	As at
	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Investments in Mutual Funds		
Non Trade - Unquoted (at cost unless otherwise stated)		
Indiabulls Mutual Fund	1,625,000,000	—
No. of units: 1,023,113.272 (Previous year : Nil)		
NAV at March 31, 2017: 1,588.4988 per unit (Previous year: N.A.)		
	1,625,000,000	—
Aggregate market value of quoted investments	—	—
Aggregate book value of quoted investments	—	—
Aggregate book value of unquoted investments	1,625,000,000	—
Aggregate provision for diminution in value of investments	—	—
Note - 21		
Trade Receivables		
	As at	As at
	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Unsecured		
Outstanding for a period exceeding six months		
Considered Good	1,749,111,342	1,425,294,774
Considered Doubtful	58,461,501	46,293,967
	1,807,572,843	1,471,588,741
Less: Provision for Doubtful Debts	58,461,501	46,293,967
	1,749,111,342	1,425,294,774
Others		
Considered Good	1,620,741,376	1,752,657,411
	3,369,852,718	3,177,952,185

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 22 Cash and Cash Equivalents	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Cash on Hand	98,515	317,363
Balance with Banks		
- in Current Accounts	813,428,612	333,533,504
- in fixed deposits with original maturity of less than three months ⁽ⁱ⁾	6,500,000,000	6,540,124,419
	<u>7,313,428,612</u>	<u>6,873,657,923</u>
Other bank balances		
Deposit accounts		
- in Fixed Deposit Accounts having original maturity of more than twelve months ^{(i) & (iii)}	766,825,000	1,291,513,305
- in Fixed Deposit Accounts having original maturity upto twelve months ⁽ⁱ⁾	629,640,000	143,790,000
In earmarked accounts		
- in unpaid dividend account	346,620,897	28,668,028
	<u>1,743,085,897</u>	<u>1,463,971,333</u>
	<u>9,056,613,024</u>	<u>8,337,946,619</u>

(i) Fixed deposits includes:

- a. ₹ 938,750,000 (Previous year ₹ 563,750,000) pledged with the banks against bank guarantees issued by banks for base capital and additional base capital to National Stock Exchange of India, BSE Limited, National Securities Clearing Corporation Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited.
- b. ₹ 19,625,000 (Previous year ₹ 62,500,000) pledged with National Stock Exchange of India, BSE Limited, National Securities Clearing Corporation Limited, Multi Commodity Exchange of India Limited and National Commodity & Derivatives Exchange Limited for the purpose of base capital and additional base capital.
- c. ₹ 6,936,700,000 (Previous year ₹ 6,944,700,000) pledged with banks for overdraft facilities.
- d. ₹ 4,338,945 (Previous year ₹ 8,791,408) pledged for arbitration matters.
- e. ₹ 290,000 (Previous year ₹ 190,000) pledged with VAT / Sales Tax Authorities.
- f. ₹ 25,000 (Previous year ₹ 25,000) pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.
- g. The Company had maintained the Debt Service Reserve Account (DSR) with the bank from whom the Company had borrowed the money for the business purpose. An amount equal to one month interest on each disbursement under the term loan was being transferred directly by the lender to the DSR Account out of the proceeds of such disbursement. The Company was required to maintain and operate this account during the entire tenure of the facility. As at March 31, 2017, the outstanding balance in DSR Account for ₹ Nil (previous year ₹ 34,613,487) and DSR account for negative cash flow was ₹ Nil (previous year ₹ 30,909,143) and was included in the balances lying in Fixed Deposit Accounts.
- h. ₹ Nil (Previous year ₹ 108,825,000) pledged with the bank against bank guarantees issued by bank to Chennai Metropolitan Development Authority.
- i. ₹ Nil (Previous year ₹ 14,219,231) pledged with NSE and ₹ Nil (Previous year ₹ 4,545,732) pledged with National Securities Clearing Corporation Limited (NSCCL) for surrender of membership of the NSE by Indiabulls Brokerage Limited, a wholly owned subsidiary company. As per the revised surrender norms of the NSE these fixed deposits shall be released after three years from the date of issue of public notification or on receipt of confirmation from the Securities and Exchange Board of India (SEBI) regarding

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

cancellation of registration whichever is later, subject to fulfillment of all dues under Rules/Regulations/ Bye-Laws of the NSE/NSCCL and circulars issued thereunder, including arbitration awards and valid investors/other grievances/claims against the member. During the year ended March 31, 2017, the NSE vide its letters dated April 4, 2016 confirmed the release of payment of the aforesaid fixed deposits in favour of the Company. On April 7, 2016, the proceeds of the aforesaid fixed deposits, including interest accrued thereon were credited to the Company's bank account.

- (ii) Balances with banks include deposit of ₹ Nil (Previous year ₹ 16,087,281) with remaining maturity of more than twelve months from balance sheet date.

Note - 23	As at	As at
Short-Term Loans and Advances	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
(a) Inter-Corporate Deposits (Unsecured, Considered Good)	204,731,277	324,731,277
(b) Margin Funding Loan Receivables (Secured, Considered Good)	26,643,120	12,289,939
Less: Margin received	4,041,693	3,382,823
	<u>22,601,427</u>	<u>8,907,116</u>
(c) Security Deposits (Unsecured Considered Good)	4,784,036,078	6,398,726,189
(d) Deposits (including margin money) with stock exchanges, (unsecured, considered good)	399,756,506	—
(e) Prepaid Expenses, Cenvat Credit Receivable and Others (Unsecured, Considered Good)	233,460,033	103,198,821
(f) Advance Income Tax / Tax Deducted At Source (Net of provision for tax ₹ 696,189,655; Previous year ₹ 375,391,308)	363,989,410	219,651,332
(g) Other Loan Given (Unsecured, Considered Good)	170,158,343	95,200,874
	<u>6,178,733,074</u>	<u>7,150,415,609</u>
Note - 24	As at	As at
Other Current Assets	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Others		
Interest Accrued on Fixed Deposits	10,527,913	24,278,545
Interest accrued on Loans	61,453,037	173,173,562
Other receivable	51,168,165	59,494,256
Unamortised expenses - Ancillary borrowing cost	—	19,978,648
Lease equalisation	—	49,163,127
	<u>123,149,115</u>	<u>326,088,138</u>

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 25	For the Year ended	For the Year ended
Revenue from operations	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
(a) Sale of Services ⁽ⁱ⁾	3,221,968,056	3,081,019,199
(b) Other Operating Revenues ⁽ⁱⁱ⁾	871,470,083	683,758,240
	4,093,438,139	3,764,777,439
(i) Sale of Services includes :		
Brokerage Income	2,296,351,662	2,287,860,759
Interest on Margin Funding / Delayed Payments	65,228,882	56,311,316
Interest from Financing Activities	60,306,166	87,945,843
Management Fee	12,158,618	—
Income from Depository Services	49,408,390	63,564,467
Rental income (Refer note - 36)	526,365,975	439,191,991
Maintenance income	143,395,717	93,313,191
Other Charges including Transaction Charges	34,156,880	28,990,981
Stamp Duty Charges	34,595,766	23,840,651
	3,221,968,056	3,081,019,199
(ii) Other Operating Revenues includes :		
Interest on Deposits	105,895,988	160,387,697
Interest on Earnest Money Deposits	67,961,299	—
Consultancy Fees and Advisory Income	694,601,148	519,532,496
Income from IPO commission, Mutual Funds commission, Account Opening and other Miscellaneous Income	3,011,648	3,838,047
	871,470,083	683,758,240
Note - 26	For the Year ended	For the Year ended
Other income	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Interest Income		
Interest Income from Inter-Corporate Deposits	22,862,936	108,754,495
Interest Income from Income Tax Refund	3,344,439	6,622,483
	26,207,375	115,376,978
Dividend Income		
Dividend Income on Other Long-Term Investments	845,000	1,105,000
Dividend Income on Current Investments	508,178	1,935,501
	1,353,178	3,040,501

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 26	For the Year ended	For the Year ended
Other income (Continued)	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Other Non-Operating Income		
Excess Provision for incentives and other expenses no longer required written back	71,557,737	9,463,098
Sundry Credit Balances written back	30,732,589	9,752,449
Gain on Foreign Exchange Fluctuations (Refer note - 4(i))	3,813,806	4,123,491
Bad Debt Recovered	89,650,444	32,718,753
Profit on Sale of Current Investments	12,887,441	75,894,082
Profit on Sale of Assets	135,000,000	65,408,931
Profit on disposal of subsidiary company	622,583,304	—
Profit on Sale/ Scrapping of fixed assets	690,581	732,225
Miscellaneous Income	3,214,481	15,007,707
	<u>970,130,383</u>	<u>213,100,736</u>
	<u>997,690,936</u>	<u>331,518,215</u>
Note - 27	For the Year ended	For the Year ended
Operating expenses	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Stamp Duty	36,956,864	25,143,414
Demat Charges	3,015	3,015
SEBI Charges	2,303,497	1,761,672
Commission	170,687,988	213,917,270
Depository Charges	7,956,380	6,186,877
Transaction Charges	32,565,744	25,528,182
Membership Fees	3,573,760	2,789,950
Web Hosting Expenses	8,477,428	9,269,259
VSAT Charges	711,637	785,568
Leased Line Expenses	5,636,745	5,577,079
Content Expenses	953,509	900,759
Software Expenses	2,904,287	2,224,856
	<u>272,730,854</u>	<u>294,087,901</u>

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 28 Employee benefits expense	For the Year ended March 31, 2017 Amount (₹)	For the Year ended March 31, 2016 Amount (₹)
Salaries	845,537,589	838,781,545
Contribution to Provident Fund and Other Funds	5,450,384	4,599,175
Staff Welfare Expenses	17,801,904	15,489,019
Provision for Gratuity and Compensated Absences (Refer note - 33)	26,463,103	26,913,589
	895,252,980	885,783,328
Note - 29 Finance costs	For the Year ended March 31, 2017 Amount (₹)	For the Year ended March 31, 2016 Amount (₹)
Bank Charges	29,315,537	32,271,316
Interest on Inter-Corporate Deposits	526,739,997	599,108,635
Interest on Bank Overdraft	43,141,621	89,796,449
Interest on Working Capital Loan	25,062,466	42,825,616
Interest on Short Term Loans	—	49,785,245
Interest On Term Loan	371,866,391	342,699,187
Interest on Vehicle Loans	526,414	842,330
Interest on Commercial Papers	381,458,234	309,059,502
Interest on Taxes	8,083,851	18,158,866
	1,386,194,511	1,484,547,146
Note - 30 Other expenses	For the Year ended March 31, 2017 Amount (₹)	For the Year ended March 31, 2016 Amount (₹)
Lease Rent (Refer note - 36)	77,755,265	79,273,822
Rates and Taxes	20,643,767	16,011,385
Electricity Expenses	31,293,376	30,762,982
Insurance	3,659,765	3,861,807
Communication Expenses	19,762,163	17,797,252
Professional Charges	36,041,470	34,977,669
Travelling & Conveyance	14,923,436	21,676,611
Printing and Stationery	10,142,914	9,848,688
Office Maintenance	21,075,675	19,219,014
Repairs and Maintenance - Others	70,458,014	71,452,333
Business Promotion	37,814,174	32,904,207

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 30 Other expenses (Continued)	For the Year ended March 31, 2017 Amount (₹)	For the Year ended March 31, 2016 Amount (₹)
Payment to Statutory Auditors' (Net of Service Tax of ₹ 1,211,338 Previous year ₹ 620,600)		
- For Statutory Audit	6,892,562	3,340,000
- For Tax Audit	75,000	75,000
- For Certification	670,000	500,000
- Reimbursement of Expenses	600,000	450,000
Loss on Erroneous Transactions (net) (Refer note - 39)	38,605	24,365
Donation (Refer note - 38)	39,201,000	22,460,000
Loss on Sale/ Scrapping of fixed assets	1,423,572	—
Contingent Provisions / Loan assets written off	414,431,645	66,689,404
Provision for Doubtful Debts, Advances and Security Deposits	12,385,000	1,714,982
Bad Debts / advances / Security Deposits written off	23,466,039	1,350,805
Less : Adjusted against provision of earlier years	5,100,312	6,637
	18,365,727	1,344,168
Preliminary Expenses	981,406	—
Miscellaneous Expenses	739,123	976,468
	839,373,659	435,360,157

Note - 31

A. Contingent liabilities not provided for in respect of: (Amount in ₹)

Particulars	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
- Claims against the Company not acknowledged as debts in respect of:		
Penalty for synchronised trading under SEBI regulations ⁽ⁱ⁾	1,500,000	1,500,000
Court Cases ⁽ⁱⁱ⁾	2,803,646	5,918,966

(i) During the year ended March 31, 2011, the Securities Appellate Tribunal ("SAT") had passed an order dated October 26, 2010 in favour of the Company setting aside the penalty imposed by SEBI. However, during the year ended March 31, 2012, SEBI had preferred an appeal against the judgment of the SAT before the Honourable Supreme Court of India. The matter is pending adjudication.

(ii) The Company is involved in various legal proceedings as respondents / defendants for various claims including those related to conduct of its business. In respect of these claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements / position.

B. Commitments : (Amount in ₹)

Particulars	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
- Capital Commitments for purchase of fixed assets	2,178,130,597	2,114,131,162

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Note - 32

Employee Stock Option Schemes:

a) Employees Stock Option Scheme - 2008

Pursuant to a resolution passed by the Shareholders on January 19, 2009, the Company had cancelled and withdrawn the existing "Employee Stock Option Scheme - 2007", covering 15,000,000 stock options and established a new Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee at its meeting held on January 24, 2009, had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Securities Limited Employees Stock Option Scheme - 2008"), 20,000,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 17.40, being the latest available closing market price on the National Stock Exchange of India Ltd., as on January 23, 2009 following the intrinsic method of accounting as is prescribed in the Guidance Note on Accounting for Employees Share-Based Payments ("the Guidelines") issued by the Institute of Chartered Accountants of India. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on July 1, 2016, has regranted under the IBVL ESOP - 2008 9,700,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. 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.

S. No.	Particulars	IBVL ESOP - 2008	
		20,000,000 Options	9,700,000 Options Regranted
1	Exercise price	₹ 17.40	₹ 24.15
2	Expected volatility *	79.00%	42.97%
3	Expected forfeiture percentage on each vesting date	Nil	Nil
4	Option Life (Weighted Average)	11 Years	6 Years
5	Expected Dividends yield	22.99%	10.82%
6	Risk Free Interest rate	6.50%	7.45%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		₹ 0.84	₹ 4.31

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

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

b) Employees Stock Option Scheme - 2009

The Shareholders of the Company at their Annual General Meeting held on September 30, 2009 have authorised the Board of Directors to grant 20,000,000 options, representing equivalent number of Equity Shares of face value ₹ 2 each in one or more tranches, pursuant to an Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009") (title changed by Compensation Committee at its meeting held on August 28, 2015 from "Indiabulls Securities Limited Employees Stock Option Scheme - 2009"). The options covered under the Scheme would be granted at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

The Compensation Committee constituted by the Board of Directors of the Company, at its meeting held on December 1, 2009, granted, under the IBVL ESOP - 2009 10,000,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., on November 30, 2009. The Stock Options so granted, shall vest uniformly over 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on April 12, 2010, granted, under the IBVL ESOP - 2009 2,050,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., on April 9, 2010. The Stock Options so granted, shall vest uniformly over 10 years beginning from April 13, 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on August 25, 2015, 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 ₹ 2/- each in the Company, at an exercise price of ₹ 27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. 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, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

Further, the Compensation Committee at its meeting held on May 12, 2016, has regranted under the IBVL ESOP - 2009 9,500,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 16.00, being the latest available closing market price on the National Stock Exchange of India Ltd., as on May 11, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from May 13, 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, the Compensation Committee at its meeting held on July 1, 2016, has 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 ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. 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. During the year ended March 31, 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

S. No.	Particulars	IBVL ESOP – 2009				
		10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered
1	Exercise price	₹ 35.25	₹ 31.35	₹ 27.45	₹ 16.00	₹ 24.15
2	Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%
3	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4	Option Life (Weighted Average)	10 Years	10 Years	7 Years	6 Years	6 Years
5	Expected Dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%
6	Risk Free Interest rate	7.50%	8.05%	6.50%	7.45%	7.45%
	Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.	₹ 6.48	₹ 9.39	₹ 4.77	₹ 1.38	₹ 4.31

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

Had the compensation cost for the stock options granted under the IBVL ESOP - 2008 and IBVL ESOP - 2009 been determined based on the fair value approach, the Company's net profit and Basic/Diluted earnings per Equity Share would have been as per the pro forma amounts indicated below:

Particulars	For the Year ended March 31, 2017 Amount (₹)	For the Year ended March 31, 2016 Amount (₹)
Profit attributable to Equity Shareholders (₹) (Refer note - 37)	1,022,517,114	738,401,972
Less: Stock-based compensation expense determined under the fair value based method (₹) [Gross ₹ 16,022,444 (Previous Year ₹ 16,453,994)] (pro forma)	558,728	835,588
Net Profit considered for computing Earnings per Equity Share (₹)(pro forma)	1,021,958,386	737,566,384

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Particulars	For the Year ended March 31, 2017 Amount (₹)	For the Year ended March 31, 2016 Amount (₹)
Basic / Diluted Earnings Per Equity Share:		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	295,000,363	291,937,356
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	6,463,014	1,528,205
Add: Potential number of Equity Shares that could arise on exercise of Warrants	10,156,973	274,685
Weighted average number of Equity Shares used for computing Diluted Earnings per Equity Share	311,620,350	293,740,246
Basic earnings per Equity Share (₹) (as reported)	3.47	2.53
Basic earnings per Equity Share (₹) (pro forma)	3.46	2.53
Diluted earnings per Equity Share (₹) (as reported)	3.28	2.51
Diluted earnings per Equity Share (₹) (pro forma)	3.28	2.51

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

	IBVL ESOP - 2008	
Total Options under the Scheme (Nos.)	20,000,000	
Options granted (Nos.)	20,000,000	9,700,000 (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
Vesting Date	January 25 th each year, commencing January 25, 2010	July 2 nd each year, commencing July 2, 2017
Exercise Price (₹)	17.40	24.15
Outstanding at the beginning of the year (Nos.)	4,884,894	—
Regrant Addition (Nos.)	—	9,700,000
Options vested during the year (Nos.)*	708,808	—
Exercised during the year (Nos.)	2,687,378	—
Expired during the year (Nos.)	57,050	—
Surrendered and eligible for re-grant during the year (Nos.)	614,150	—
Outstanding at the end of the year (Nos.)	1,526,316	9,700,000
Exercisable at the end of the year (Nos.)	463,107	—
Remaining contractual Life (Weighted Months)	64	88

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Total Options under the Scheme (Nos.)	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)
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
Vesting Date	December 2 nd each year, commencing December 2, 2010	April 13 th each year, commencing April 13, 2011	August 26 th each year, commencing August 26, 2016	May 13 th each year, commencing May 13, 2017	July 2 nd each year, commencing July 2, 2017
Exercise Price (₹)	35.25	31.35	27.45	16.00	24.15
Outstanding at the beginning of the year (Nos.)	—	500,000	10,000,000	—	—
Regrant Addition (Nos.)	NA	NA	NA	9,500,000	10,000,000
Options vested during the year (Nos.)*	—	50,000	—	—	—
Exercised during the year (Nos.)	—	—	—	—	—
Expired during the year (Nos.)	—	50,000	—	—	—
Surrendered and eligible for re-grant during the year (Nos.)	—	—	10,000,000	347,000	10,000,000
Outstanding at the end of the year (Nos.)	—	450,000	—	9,153,000	—
Exercisable at the end of the year (Nos.)	—	250,000	—	—	—
Remaining contractual Life (Weighted Months)	—	48	—	86	—

* Net of options surrendered before vesting.

Note - 33**Employee Benefits:**

Provident Fund, Gratuity and Long-Term Compensated Absences - disclosures as per Accounting Standard - 15 (Revised) - 'Employee Benefits':

Contributions are made to Government Provident Fund, Family Pension Fund and other statutory funds which cover all regular employees eligible under the respective acts. Both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of ₹ 6,391,797 (Previous year ₹ 3,652,238) towards Employer's Contribution for the above mentioned funds.

Provision for unfunded / funded Gratuity and Compensated Absences for eligible employees is based on an actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains / losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Disclosures in respect of Gratuity and Compensated Absences:

(Amount in ₹)

Particulars	Gratuity (funded) * 2016-17	Gratuity (funded) * 2015-16	Gratuity (unfunded) 2016-17	Gratuity (unfunded) 2015-16	Compensated Absences (unfunded) 2016-17	Compensated Absences (unfunded) 2015-16
Reconciliation of Liability recognised in the Balance Sheet :						
Present Value of Commitments (as per Actuarial valuation)	—	3,107,781	74,455,643	61,138,947	19,407,285	19,494,737
Fair Value of Plans	—	(1,132,837)	—	—	—	—
Net Liability in the Balance Sheet (as per Actuarial valuation)	—	1,974,944	74,455,643	61,138,947	19,407,285	19,494,737
Movement in net Liability recognised in the Balance Sheet :						
Net Liability as at beginning of the year	3,107,781	1,810,658	61,138,947	51,243,863	19,494,737	13,542,521
Amount Paid during the year	—	—	10,865,827	10,070,339	1,836,399	164,295
Net expense / (gain) recognised in the Statement of Profit and Loss	185,330	526,691	23,491,470	20,255,139	2,643,815	6,083,719
Actual return on plan assets	85,076	87,302	—	—	—	—
Acquired on consolidation/Acquisition adjustment on transfer of employees	(691,053)	683,130	691,053	(289,716)	—	32,792
Adjustment on disposal of subsidiary company	2,687,134	—	—	—	894,868	—
Contribution during the year	—	—	—	—	—	—
Net Liability as at end of the year	—	3,107,781	74,455,643	61,138,947	19,407,285	19,494,737
Expense recognised in the Statement of Profit and Loss :						
Current Service Cost	360,107	530,397	11,169,180	8,898,690	3,205,030	3,421,602
Past Service Cost	—	—	35,747	—	5,572	—
Interest Cost	248,622	149,379	5,132,716	4,422,833	1,443,365	1,147,657
Expected return on plan assets	(90,627)	(94,098)	—	—	—	—
Actuarial losses / (gains)	(332,772)	(58,987)	7,153,827	6,933,616	(2,010,152)	1,514,460
Expense charged / (reversal) to the Statement of Profit and Loss	185,330	526,691	23,491,470	20,255,139	2,643,815	6,083,719
Return on plan assets :						
Expected return on plan assets	90,627	94,098	—	—	—	—
Actuarial losses / (gains)	5,551	(6,796)	—	—	—	—
Actual return on plan assets	85,076	87,302	—	—	—	—

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Particulars	Gratuity	Gratuity	Gratuity	Gratuity	Compensated	Compensated
	(funded) *	(funded) *	(unfunded)	(unfunded)	Absences	Absences
	2016-17	2015-16	2016-17	2015-16	(unfunded)	(unfunded)
					2016-17	2015-16
Reconciliation of defined-benefit Commitments :						
Commitments as at beginning of the year	3,107,781	1,810,658	61,138,947	51,243,863	19,494,737	13,542,521
Current Service Cost	360,107	530,397	11,169,180	8,898,690	3,205,030	3,421,602
Past Service Cost	—	—	35,747	—	5,572	—
Interest Cost	248,622	149,379	5,132,716	4,422,833	1,443,365	1,147,657
Acquired on Consolidation / Acquisition adjustment on transfer of employees	(691,053)	683,130	691,053	(289,716)	—	32,792
Adjustment on disposal of subsidiary company	(2,687,134)	—	—	—	(8,94,868)	—
Paid benefits	—	—	(10,865,827)	(10,070,339)	(1,836,399)	(164,295)
Expected return on plan assets	—	—	—	—	—	—
Actuarial losses / (gains)	(338,323)	(65,783)	7,153,827	6,933,616	(2,010,152)	1,514,460
Commitments as at end of the year	—	3,107,781	74,455,643	61,138,947	19,407,285	19,494,737
Reconciliation of plan assets :						
Plan assets as at beginning of the year	1,132,837	1,045,535	—	—	—	—
Acquired on consolidation during the year	—	—	—	—	—	—
Expected return on plan assets	90,627	94,098	—	—	—	—
Contributions during the year	—	—	—	—	—	—
Paid benefits	—	—	—	—	—	—
Actuarial losses / (gains)	5,551	(6,796)	—	—	—	—
Adjustment on disposal of subsidiary company	(1,229,015)	—	—	—	—	—
Plan assets as at end of the year	—	1,132,837	—	—	—	—

(Amount in ₹)

	Gratuity (Funded and Unfunded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustment:					
On plan liabilities ((losses) /gains))	(139,180)	(4,297,270)	(5,939,583)	(9,018,049)	(3,698,836)
On plan assets (gains/ (losses))	—	(6,796)	(3,458)	—	—
Present value of benefit obligation	74,455,643	64,246,728	53,054,521	40,025,926	42,597,506
Fair value of plan assets	—	1,132,837	1,045,535	—	—
Excess of obligation over plan assets / (plan assets over obligation)	74,455,643	63,113,891	52,008,986	40,025,926	42,597,506

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Experience adjustment:	Compensated Absences (Unfunded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
On plan liabilities (gains / (losses))	2,678,783	(924,277)	80,297	80,297	9,703,942
On plan assets (gains/ (losses))	—	—	—	—	—
Present value of benefit obligation	19,407,285	19,494,737	13,542,521	11,543,325	12,730,680
Fair value of plan assets	—	—	—	—	—
Excess of obligation over plan assets / (plan assets over obligation)	19,407,285	19,494,737	13,542,521	11,543,325	12,730,680

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

Particulars	As at March 31, 2017	As at March 31, 2016
Discount rate		
Gratuity and Compensated Absences	7.35%	8.00%
Expected return on plan assets	NA	8.35%
Expected rate of salary increase	5.00%	5.00%
Mortality	IALM (2006 - 08)	IALM (2006-08)

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet Date, towards Gratuity and Compensated Absences are ₹ 22,450,624 (Previous Year ₹ 18,505,065) and ₹ 6,023,004 (Previous Year ₹ 5,899,511) respectively.

Note - 34

Segment Reporting:

Segment information for the year ended March 31, 2017 as per Accounting Standard 17 - 'Segment Reporting':

(a) Primary segment information (by Business Segments): (Amount in ₹)

	Broking & & related activities	Lease Rentals & related activities	Financing & & related activities	Other Operations	Total
(i) Segment Revenue	2,944,524,671 3,122,034,540	674,014,386 551,629,791	460,306,166 87,945,843	14,592,916 3,167,265	4,093,438,139 3,764,777,439
(ii) Segment Results	1,511,681,329 1,706,266,617	456,538,227 277,718,993	124,317,755 38,473,925	— 3,167,265	2,092,537,311 2,025,626,800
Add: Unallocated Income net of other Unallocated Expenditure					723,605,301 194,118,964
Less: Interest expenditure					1,356,878,974 1,452,275,830
Less: Income taxes					436,746,524 29,067,962

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

	Broking & related activities	Lease Rentals & related activities	Financing & related activities	Other Operations	Total
Less: Minority Interest					— —
Total Profit after tax					1,022,517,114 738,401,972
(iii) Segment Assets	11,195,694,097 <i>11,280,176,113</i>	672,035,407 <i>7,440,082,010</i>	497,543,273 <i>628,771,975</i>	— <i>43,027,222</i>	12,365,272,777 <i>19,392,057,320</i>
Unallocated Corporate Assets					9,788,430,236 <i>7,805,083,807</i>
Total Assets					22,153,703,013 <i>27,197,141,127</i>
(iv) Segment Liabilities	9,666,380,631 <i>9,669,041,911</i>	500,000,000 <i>7,011,698,457</i>	23,939,056 <i>3,377,442</i>	— —	10,190,319,687 <i>16,684,117,810</i>
Unallocated Corporate Liabilities					7,307,632,741 <i>7,197,319,321</i>
Total Liabilities					17,497,952,428 <i>23,881,437,131</i>
(v) Capital Expenditure including Capital Advances Given (net)	44,677,426 <i>53,136,517</i>	76,973,581 <i>277,167,049</i>	— —	— <i>49,866</i>	121,651,007 <i>330,353,432</i>
Unallocated Capital Expenditure including Capital Advances					21,524,527 <i>(1,631,632)</i>
Total Capital Expenditure including Capital Advances					143,175,534 <i>328,721,800</i>
(vi) Depreciation and Amortisation	55,842,139 <i>49,025,522</i>	180,921,356 <i>176,389,180</i>	94,772 <i>123,067</i>	— —	236,858,267 <i>225,537,769</i>
Unallocated Depreciation and Amortisation					1,455,166 <i>3,509,419</i>
Total Depreciation and Amortisation					238,313,433 <i>229,047,188</i>
(vii) Non cash expenditure other than Depreciation	44,294,758 <i>16,759,226</i>	1,901,402 —	414,714,190 <i>66,737,119</i>	— —	460,910,350 <i>83,496,345</i>
Unallocated Non cash expenditure other than Depreciation					(3,242,426) <i>3,396,632</i>
Non cash expenditure other than Depreciation					457,667,924 <i>86,892,977</i>

(Previous year's figures are stated in Italics)

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

- (b) The Company operates solely in one Geographic segment namely “Within India” and hence no separate information for Geographic segment wise disclosure is required.
- (c) The Company’s primary business segments are reflected based on principal business activities carried on by the Company. The Company’s primary businesses are ‘Broking and Related activities’, ‘Financing and Related activities’ and ‘Lease Rentals & Related activities’. Broking and related activities include business as a stock and share broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage/commission on sale of flats, and other related ancillary services relating to broking activities. Lease rental and related activities include business of developing, operating and maintaining of industrial parks. Lease rental and related activities were carried upto March 16, 2017. Financing and related activities include business financing loans and other related ancillary services.
- (d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (e) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note - 2.

Note - 35

Related Party Disclosures :

Disclosures in respect of Accounting Standard - 18 ‘Related Party Disclosures’:

(a) Detail of related parties :

- | <u>Nature of Relationship</u> | <u>Name of the Party</u> |
|--|--|
| (i) Key Management Personnel | Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer
Mr. Amiteshwar Choudhary, Whole Time Director
(w.e.f. September 28, 2016)
Mr. Ashok Sharma, Whole Time Director (upto August 26, 2016) |
| (ii) Person exercising significant influence | Mr. Sameer Gehlaut |

(b) Significant transactions with Related Parties during the year ended March 31, 2017: (Amount in ₹)

Nature of Transaction	Key Management Personnel	Total
Income		
Brokerage Income	315,711 —	315,711 —
Expenses		
Remuneration	45,748,416 <i>41,079,996</i>	45,748,416 <i>41,079,996</i>
Finance		
Money received against ESOP	36,373,500 —	36,373,500 —
Money received against conversion of Share Warrants	— <i>73,000,229</i>	— <i>73,000,229</i>
Money received against Share Warrants	19,750,000 —	19,750,000 —

(Previous year's figures are stated in Italics)

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

(c) Party wise Statement of Transactions :

(Amount in ₹)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Brokerage Income		
Mr. Divyesh B. Shah	2,443	—
Mr. Sameer Gehlaut	313,268	—
Money received against conversion of Share Warrants		
Mr. Sameer Gehlaut	—	58,375,229
Mr. Divyesh B. Shah	—	14,625,000
Money received against ESOP		
Mr. Divyesh B. Shah	33,937,500	—
Mr. Amiteshwar Choudhary	2,436,000	—
Money received against Share Warrants		
Mr. Divyesh B. Shah	19,750,000	—
Remuneration		
Mr. Divyesh B. Shah	39,810,552	41,079,996
Mr. Amiteshwar Choudhary	5,937,864	—

(d) Outstanding as at March 31, 2017:

(Amount in ₹)

Nature of Transaction	Key Management Personnel	Total
Money received against Share Warrants		
Mr. Divyesh B. Shah	19,750,000	19,750,000
	—	—
Money received against ESOP		
Mr. Divyesh B. Shah	7,837,500	7,837,500
	—	—

(Previous year's figures are stated in Italics)

Related party relationships as given above are as identified by the Company.

Note - 36**Leases****Lease Expenses**

The Company has taken office premises on operating lease at various locations in India and lease rent in respect of the same amounting to ₹ 77,755,265 (Previous year ₹79,273,822) has been charged to the Statement of Profit and Loss. The minimum lease rental outstanding are as under:

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Future minimum lease payments		
not later than one year	69,676,746	71,944,171
later than one year and not later than five years	175,070,514	205,046,236
later than five years	14,667,250	21,165,654

The agreements are executed for a period ranging from 11 months to 10 years with a renewable clause and in many cases, also provide for termination at will by either party giving a prior notice period between 30 to 90 days.

Lease Income

The Company's significant leasing arrangements are in respect of operating leases given for commercial premises:

Particulars	As at March 31, 2017	As at March 31, 2016
Class of Asset	One Indiabulls Park	
Gross Carrying amount	—	4,922,631,566
Accumulated Depreciation	—	830,372,383
Depreciation recognised in the Statement of Profit and Loss	—	175,636,462

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

Particulars	As at March 31, 2017	As at March 31, 2016
not later than one year	—	342,992,396
later than one year and not later than five years	—	974,332,458
later than five years	—	—

Note - 37

Earnings per Equity Share (EPS) :

Disclosure in respect of Accounting Standard - 20 'Earnings Per Share':

The basic earnings per Equity Share is computed by dividing the net profit/(loss) attributable to Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the reporting year. Diluted earnings per Equity Share is computed by considering the weighted average number of Equity Shares and also the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares. The dilutive potential Equity Shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential Equity Shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of Equity Shares and potential dilutive Equity Shares are adjusted for the potential dilutive effect of Employee Stock Option Plan and warrants as appropriate.

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit available for Equity Shareholders (₹)	1,022,517,114	738,401,972
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	295,000,363	291,937,356
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	6,463,014	1,528,205
Add: Potential number of Equity Shares that could arise on exercise of Warrants	10,156,973	274,685
Weighted average number of Equity Shares used in computing Diluted Earnings per Equity Share	311,620,350	293,740,246
Face Value of Equity Share (₹)	2.00	2.00
Earnings Per Equity Share - Basic (₹)	3.47	2.53
Earnings Per Equity Share - Diluted (₹)	3.28	2.51

Note - 38**Donation includes:**

- (a) ₹ 21,301,000 (previous year ₹ 22,460,000) contributed toward Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.
- (b) ₹ 10,000,000 (previous year ₹ Nil) towards amount paid to Satya Electoral Trust.

Note - 39**Loss on Erroneous Transactions :**

The loss on squaring off of erroneous transactions on account of trading in securities amounting to ₹ 38,605 (Net) (Previous Year loss ₹ 24,365 (Net)) has been debited to the Statement Profit and Loss Statement.

Note - 40**Derivative Instruments:**

The Company has not entered into any derivative contract for hedging any foreign currency exposure. The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below :

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Amount receivable on loan notes and escrow receivable account (in USD)	1,209,558	1,209,558
Amount receivable on loan notes and escrow receivable account (in INR)	78,426,049	80,233,492

Note - 41

During the year ended March 31, 2017 borrowing cost of ₹ 6,562,979 (Previous year ₹ 27,464,450) has been transferred to Capital work in Progress.

Note - 42

Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as required vide Notification No. G.S.R. 308 (E) dated March 30, 2017 issued by the Ministry of Corporate Affairs:

Consolidated Notes forming part of the Financial Statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	309,500	471,832	781,332
(+) Permitted receipts	—	806,247	806,247
(-) Permitted payments	—	1,031,595	1,031,595
(-) Amount deposited in Banks	309,500	77,936	387,436
Closing cash in hand as on December 30, 2016	—	168,548	168,548

Note - 43

During the year ended March 31, 2017, Indiabulls Distribution Services Limited (a wholly owned subsidiary of IBVL) has sold its 100% stake in equity shares and preference share in India Land and Properties Limited to Indiabulls Infrastructure Limited for a total sale consideration of ₹ 5,978,100,000/- and profit of ₹ 622,583,304 is recognised in the statement of profit and loss.

Note - 44

In order to augment the long-term resources of the Company for meeting the funding requirements for its business purposes, -

- (i) The Board of Directors of the Company at its meeting held on March 28, 2017, has approved the preferential offer and issue of up to 33,800,000 (Three Crore Thirty Eight Lakhs) warrants convertible into equivalent number of equity shares of ₹ 2 each, to certain promoter group entities, at an exercise price of ₹ 43.75 per share, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended. The said issue, inter alia, has been approved by the shareholders of the Company in their extra-ordinary general meeting held on April 25, 2017.
- (ii) The Board of Directors of the Company at its meeting held on April 7, 2017, has approved the preferential offer and issue of 38,865,582 (Three Crore Eighty Eight Lakhs Sixty Five Thousand Five Hundred Eighty Two) equity shares of ₹ 2 each, to a foreign portfolio investor registered with the Securities and Exchange Board of India, at an issue price of ₹ 58.40 per equity share, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended. For seeking shareholder's approval, to the said issuance of equity shares, the Board has convened an Extraordinary General Meeting of Shareholders of the Company on Saturday, May 6, 2017.
- (iii) The Board of Directors of the Company at its meeting held on April 21, 2017, has approved the preferential offer and issue of 47,390,000 (Four Crore Seventy Three Lakhs Ninety Thousand) equity shares of ₹ 2 each, to a foreign investor, at an issue price of ₹ 94.70 per equity share, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended. For seeking shareholder's approval, to the said issuance of equity shares, the Board has convened an Extraordinary General Meeting of Shareholders of the Company on Monday, May 22, 2017.

Note - 45

As per the best estimate of the Management, no provision is required to be made as per Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

Note - 46

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

For and on behalf of the Board of Directors

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

Amiteshwar Choudhary
Whole Time Director
DIN: 01679090

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Mumbai, April 27, 2017

Independent Auditor's Report

TO THE MEMBERS OF
INDIABULLS VENTURES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of INDIABULLS VENTURES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting 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 of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, 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 Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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 & Loss, and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

Independent Auditor's Report

for the Financial Year Ended March 31, 2017 (contd.)

- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in note 31A to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

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

A. Siddharth

Partner

Mumbai, April 27, 2017

(Membership No. 31467)

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting 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 Ventures Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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.

Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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, 2017, 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 DELOITTE HASKINS & SELLS LLP

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

A. Siddharth

Partner

Mumbai, April 27, 2017

(Membership No. 31467)

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the order is not applicable.
- (iii) The Company has not granted any 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 the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. The Company has not advance any loan, including any

loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. Accordingly nothing contained in section 185 shall apply and hence reporting under Clause (iv) of the order is not applicable to that extent.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) Having regard to the nature of the Company’s business/activities, reporting under clause (vi) of the order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Dues relating to Employee’s State Insurance, Sales Tax, Customs Duty, Excise Duty and Value Added Tax are not applicable to the Company.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income-Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹)	Amount Unpaid (₹)
The Income-Tax Act, 1961	Disallowance u/s 32	Commissioner of Income Tax (Appeals)	Year ended 31 st March, 2013	1,736,810	1,736,810

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures. During the year the Company has not taken any loans or borrowings from Government.
- (ix) According to information and explanation given to us, term loans have been applied by the Company during the year for the purposes for which they were raised

other than temporary deployment pending application of proceeds. During the year, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its

Annexure “B” to the Independent Auditor’s Report

officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares conversion of share warrants issued during the period under review.

In respect of above issue, we further report that:

- a) The requirement of section 42 of the Companies Act, 2013, as applicable has been complied with; and
 - b) The amount raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

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

A. Siddharth
Partner

Mumbai, April 27, 2017

(Membership No. 31467)

Balance Sheet

as at March 31, 2017

Particulars	Note No.	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	640,413,840	585,739,084
(b) Reserves and surplus	4	2,041,667,622	1,432,912,785
(c) Money received against share warrants	5	166,146,875	—
		<u>2,848,228,337</u>	<u>2,018,651,869</u>
(2) Share application money pending allotment	6	8,622,240	—
(3) Non-current liabilities			
(a) Other long-term liabilities	7	—	99,786,644
(b) Long-term provisions	8	37,306,014	29,122,583
		<u>37,306,014</u>	<u>128,909,227</u>
(4) Current liabilities			
(a) Short-term borrowings	9	6,058,272,210	5,903,882,705
(b) Trade payables	10		
(i) Total outstanding due to micro enterprises and small enterprises		—	—
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		7,371,821	4,600,132
(c) Other current liabilities	11	1,776,344,242	740,638,722
(d) Short-term provisions	12	68,756,488	29,740,001
		<u>7,910,744,761</u>	<u>6,678,861,560</u>
TOTAL		<u>10,804,901,352</u>	<u>8,826,422,656</u>
II. ASSETS			
(1) Non - current assets			
(a) Fixed assets	13		
(i) Tangible assets		27,092,014	40,692,149
(ii) Intangible assets		7,341,633	4,331,046
(iii) Intangible assets under development		371,000	—
		<u>34,804,647</u>	<u>45,023,195</u>
(b) Non-current investments	14	592,510,000	61,510,000
(c) Deferred tax assets	15	81,395,710	80,119,273
(d) Long-term loans and advances	16	172,807,134	165,561,122
(e) Other non-current assets	17	4,363,945	14,078,689
		<u>885,881,436</u>	<u>366,292,279</u>
(2) Current assets			
(a) Trade receivables	18	418,994,416	324,048,792
(b) Cash and cash equivalents	19	8,549,507,159	7,803,913,542
(c) Short-term loans and advances	20	940,789,718	319,275,060
(d) Other current assets	21	9,728,623	12,892,983
		<u>9,919,019,916</u>	<u>8,460,130,377</u>
TOTAL		<u>10,804,901,352</u>	<u>8,826,422,656</u>

Notes forming part of the financial statements 1 - 42

In terms of our report attached

For Deloitte Haskins & Sells LLP For and on behalf of the Board of Directors
Chartered AccountantsA. Siddharth
PartnerDivyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933Amiteshwar Choudhary
Whole Time Director
DIN: 01679090Rajeev Lochan Agrawal
Chief Financial OfficerLalit Sharma
Company Secretary

Mumbai, April 27, 2017

Mumbai, April 27, 2017

Statement of Profit and Loss

for the year ended March 31, 2017

Particulars	Note No.	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
I. Revenue from operations	22	835,989,001	763,420,757
II. Other income	23	678,191,714	281,792,574
III. Total revenue (I + II)		1,514,180,715	1,045,213,331
IV. Expenses :			
Operating expenses	24	95,998,182	74,529,665
Employee benefits expense	25	267,713,324	201,874,948
Finance costs	26	434,146,193	401,522,209
Depreciation and amortisation expense	13	16,226,995	25,677,731
Other expenses	27	107,318,901	80,287,581
Total expenses		921,403,595	783,892,134
V. Profit before tax (III-IV)		592,777,120	261,321,197
VI. Tax expense / (benefit) :			
(1) Current tax		122,400,000	92,800,000
(2) Short provision for tax relating to prior years (net)		724,028	1,148,024
(3) Deferred tax	15	(1,276,437)	(1,279,190)
		121,847,591	92,668,834
VII. Profit for the year (V-VI)		470,929,529	168,652,363
VIII. Earnings per Equity Share:	28		
(1) Basic		1.60	0.58
(2) Diluted		1.51	0.57
Face value per Equity Share		2.00	2.00
Notes forming part of the financial statements	1 - 42		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

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

Amiteshwar Choudhary
Whole Time Director
DIN: 01679090

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Mumbai, April 27, 2017

Mumbai, April 27, 2017

Cash Flow Statement

for the year ended March 31, 2017

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A Cash flows from operating activities :				
Profit before tax		592,777,120		261,321,197
Adjustments for :				
Depreciation and amortisation expense	16,226,995		25,677,731	
Provision for Gratuity and Compensated Absences	8,165,064		3,875,194	
Provision for doubtful debts and advances	12,000,000		300,000	
Bad debts / advances / security deposits written off	10,938,303		39,841	
Profit on sale / scrapping of fixed assets	(690,581)		(1,484,836)	
Sundry credit balances written back	(19,513,331)		(9,752,449)	
Excess provision for expenses no longer required written back	(7,765,956)		(2,939,636)	
Unrealised foreign exchange gain	(3,813,806)		(4,123,491)	
Dividend income on investments	(246,045,000)		(1,105,000)	
Interest income from inter corporate deposits	(399,862,749)		(249,934,791)	
Interest income from Non-Convertible Debentures	(8,709)		(18,448)	
Interest expense	421,077,862		391,158,008	
		(209,291,908)		151,692,123
Operating Profit before working capital changes		383,485,212		413,013,320
Adjustments for:				
Trade receivables and other assets	(847,384,494)		82,068,568	
Trade payables and other liabilities	649,332,812		(34,169,659)	
		(198,051,682)		47,898,909
Cash generated from operations		185,433,530		460,912,229
Income tax (paid) (net)	(84,089,174)		(86,194,284)	
		(84,089,174)		(86,194,284)
Net cash generated from operating activities		101,344,356		374,717,945
B Cash flows from investing activities :				
Purchase of fixed assets (including capital advances given)		(16,197,340)		(5,115,329)
Proceeds from sale of fixed assets		966,848		2,240,262
Proceeds from escrow account		—		5,407,532
Dividend income on other long-term investments		845,000		1,105,000
Dividend income from subsidiary company		245,200,000		150,000,000
Investment in subsidiary		(531,000,000)		—
Inter-corporate deposits (given) / received back from subsidiary (net)		(209,400,000)		62,180,000
Interest income from inter-corporate deposits to subsidiary		399,862,749		249,934,791
Interest income from non-convertible debentures		8,709		18,448
Net cash (utilised in)/generated from investing activities		(109,714,034)		465,770,704

Cash Flow Statement

for the year ended March 31, 2017 (contd.)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
C Cash flows from financing activities				
Interest paid		(414,537,787)		(396,131,638)
Payment of final dividend on equity shares pertaining to prior years		(38,818)		(347,996)
Amount transferred to investor education and protection fund		(1,960,204)		(3,817,245)
Payment of interim dividend on equity shares		(255,029)		(873,464,032)
Corporate dividend tax on interim dividend on equity shares		(15,269,644)		(148,027,120)
Proceeds from bank loans (net)		154,282,785		273,143,181
Proceeds from commercial papers (net)		—		1,500,000,000
Proceeds from issue of equity shares (including securities premium)		46,760,377		2,623,920
Proceeds from conversion of share warrants (including securities premium)		365,128,125		301,665,009
Proceeds from / (Refund of) share application money		8,622,240		(1,280,292)
Money received against Share Warrants		287,856,250		—
Net cash generated from financing activities		430,588,295		654,363,787
D Net Increase in cash and cash equivalents (A+B+C)		422,218,617		1,494,852,436
E Cash and cash equivalents at the beginning of the year		6,756,663,542		5,261,811,106
F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)		7,178,882,159		6,756,663,542

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on 'Cash Flow Statements'.
- Cash and cash equivalents at the end of the year include:

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Cash and cash equivalents (Refer Note - 19)	8,549,507,159	7,803,913,542
Less: In Fixed Deposit Accounts having maturity of more than three months	1,370,625,000	1,047,250,000
Cash and Cash Equivalents as restated	7,178,882,159	6,756,663,542

- Unpaid dividend account balances in designated Bank accounts aggregating to ₹ 346,620,897 (Previous year ₹ 28,668,028) are not available for use by the Company (Refer note - 19).
- Previous year's figures are regrouped wherever considered necessary to conform with current year's groupings/classifications.

In terms of our report attached

For Deloitte Haskins & Sells LLP Chartered Accountants For and on behalf of the Board of Directors

A. Siddharth
Partner

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

Amiteshwar Choudhary
Whole Time Director
DIN: 01679090

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Mumbai, April 27, 2017

Mumbai, April 27, 2017

Notes forming part of the financial statements

for the year ended March 31, 2017

Note - 1

Corporate Information:

Indiabulls Ventures Limited ("IBVL" or "the Company", CIN: L74999DL1995PLC069631) carries on the business as stock and share brokers on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"); depository participants and other related ancillary services. On February 1, 1996 IBVL received a certificate of registration from the Securities and Exchange Board of India ("SEBI") under sub-section 1 of section 12 of the Securities and Exchange Board of India Act, 1992 to carry on the business as a stock broker. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and Rules and Regulations relating thereto are applicable to the Company. On April 2, 2008 the Equity shares of the Company were listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement.

Pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Incorporation) Rules, 2014 and subject to the approval of Registrar of Companies, NCT of Delhi and Haryana, the name of the Company has been changed from "Indiabulls Securities Limited" to "Indiabulls Ventures Limited" w.e.f. 12th March, 2015 to reflect various referral business activities carried on by the Company.

Note - 2

Significant Accounting Policies:

- a) **Basis of Accounting and Preparation of Financial Statements:**
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- b) **Use of Estimates:**
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
- c) **Cash and Cash Equivalents (for purposes of Cash Flow Statement):**
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- d) **Cash Flow Statement:**
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
- e) **Revenue Recognition:**
 - Revenue from brokerage activities is accounted for on the trade date of the transaction.
 - Income from fee based advisory services and consultancy is recognised on accrual basis.
 - Revenue from interest charged to customers on margin funding is recognised on a daily/monthly basis up to the last day of accounting period.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

- Depository income is accounted on accrual basis as and when the right to receive the income is established. Annual Maintenance charges are recognised on pro-rata basis over the period it is charged.
- Income from trading account maintenance is accounted on accrual basis and when the right to receive the income is established.
- Revenue from interest on fixed deposits is recognised on accrual basis.
- Commission on mutual funds is recognised on accrual basis.

f) Other Income:

- Dividend income on Equity shares is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date.
- Dividend income on units of mutual funds is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date. Any gains/losses on sale / redemption of units are recognised on the date of sale / redemption.
- Interest income on Inter-Corporate Deposits is recognised on accrual basis.

g) Commercial Papers:

The liability is recognised at face value of the commercial paper at the time of issue of the commercial paper. The discount on issue of the commercial paper is amortised over the tenure of the instrument.

h) Fixed Assets:

(i) Tangible Assets:

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

(ii) Intangible Assets:

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

(iii) Intangible assets under development:

Expenditure on development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

i) Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction / scrapping, as the case may be. Assets costing ₹ 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of Membership Rights of the BSE Limited are amortised on a straight-line method basis over a period of five years from the date when the rights became available for use.

Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change pattern, if any.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

j) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, to the extent the amount was previously charged to the Statement of Profit & Loss.

k) Investments:

Investments are classified as long-term and current. Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

l) Foreign Currency Transactions and Translations:

Recognition & translation

- i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- ii. Monetary items denominated in foreign currencies at the year end are translated at year end exchange rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Exchange Differences

- i. Exchange differences arising on a monetary item that in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
- ii. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.
- iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognised as income or as expenses in the period in which they arise.

m) Employee Benefits:

The Company has a defined contribution plan namely Provident Fund. Annual contribution to the Employees Provident Fund Organisation is charged to the Statement of Profit and Loss. The Company has unfunded defined benefit plans namely long-term compensated absences and gratuity for all eligible employees, the liability for

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

which is determined on the basis of an actuarial valuation at the end of the year using the Projected Unit Credit Method. Actuarial gains / losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

n) **Deferred Employee Stock Compensation Cost:**

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

o) **Taxes on Income:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

p) **Leases:**

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

q) **Share Issue Expenses:**

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

r) **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. All other borrowing costs are charged to the Statement of Profit and Loss.

s) **Segment Reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segments.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

t) **Provisions and Contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

u) **Derivative Contracts:**

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

v) **Operating Cycle:**

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

Note - 3 Share capital	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Authorised				
Equity Shares of face value of ₹ 2 each	500,000,000	1,000,000,000	500,000,000	1,000,000,000
Preference Shares of face value of ₹ 4.61 each	25,000,000	115,250,000	25,000,000	115,250,000
		1,115,250,000		1,115,250,000
Issued, subscribed and fully paid up ^{(i) to (v)}				
Equity Shares of face value of ₹ 2 each fully paid up	320,206,920	640,413,840	292,869,542	585,739,084
The Company has only one class of Equity Shares having a face value of ₹ 2 per share. Each holder of Equity Share is entitled to one vote per share. The final dividend proposed by the Board of Directors if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.		640,413,840		585,739,084

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

- (i) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.
- (ii) Holders of Global Depository Receipts ("GDRs") will be entitled to receive dividends, subject to the terms of the Deposit Agreement, to the same extent as the holders of Equity Shares, less the fees and expenses payable under such Deposit Agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the Deposited Shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.
- (iii) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:**

	Equity Shares As at March 31, 2017		Equity Shares As at March 31, 2016	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Opening balance	292,869,542	585,739,084	261,223,081	522,446,162
Shares issued during the year by exercise of Employee Stock Option Plan	2,687,378	5,374,756	706,460	1,412,920
Shares issued during the year by exercise of Warrants	24,650,000	49,300,000	30,940,001	61,880,002
Closing Balance	320,206,920	640,413,840	292,869,542	585,739,084

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

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 2 each fully paid up				
Promoters and Promoter Group				
Sameer Gehlaut	40,158,292	12.54%	40,158,292	13.71%
Orthia Properties Private Limited	39,981,305	12.49%	39,981,305	13.65%
Orthia Constructions Private Limited	24,401,671	7.62%	11,701,671	4.00%
Zelkova Builders Private Limited	18,557,534	5.80%	6,607,534	2.26%
Public				
Rajiv Rattan *	—	0.00%	19,208,148	6.56%
Tupelo Consultancy LLP	25,115,371	7.84%	—	0.00%
	148,214,173	46.29%	117,656,950	40.18%

* Consequent to the de-classification of the Promoters / Promoter Group Entities / Persons Acting in Concert with the Promoters (PACs) of the Company, intimated by the Company to the Exchanges on July 18, 2014, Mr. Rajiv Rattan, Priapus Land Development Private Limited, Inuus Constructions Private Limited, Mr. Saurabh K Mittal, Hespera Land Development Private Limited and Hespera Constructions Private Limited have ceased to be the Promoters / Promoter Group Entities / PACs of the Company, with effect from July 18, 2014 and their names shall not be included, as such, in any future correspondences / filings by the Company with the Stock Exchanges / other statutory authorities.

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

- (v) **Shares reserved for issue under options:**

- (a) 20,829,316 Equity Shares (Previous year 15,384,894 Equity Shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 32).
- (b) 33,650,000 Equity Shares (Previous year Nil Equity Shares) of face value of ₹ 2 each are reserved towards Share Warrants of the Company (Refer note - 5(i)).

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 4	As at	As at
Reserves and surplus	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Capital Redemption Reserve		
Balance as per last Balance Sheet	360,036,184	360,036,184
Securities Premium Account		
Balance as per last Balance Sheet	712,980,968	361,761,473
Add: Premium on shares issued during the year	478,923,121	351,219,495
Closing balance	1,191,904,089	712,980,968
Foreign Currency Monetary Item Translation Difference Account ⁽ⁱ⁾		
Opening balance	13,553,894	12,898,516
(Less) / Add: Effect of foreign exchange rate variation during the year	(1,807,443)	4,740,188
Less: Amortised during the year	3,813,806	3,192,039
Less: Utilised during the year	—	892,771
Closing balance	7,932,645	13,553,894
General Reserve		
Balance as per last Balance Sheet	338,177,977	338,177,977
Surplus in the Statement of Profit and Loss		
Opening balance	8,163,762	864,671,275
Add: Profit for the year	470,929,529	168,652,363
Amount available for appropriation (a)	479,093,291	1,033,323,638
Less: Appropriations :		
Interim Dividend on Equity Shares	320,206,920	877,132,756
Corporate Dividend Tax on Interim Dividend on Equity Shares	15,269,644	148,027,120
Total Appropriations (b)	335,476,564	1,025,159,876
Balance of Profit Carried Forward (a)-(b)	143,616,727	8,163,762
	2,041,667,622	1,432,912,785

- (i) Pursuant to the notification dated December 29, 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items. Consequently, an amount of ₹ 7,932,645 (Previous year ₹ 13,553,894) is carried forward in the Foreign Exchange Monetary Item Translation Difference Account as on March 31, 2017, net of forex gain amounting to ₹ 3,813,806 (Previous year ₹ 3,192,039) amortised in the Statement of Profit and Loss and ₹ Nil (Previous year ₹ 892,771) utilised towards the partial amount received from the Escrow Account.

Note - 5	As at	As at
Money received against share warrants	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Money received against Share Warrants ⁽ⁱ⁾	166,146,875	-
	166,146,875	-

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

- (i) The Board of Directors of the Company at their meeting held on June 15, 2016 and as approved at its Extra-Ordinary General Meeting held on July 15, 2016 have resolved to create, offer, issue and allot up to 58,300,000 warrants, convertible into 58,300,000 equity shares of ₹ 2/- each on a preferential allotment basis, pursuant to Section 42 and 62 of the Companies Act, 2013, at a conversion price of ₹ 19.75 per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on August 10, 2016 to the certain promoter entities and to an executive director (“the warrant holders”) and 25% application money amounting to ₹ 287,856,250/- was received from them. The warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before February 9, 2018. In the event the warrants are not converted into equity shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants. During the year ended March 31, 2017, the Company has allotted 24,650,000 Equity Shares on March 7, 2017 on conversion of equivalent numbers of warrants to certain promoter group entities on realisation of balance 75% towards these warrants. Subsequent to the year ended March 31, 2017 the Company has allotted 33,650,000 Equity Shares on April 10, 2017 on conversion of equivalent numbers of warrants to the warrant holders on realisation of balance 75% towards these warrants.

Note - 6	As at	As at
Share application money pending allotment	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Share application money pending allotment ⁽ⁱ⁾	8,622,240	—
	8,622,240	—

- (i) As at March 31, 2017, the Company had received an amount of ₹ 8,622,240/- towards share application money for 250,000 Equity Shares of the Company at a premium of ₹ 29.35 per share under “Indiabulls Ventures Limited Employees Stock Option Scheme - 2009” (“IBVL ESOP - 2009”) and for 45,100 Equity Shares of the Company at a premium of ₹ 15.40 per share under “Indiabulls Ventures Limited Employees Stock Option Scheme - 2008” (“IBVL ESOP - 2008”). The Company has sufficient authorised share capital to cover the allotment of these shares.

Note - 7	As at	As at
Other long-term liabilities	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Other Liabilities - Amount received from Depository for GDR	—	99,786,644
	—	99,786,644

Note - 8	As at	As at
Long-term provisions	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Provision for Employee Benefits		
Provision for Gratuity (Refer note - 35)	29,181,945	23,250,763
Provision for Compensated Absences (Refer note - 35)	8,124,069	5,871,820
	37,306,014	29,122,583

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 9	As at	As at
Short-term borrowings	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Secured loans		
From Banks ⁽ⁱ⁾		
Bank Overdraft	408,272,210	403,882,705
Working capital loan	650,000,000	500,000,000
Unsecured loans		
From Others		
Commercial papers	5,000,000,000	5,000,000,000
(Maximum balance outstanding during the year ₹ 5,000,000,000 (Previous year ₹ 5,000,000,000))		
	6,058,272,210	5,903,882,705

- (i) Bank overdraft amounting to ₹ Nil (Previous year ₹ 19,857,784) is secured against book debts and amounting to ₹ 408,272,210 (Previous year ₹ 384,024,921) is secured against fixed deposits. Working capital loan amounting to ₹ 650,000,000 (Previous year ₹ 500,000,000) is secured against book debts and loans and advances.

Note - 10	As at	As at
Trade payables	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
(a) Total outstanding due to micro enterprises and small enterprises ⁽ⁱ⁾	—	—
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	7,371,821	4,600,132
	7,371,821	4,600,132

- (i) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:
- An amount of ₹ Nil (Previous year ₹ Nil) and ₹ Nil (Previous year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of principal and interest respectively.
 - No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006; no amount was paid to the supplier beyond the appointed date.
 - No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
 - No amount of interest was accrued and unpaid at the end of the accounting year.
 - No amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

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

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 11	As at	As at
Other current liabilities	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Current maturity of long-term loans	—	106,720
Interest accrued but not due on loans	996,370	2,205,479
Brokerage/Depository income received in advance	7,401,396	4,315,546
Unpaid dividends ⁽ⁱ⁾	346,620,897	28,668,028
Margin from customers	1,246,984,926	560,966,181
Temporary overdrawn bank balances as per books	11,543,425	3,906,331
Amount received from Depository for GDR	99,786,644	—
Others - Current liabilities for expense provisions and Statutory dues	63,010,584	140,470,437
	1,776,344,242	740,638,722

- (i) In respect of amounts mentioned under Section 205(C) of the Companies Act, 1956, the Company has credited ₹ 1,960,204 (Previous year ₹ 3,817,245) to the Investor Education and Protection Fund. Further, no dues were required to be credited to the Investor Education and Protection Fund as at March 31, 2017.

Note - 12	As at	As at
Short-term provisions	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Provision for Employee Benefits		
Provision for Gratuity (Refer note - 35)	785,361	824,939
Provision for Compensated Absences (Refer note - 35)	204,988	183,777
Other Provisions		
Provision for Taxation (net of advance tax / tax deducted at source ₹ 671,050,942 (Previous year ₹ 547,350,825))	67,766,139	28,731,285
	68,756,488	29,740,001

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 01, 2016	Additions during the year	Adjustments/ sales during the year	As at March 31, 2017	Provided during the year	Adjustments/ sales during the year	As at March 31, 2017	As at March 31, 2016
A. Tangible Assets								
Furniture and Fixtures	16,701,263	—	833,450	15,143,182	379,280	833,028	1,178,379	1,558,081
Vehicles*	41,273,634	—	7,257,275	38,397,474	1,085,309	7,012,845	1,546,421	2,876,160
Office equipment	134,076,760	679,154	6,509,163	131,229,703	2,174,956	6,497,675	1,339,767	2,847,057
Computers	367,769,154	—	10,647,434	363,835,953	1,829,877	10,647,434	2,103,324	3,933,201
Leasehold improvements	105,215,623	500,000	20,048,410	75,737,973	9,033,600	20,028,483	20,924,123	29,477,650
Total (a)	665,036,434	1,179,154	45,295,732	624,344,285	14,503,022	45,019,465	27,092,014	40,692,149
Previous year (i)	702,782,229	254,649	38,000,444	637,886,459	23,702,844	37,245,018	40,692,149	
B. Intangible Assets								
Membership rights of BSE Limited	7,005,000	—	—	7,005,000	—	—	—	—
Software	597,148,310	4,734,560	—	601,882,870	1,723,973	—	7,341,633	4,331,046
Indiabulls.com website	5,262,584	—	—	5,262,584	—	—	—	—
Total (b)	609,415,894	4,734,560	—	614,150,454	1,723,973	—	7,341,633	4,331,046
Previous year (ii)	604,580,214	4,835,680	—	609,415,894	1,974,887	—	4,331,046	
C. Intangible asset under Development								
Current year total ((a)+(b)+(c))	1,274,452,328	5,913,714	45,295,732	1,229,429,133	16,226,995	45,019,465	34,804,647	45,023,195
Previous year total ((i) + (ii))	1,307,362,443	5,090,329	38,000,444	1,240,996,420	25,677,731	37,245,018	45,023,195	

*Includes vehicles having carrying cost of ₹ Nil (Previous year ₹ 295,972) which are hypothecated to banks against the respective loans.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 14 Non-current investments	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Long-term - Trade - Quoted (at cost unless otherwise stated)		
Investments in Equity Instruments		
65,000 (Previous year Nil) fully paid up Equity Shares of face value of ₹ 2 each in BSE Limited	10,000	—
Total (A)	10,000	—
Long-term - Trade - Unquoted (at cost unless otherwise stated)		
Investments in Equity Instruments		
Nil (Previous year 130,000) fully paid up Equity Shares of face value of ₹ 1 each in BSE Limited	—	10,000
Total (B)	—	10,000
Long-term - Others - Unquoted (at cost unless otherwise stated)		
Investments in Equity Instruments		
(i) In wholly owned subsidiary companies		
600,000 (Previous year 600,000) fully paid up Equity Shares of face value ₹10 each in Indiabulls Commodities Limited	6,000,000	6,000,000
5,500,000 (Previous year 5,500,000) fully paid up Equity Shares of face value ₹10 each in Indiabulls Brokerage Limited	55,000,000	55,000,000
50,000 (Previous year 50,000) fully paid up Equity Shares of face value ₹10 each in Indiabulls Distribution Services Limited	500,000	500,000
50,000 (Previous year Nil) fully paid up Equity Shares of face value ₹10 each in Indiabulls Consumer Products Limited ⁽ⁱ⁾	500,000	—
50,000,000 (Previous year Nil) fully paid up Equity Shares of face value ₹10 each in Indiabulls Asset Reconstruction Company Limited ⁽ⁱⁱ⁾	500,000,000	—
50,000 (Previous year Nil) fully paid up Equity Shares of face value ₹10 each in Indiabulls Logistics Limited ⁽ⁱⁱⁱ⁾	500,000	—
3,000,000 (Previous year Nil) fully paid up Equity Shares of face value ₹10 each in Indiabulls Infra Resources Limited ^(iv)	30,000,000	—
50,000 (Previous year 50,000) fully paid up Equity Shares of face value ₹10 each in Devata Tradelink Limited	500,000	500,000
Less: Provision for diminution in the value of investment	500,000	500,000
Total (C)	592,500,000	61,500,000
Total (A)+(B)+(C)	592,510,000	61,510,000

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Aggregate market value of quoted investments	63,547,250	—
Aggregate book value of quoted investments	10,000	—
Aggregate book value of unquoted investments	593,000,000	62,010,000
Aggregate provision for diminution in value of investments	500,000	500,000

- (i) The Company has invested ₹ 500,000 in the equity share capital of Indiabulls Consumer Products Limited, a wholly owned subsidiary, incorporated on July 5, 2016.
- (ii) During the year ended March 31, 2017, the Company has acquired 100% equity share capital of Indiabulls Asset Reconstruction Company Limited for ₹ 51,000,000. The Company has further invested ₹ 449,000,000 in the equity share capital of Indiabulls Asset Reconstruction Company Limited.
- (iii) The Company has invested ₹ 500,000 in the equity share capital of Indiabulls Logistics Limited, a wholly owned subsidiary, incorporated on January 19, 2017.
- (iv) The Company has invested ₹ 30,000,000 in the equity share capital of Indiabulls Infra Resources Limited, a wholly owned subsidiary, incorporated on February 1, 2017.

Note - 15**Deferred tax assets**

In compliance with Accounting Standard 22 - 'Accounting for Taxes on Income', deferred tax (net) of ₹ 1,276,437 has been credited (Previous year credited ₹ 1,279,190) to the Statement of Profit and Loss for the year ended March 31, 2017. The breakup of deferred tax into major components is as under:

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Deferred tax assets:		
Provision for doubtful debts, advances and security deposits	19,400,143	17,012,299
Disallowances u/s. 43B of the Income-Tax Act, 1961	2,882,520	2,095,721
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	10,371,085	8,332,119
Difference between tax balance and book balance of fixed assets	47,934,528	51,029,529
Others	807,434	1,649,605
	81,395,710	80,119,273

Note - 16**Long-term loans and advances****Unsecured**

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
(a) Capital advances		
Considered good	10,412,626	500,000
(b) Security deposits		
(i) Deposits (including margin money) with stock exchanges, (considered good)	25,450,000	25,950,000
(ii) Deposits with others		
Considered good	51,009,450	51,500,050
Considered doubtful	425,400	4,566,920
	51,434,850	56,066,970
Less: Provision for doubtful deposits	425,400	4,566,920
	51,009,450	51,500,050

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 16	As at	As at
Long-term loans and advances (Contd.)	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
(c) Loan Notes, Escrow Receivable account and others ⁽ⁱ⁾		
Considered good	85,935,058	87,611,072
Considered doubtful	395,976	1,522,303
	<u>86,331,034</u>	<u>89,133,375</u>
Less: Provision for doubtful advances	395,976	1,522,303
	<u>85,935,058</u>	<u>87,611,072</u>
	<u>172,807,134</u>	<u>165,561,122</u>

- (i) During the year ended March 31, 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 231,992,806 vide the Share Purchase Deed. Out of the total consideration of ₹ 231,992,806 receivable from Moody's Group UK LTD, ₹ 59,369,946 (excluding foreign exchange gain of ₹ 19,056,102) [Previous year ₹ 59,369,946 (excluding foreign exchange gain of ₹ 20,863,545)] is receivable as at the year ended March 31, 2017 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account. During the year ended March 31, 2017, the Company had received partial amount of ₹ Nil [Previous year ₹ 5,407,531 (excluding foreign exchange gain of ₹ 1,364,995)] towards Escrow Account.

Note - 17	As at	As at
Other non-current assets	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
In fixed deposit accounts with Banks (Refer note - 19(i))	4,363,945	14,078,689
	<u>4,363,945</u>	<u>14,078,689</u>

Note - 18	As at	As at
Trade receivables	March 31, 2017	March 31, 2016
Unsecured	Amount (₹)	Amount (₹)
Outstanding for a period exceeding six months		
Considered good	188,301,604	198,187,437
Considered doubtful	55,235,441	43,067,907
	<u>243,537,045</u>	<u>241,255,344</u>
Less: Provision for doubtful debts	55,235,441	43,067,907
	<u>188,301,604</u>	<u>198,187,437</u>
Others		
Considered good	230,692,812	125,861,355
	<u>418,994,416</u>	<u>324,048,792</u>

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 19	As at	As at
Cash and cash equivalents	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Cash on hand	37,695	17,397
Balance with banks		
– in current accounts	332,223,567	227,978,117
– in fixed deposits with original maturity of less than three months ⁽ⁱ⁾	6,500,000,000	6,500,000,000
	<u>6,832,223,567</u>	<u>6,727,978,117</u>
Other bank balances		
Deposit accounts		
– in fixed deposit accounts having original maturity of more than twelve months ^{(i) & (ii)}	766,825,000	968,450,000
– in fixed deposit accounts having original maturity upto twelve months ⁽ⁱ⁾	603,800,000	78,800,000
In earmarked accounts		
– in unpaid dividend accounts	346,620,897	28,668,028
	<u>1,717,245,897</u>	<u>1,075,918,028</u>
	<u>8,549,507,159</u>	<u>7,803,913,542</u>

- (i) Fixed deposits includes:
- ₹ 918,750,000 (Previous year ₹ 543,750,000) pledged with the banks against bank guarantees issued by banks for base capital and additional base capital to the National Stock Exchange of India, BSE Limited and the National Securities Clearing Corporation Limited.
 - ₹ 13,875,000 (Previous year ₹ 62,500,000) pledged with the National Stock Exchange of India, BSE Limited and National Securities Clearing Corporation Limited for the purpose of base capital and additional base capital.
 - ₹ 436,700,000 (Previous year ₹ 444,700,000) pledged with banks for overdraft facilities availed by the Company.
 - ₹ 6,500,000,000 (Previous year ₹ 6,500,000,000) pledged with banks for overdraft facilities availed by Indiabulls Distribution Services Limited for general / corporate business purpose.
 - ₹ 4,338,945 (Previous year ₹ 8,791,408) pledged for arbitration matters.
 - ₹ 25,000 (Previous year ₹ 25,000) pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.
- (ii) Balances with banks include deposit of ₹ Nil (Previous year ₹ 5,262,281) with remaining maturity of more than twelve months from balance sheet date.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 20	As at	As at
Short-term loans and advances	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
(a) Loans and advances to related parties (unsecured, considered good) Indiabulls Distribution Services Limited ⁽ⁱ⁾ (Maximum balance outstanding at any time during the year ₹ 7,202,200,000, Previous year ₹ 10,317,200,000)	455,600,000	246,200,000
(b) Margin funding loan receivables (secured, considered good) Less: Margin received	26,643,120 4,041,693	12,289,939 3,382,823
	<u>22,601,427</u>	<u>8,907,116</u>
(c) Security deposits (unsecured, considered good)	254,100	119,798
(d) Deposits (including margin money) and Advances with stock exchanges, (unsecured, considered good)	399,756,506	—
(e) Prepaid Expenses, Cenvat Credit Receivable and Others (unsecured, considered good)	61,759,216	63,229,677
(f) Advance income tax/tax deducted at source (Net of provision for tax ₹ Nil; Previous year ₹ Nil)	818,469	818,469
	<u>940,789,718</u>	<u>319,275,060</u>

(i) The company has given inter corporate deposit to Indiabulls Distribution Services Limited (a wholly owned subsidiary) for the general / corporate business purpose.

Note - 21	As at	As at
Other current assets	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Interest accrued on fixed deposits	9,728,623	12,892,983
	<u>9,728,623</u>	<u>12,892,983</u>

Note - 22	For the year ended	For the year ended
Revenue from operations	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
(a) Sale of services ⁽ⁱ⁾	737,453,112	622,360,235
(b) Other operating revenues ⁽ⁱⁱ⁾	98,535,889	141,060,522
	<u>835,989,001</u>	<u>763,420,757</u>
(i) Sale of services includes :		
Brokerage income	556,687,670	452,943,363
Interest on margin funding / delayed payments	65,223,240	56,251,600
Income from depository services	49,408,390	63,564,467
Other charges including transaction charges	32,363,208	26,629,558
Stamp duty recoveries	33,770,604	22,971,247
	<u>737,453,112</u>	<u>622,360,235</u>
(ii) Other operating revenues includes :		
Interest on fixed deposits	95,596,461	137,692,116
Advisory income	—	5,676
Income from IPO commission, Mutual Funds commission, Account Opening and Other miscellaneous income	2,939,428	3,362,730
	<u>98,535,889</u>	<u>141,060,522</u>

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 23	For the year ended	For the year ended
Other income	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Interest Income		
Interest income from inter-corporate deposits	399,862,749	249,934,791
Interest income from non-convertible debentures	8,709	18,448
	<u>399,871,458</u>	<u>249,953,239</u>
Dividend Income		
Dividend income on other long-term investments	845,000	1,105,000
Dividend income from subsidiary companies	245,200,000	—
	<u>246,045,000</u>	<u>1,105,000</u>
Other non-operating income		
Excess provision for expenses no longer required written back	7,765,956	2,939,636
Profit on sale/ scrapping of fixed assets	690,581	1,484,836
Sundry credit balances written back	19,513,331	9,752,449
Gain on foreign exchange fluctuations (Refer Note - 4(i))	3,813,806	4,123,491
Bad debts recovered	241,582	2,718,753
Miscellaneous income	250,000	9,715,170
	<u>32,275,256</u>	<u>30,734,335</u>
	<u>678,191,714</u>	<u>281,792,574</u>
Note - 24	For the year ended	For the year ended
Operating expenses	March 31, 2017	March 31, 2016
	Amount (₹)	Amount (₹)
Stamp duty	35,829,021	24,072,634
Demat charges	3,015	3,015
SEBI charges	2,148,244	1,688,343
Commission	225,000	460,000
Depository charges	7,956,380	6,186,877
Transaction charges	30,902,499	23,803,687
Membership fees	2,284,367	1,474,248
Web hosting expenses	8,477,428	9,269,259
VSAT charges	651,449	735,180
Leased line expenses	5,138,633	5,028,307
Content expenses	953,509	900,759
Software expenses	1,428,637	907,356
	<u>95,998,182</u>	<u>74,529,665</u>

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 25 Employee benefits expense	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
Salaries ⁽ⁱ⁾	254,710,060	190,091,122
Contribution to Provident fund and other funds	1,561,545	1,048,159
Staff welfare expenses	203,384	233,026
Provision for Gratuity and Compensated Absences (Refer note - 35)	11,238,335	10,502,641
	267,713,324	201,874,948

(i) During the year, personnel costs (excluding service tax) amounting to ₹ 26,213,655 (Previous Year ₹ Nil) were apportioned to the Company by Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.

Note - 26 Finance costs	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
Bank charges	9,819,329	8,458,099
Interest on bank overdraft	14,551,256	39,238,788
Interest on working capital loan	25,062,466	42,825,616
Interest on vehicle loans	5,906	34,102
Interest on commercial papers	381,458,234	309,059,502
Interest on taxes	3,249,002	1,906,102
	434,146,193	401,522,209

Note - 27 Other expenses	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
Lease rent ^{(i) & (ii)} (Refer note 29)	15,551,570	14,145,727
Rates and taxes	1,836,903	1,627,416
Electricity expenses	7,742,673	6,443,161
Insurance	700,517	900,921
Communication expenses	11,972,337	9,682,799
Legal and professional charges	8,957,140	12,027,878
Travelling and conveyance	768,018	1,481,349
Printing and stationery	5,766,457	5,017,842
Office maintenance ^{(i) & (ii)}	3,947,818	3,956,246
Repairs and maintenance - others	10,249,184	10,640,659
Business promotion	1,137,584	727,617
Payment to Statutory Auditors (net of service tax of ₹ 1,101,750; Previous year ₹ 522,000)		
- For Statutory Audit	6,075,000	2,650,000
- For Certification	670,000	500,000
- Reimbursement of Expenses	600,000	450,000
Loss on erroneous transactions (net) (Refer note - 30)	38,605	24,365
Donation (Refer note - 37)	7,929,000	9,360,000
Provision for doubtful debts and advances	12,000,000	300,000
Bad debts / advances / security deposits written off	16,038,615	46,478
Less : Adjusted against provision of earlier years	5,100,312	6,637
	10,938,303	39,841
Miscellaneous expenses	437,792	311,760
	107,318,901	80,287,581

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

- (i) During the year, lease rent (excluding service tax) amounting to ₹ 30,818,690 (Previous Year ₹ 32,636,338) and office maintenance (excluding service tax) amounting to ₹ 4,457,880 (Previous Year ₹ 4,398,241) were apportioned to Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.
- (ii) During the year, lease rent (excluding service tax) amounting to ₹ 1,691,440 (Previous Year ₹ 1,801,379) and office maintenance (excluding service tax) amounting to ₹ 153,109 (Previous Year ₹ 144,398) were apportioned to the Company by Indiabulls Distribution Services Limited - a wholly owned subsidiary of the Company.

Note - 28

Earnings per Equity Share (EPS) :

Disclosure in respect of Accounting Standard – 20 'Earnings Per Share' :

The basic earnings per Equity Share is computed by dividing the net profit attributable to Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the reporting year. Diluted earnings per Equity Share is computed by considering the weighted average number of Equity Shares and also the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares. The dilutive potential Equity Shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential Equity Shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of Equity Shares and potential dilutive Equity Shares are adjusted for the potential dilutive effect of Employee Stock Option Plan and warrants as appropriate.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit available for Equity Shareholders (₹)	470,929,529	168,652,363
Basic / Diluted Earnings per Equity Share:		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	295,000,363	291,937,356
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	6,463,014	1,528,205
Add: Potential number of Equity Shares that could arise on exercise of Warrants	10,156,973	274,685
Weighted average number of Equity Shares used in computing Diluted Earnings per Equity Share	311,620,350	293,740,246
Face Value of Equity Share (₹)	2.00	2.00
Earnings Per Equity Share - Basic (₹)	1.60	0.58
Earnings Per Equity Share - Diluted (₹)	1.51	0.57

Note - 29

Leases :

The Company has taken office premises on operating lease at various locations in India and lease rent in respect of the same amounting to ₹ 15,551,570 (Previous Year ₹ 14,145,727) net of apportionment has been charged to the Statement of Profit and Loss. (Refer note - 27(i) & (ii)). The minimum lease rental outstanding are as under:

Particulars	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Future minimum lease payments :-		
not later than one year	41,425,906	41,400,616
later than one year and not later than five years	102,886,490	144,312,396
later than five years	—	—

The agreements are executed for a period ranging from 11 months to 10 years with a renewable clause and in many cases, it also provides for termination at will by either party giving a prior notice period between 30 to 90 days.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 30**Loss on Erroneous Transactions :**

The loss on squaring off of erroneous transactions on account of trading in securities amounting to ₹ 38,605 (net) (Previous year ₹ 24,365 (net)) has been debited to the Statement of Profit and Loss.

Note - 31**A. Contingent liabilities not provided for in respect of:**

Particulars	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
– Claims against the Company not acknowledged as debts in respect of:		
Penalty for synchronised trading under SEBI regulations ⁽ⁱ⁾	1,500,000	1,500,000
Court Cases ⁽ⁱⁱ⁾	2,803,646	5,918,966
– Fixed Deposits pledged against overdraft facility availed by Subsidiary Company (refer note - 19 (i) (d))	6,500,000,000	6,500,000,000

(i) During the year ended March 31, 2011, the Securities Appellate Tribunal (“SAT”) had passed an order dated October 26, 2010 in favour of the Company setting aside the penalty imposed by SEBI. However, during the year ended March 31, 2012, SEBI had preferred an appeal against the judgement of the SAT before the Honourable Supreme Court of India. The matter is pending adjudication.

(ii) The Company is involved in various legal proceedings as respondents / defendants for various claims including those related to conduct of its business. In respect of these claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements / position.

B. Commitments :

Particulars	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
Capital Commitments for purchase of fixed assets	15,362,864	—

Note - 32**Employee Stock Option Schemes:****a) Employee Stock Option Scheme - 2008**

Pursuant to a resolution passed by the Shareholders on January 19, 2009, the Company had cancelled and withdrawn the existing “Employee Stock Option Scheme - 2007”, covering 15,000,000 stock options and established a new Employee Stock Option Scheme titled “Employee Stock Option Scheme - 2008” in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”).

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee at its meeting held on January 24, 2009, had granted, under the “Indiabulls Ventures Limited Employees Stock Option Scheme - 2008” (“IBVL ESOP - 2008”) (title changed by Compensation Committee at its meeting held on August 28, 2015 from “Indiabulls Securities Limited Employees Stock Option Scheme - 2008”), 20,000,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Company, to the Eligible Employees, at an exercise price of ₹ 17.40, being the latest available closing market price on the National Stock Exchange of India Ltd., as on January 23, 2009 following the intrinsic method of accounting as is prescribed in the Guidance Note on Accounting for Employees Share-Based Payments (“the Guidelines”) issued by the Institute of Chartered Accountants of India. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest in the eligible employees over a period of 10 years beginning from January 25, 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, the Compensation Committee at its meeting held on July 1, 2016, has regranted under the IBVL ESOP - 2008 9,700,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. 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.

S. No.	Particulars	IBVL ESOP - 2008	
		20,000,000 Options	9,700,000 Options Re-granted
1	Exercise price	₹ 17.40	₹ 24.15
2	Expected volatility *	79.00%	42.97%
3	Expected forfeiture percentage on each vesting date	Nil	Nil
4	Option Life (Weighted Average)	11 Years	6 Years
5	Expected Dividends yield	22.99%	10.82%
6	Risk Free Interest rate	6.50%	7.45%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		₹ 0.84	₹ 4.31

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

b) Employees Stock Option Scheme - 2009

The Shareholders of the Company at their Annual General Meeting held on September 30, 2009 have authorised the Board of Directors to grant 20,000,000 options, representing equivalent number of Equity Shares of face value ₹ 2 each in one or more tranches, pursuant to an Employee Stock Option Scheme titled as ‘Indiabulls Ventures Limited Employees Stock Option Scheme - 2009’ (“IBVL ESOP - 2009”) (title changed by Compensation Committee at its meeting held on August 28, 2015 from “Indiabulls Securities Limited Employees Stock Option Scheme - 2009”). The options covered under the Scheme would be granted at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

The Compensation Committee constituted by the Board of Directors of the Company, at its meeting held on December 1, 2009, granted, under the IBVL ESOP - 2009 10,000,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25, being the latest available closing market price on the National Stock Exchange of India Ltd., on November 30, 2009. The Stock Options so granted, shall vest uniformly over 10 years beginning from December 2, 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on April 12, 2010, granted, under the IBVL ESOP - 2009 2,050,000 Stock Options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35, being the latest available closing market price on the National Stock Exchange of India Ltd., on April 9, 2010. The Stock Options so granted, shall vest uniformly over 10 years beginning from April 13, 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, the Compensation Committee constituted by the Board of Directors of the Company has at its meeting held on August 25, 2015, 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 ₹ 2/- each in the Company, at an exercise price of ₹ 27.45, being the latest available closing market price on the National Stock Exchange of India Ltd., as on August 24, 2015. 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, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

Further, the Compensation Committee at its meeting held on May 12, 2016, has regranted under the IBVL ESOP - 2009 9,500,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 16.00, being the latest available closing market price on the National Stock Exchange of India Ltd., as on May 11, 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from May 13, 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, the Compensation Committee at its meeting held on July 1, 2016, has 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 ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 24.15, being the latest available closing market price on the National Stock Exchange of India Ltd., as on June 30, 2016. 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. During the year ended March 31, 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

S. No.	Particulars	IBVL ESOP – 2009				
		10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered
1	Exercise price	₹ 35.25	₹ 31.35	₹ 27.45	₹ 16.00	₹ 24.15
2	Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%
3	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4	Option Life (Weighted Average)	10 Years	10 Years	7 Years	6 Years	6 Years
5	Expected Dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%
6	Risk Free Interest rate	7.50%	8.05%	6.50%	7.45%	7.45%
Fair value of the options under the plans using the Black Scholes Merton Option Pricing Model as certified by an independent firm of Chartered Accountants.		₹ 6.48	₹ 9.39	₹ 4.77	₹ 1.38	₹ 4.31

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

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Had the compensation cost for the stock options granted under the IBVL ESOP - 2008 and IBVL ESOP - 2009 been determined based on the fair value approach, the Company's net profit and Basic/Diluted earnings per Equity Share would have been as per the pro forma amounts indicated below:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit attributable to Equity Shareholders (refer note - 28) (₹)	470,929,529	168,652,363
Less: Stock-based compensation expense (₹) determined under the fair value based method [Gross ₹ 16,022,444 (Previous Year ₹ 16,453,994)] (pro forma)	558,728	835,588
Net Profit considered for computing Earnings per Equity Share (pro forma) (₹)	470,370,801	167,816,775
Basic / Diluted Earnings Per Equity Share:		
Weighted average number of Equity Shares used for computing Basic Earnings per Equity Share	295,000,363	291,937,356
Add: Potential number of Equity Shares that could arise on exercise of Employee Stock Options	6,463,014	1,528,205
Add: Potential number of Equity Shares that could arise on exercise of Warrants	10,156,973	274,685
Weighted average number of Equity Shares used for computing Diluted Earnings per Equity Share	311,620,350	293,740,246
Basic earnings per Equity Share (as reported) (₹)	1.60	0.58
Basic earnings per Equity Share (pro forma) (₹)	1.59	0.57
Diluted earnings per Equity Share (as reported) (₹)	1.51	0.57
Diluted earnings per Equity Share (pro forma) (₹)	1.51	0.57

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

	IBVL ESOP - 2008	
Total Options under the Scheme (Nos.)	20,000,000	
Options granted (Nos.)	20,000,000	9,700,000 (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
Vesting Date	January 25 th each year, commencing January 25, 2010	July 2 nd each year, commencing July 2, 2017
Exercise Price (₹)	17.40	24.15
Outstanding at the beginning of the year (Nos.)	4,884,894	—
Regrant Addition (Nos.)	—	9,700,000
Options vested during the year (Nos.)*	708,808	—
Exercised during the year (Nos.)	2,687,378	—

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

	IBVL ESOP - 2008	
Total Options under the Scheme (Nos.)	20,000,000	
Expired during the year (Nos.)	57,050	-
Surrendered and eligible for re-grant during the year (Nos.)	614,150	-
Outstanding at the end of the year (Nos.)	1,526,316	9,700,000
Exercisable at the end of the year (Nos.)	463,107	-
Remaining contractual Life (Weighted Months)	64	88

	IBVL ESOP - 2009				
Total Options under the Scheme (Nos.)	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)
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
Vesting Date	December 2 nd each year, commencing December 2, 2010	April 13 th each year, commencing April 13, 2011	August 26 th each year, commencing August 26, 2016	May 13 th each year, commencing May 13, 2017	July 2 nd each year, commencing July 2, 2017
Exercise Price (₹)	35.25	31.35	27.45	16.00	24.15
Outstanding at the beginning of the year (Nos.)	-	500,000	10,000,000	-	-
Regrant Addition (Nos.)	NA	NA	NA	9,500,000	10,000,000
Options vested during the year (Nos.)*	-	50,000	-	-	-
Exercised during the year (Nos.)	-	-	-	-	-
Expired during the year (Nos.)	-	50,000	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	10,000,000	347,000	10,000,000
Outstanding at the end of the year (Nos.)	-	450,000	-	9,153,000	-
Exercisable at the end of the year (Nos.)	-	250,000	-	-	-
Remaining contractual Life (Weighted Months)	-	48	-	86	-

* Net of options surrendered before vesting.

Note - 33**Segment Reporting :**

The Company operates in one reportable business segment i.e., "Broking & related activities" and operates in one reportable geographical segment, i.e. "within India". Hence, no separate information for segment wise disclosure is required in accordance with the requirements of Accounting Standard (AS) 17 - "Segment Reporting" .

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Note - 34**Related Party Disclosures :**

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

<u>Nature of Relationship</u>	<u>Name of the Party</u>
(a) Related parties where control exists:	
Subsidiary Companies *	Indiabulls Commodities Limited India Ethanol and Sugar Limited Devata Tradelink Limited Indiabulls Brokerage Limited Indiabulls Infra Resources Limited (w.e.f. February 1, 2017) Indiabulls Logistics Limited (w.e.f. January 19, 2017) Indiabulls Consumer Products Limited (w.e.f. July 5, 2016) Indiabulls Distribution Services Limited Auxesia Soft Solutions Limited Pushpanjali Finsolutions Limited Arbutus Constructions Limited Gyansagar Buildtech Limited IVL Finance Limited (formerly known as Shivshakti Financial Services Limited) Astraea Constructions Limited Silenus Buildtech Limited Astilbe Builders Limited Pushpanjali Fincon Limited India Land and Properties Limited (upto March 16, 2017) Indiabulls Assets Reconstruction Company Limited (w.e.f. October 3, 2016) Positive Housings Private Limited Indiabulls Alternate investments Limited (w.e.f. February 10, 2016)
	* These Companies include step down subsidiaries and step down subsidiaries of the subsidiaries of the company
(b) Other Related Parties:	
(i) Key Management Personnel	Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer Mr. Amiteshwar Choudhary, Whole Time Director (w.e.f. September 28, 2016) Mr. Ashok Sharma, Whole Time Director (upto August 26, 2016)
(ii) Person exercising significant influence	Mr. Sameer Gehlaut

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

(c) Significant transactions with Related Parties during the year ended March 31, 2017 (Amount in ₹)

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Total
Income			
Brokerage Income	-	315,711	315,711
	-	-	-
Interest Income from Non Convertible Debentures	8,709	-	8,709
	18,448	-	18,448
Dividend Income	245,200,000	-	245,200,000
	-	-	-
Expenses			
Reimbursement of expenses paid	28,400,312	-	28,400,312
	1,961,573	-	1,961,573
Reimbursement of expenses received	36,257,976	-	36,257,976
	37,034,579	-	37,034,579
Rent Expense	833,040	-	833,040
	105,327	-	105,327
Office Maintenance Expense	262,404	-	262,404
	31,598	-	31,598
Printing & Stationery Expenses	400	-	400
	11,600	-	11,600
Remuneration	-	3,140,302	3,140,302
	-	10,269,993	10,269,993
Finance			
Inter-Corporate Deposits Given (Maximum balance outstanding during the year)	7,202,200,000	-	7,202,200,000
	10,430,260,000	-	10,430,260,000
Interest income on Inter-Corporate Deposits	399,862,749	-	399,862,749
	249,934,791	-	249,934,791
Money received against conversion of Share Warrants	-	-	-
	-	73,000,229	73,000,229
Money received against Share Warrants	-	19,750,000	19,750,000
	-	-	-
Money received against ESOP	-	36,373,500	36,373,500
	-	-	-
Investment			
Investment in Equity Shares of Subsidiary Company	480,000,000	-	480,000,000
	-	-	-
Investment in Non Convertible Debentures	9,515,000,000	-	9,515,000,000
	12,833,000,000	-	12,833,000,000
Redemption of Non Convertible Debentures	9,515,000,000	-	9,515,000,000
	12,833,000,000	-	12,833,000,000

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Total
Liabilities			
Employee Benefits Liabilities Paid	2,473,272 3,719,739	- -	2,473,272 3,719,739
Employee Benefits Liabilities Received	2,549,079 374,282	- -	2,549,079 374,282
Assets			
Security Deposit Given	- 270,738	- -	- 270,738
Contingent Liability			
Fixed Deposits pledged against overdraft facility availed by Subsidiary Company	6,500,000,000 6,500,000,000	- -	6,500,000,000 6,500,000,000

(Previous year's figures are stated in Italics)

(d) Outstanding as at March 31, 2017:

(Amount in ₹)

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Total
Inter-Corporate Deposits Given			
- Indiabulls Distribution Services Limited	455,600,000 246,200,000	- -	455,600,000 246,200,000
Money received against Share Warrants			
- Mr. Divyesh B. Shah	- -	19,750,000 -	19,750,000 -
Money received against ESOP			
- Mr. Divyesh B. Shah	- -	7,837,500 -	7,837,500 -
Fixed Deposits pledged against overdraft facility availed by Subsidiary Company			
- Indiabulls Distribution Services Limited	6,500,000,000 6,500,000,000	- -	6,500,000,000 6,500,000,000
Security Deposit Given			
- India Land and Properties Limited	- 270,738	- -	- 270,738

(Previous year's figures are stated in Italics)

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

(e) Party wise Statement of Transactions :

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Dividend Income		
- Indiabulls Commodities Limited	145,200,000	-
- Indiabulls Distribution Services Limited	100,000,000	-
Brokerage Income		
- Mr. Divyesh B. Shah	2,443	-
- Mr. Sameer Gehlaut	313,268	-
Reimbursement of Expenses paid		
- India Land and Properties Limited	342,108	15,796
- Indiabulls Distribution Services Limited	28,058,204	1,945,777
Reimbursement of Expenses received		
- Indiabulls Consumer Products Limited	165,710	-
- Indiabulls Logistics Limited	228,598	-
- Indiabulls Infra Resources Limited	587,098	-
- Indiabulls Distribution Services Limited	35,276,570	37,034,579
Inter-Corporate Deposits Given (maximum balance outstanding during the year)		
- Indiabulls Distribution Services Limited	7,202,200,000	10,317,200,000
- Devata Tradelink Limited	-	113,060,000
Interest Income from Inter-Corporate Deposits Given		
- Indiabulls Distribution Services Limited	399,862,749	249,934,791
Interest Income from Non Convertible Debentures		
- Indiabulls Distribution Services Limited	8,709	18,448
Rent Expense		
- India Land and Properties Limited	833,040	105,327
Office Maintenance Expense		
- India Land and Properties Limited	262,404	31,598
Printing & Stationery Expenses		
- India Land and Properties Limited	400	11,600
Money received against conversion of Share Warrants		
- Mr. Sameer Gehlaut	-	58,375,229
- Mr. Divyesh B. Shah	-	14,625,000
Money received against ESOP		
- Mr. Divyesh B. Shah	33,937,500	-
- Mr. Amiteshwar Choudhary	2,436,000	-
Money received against Share Warrants		
- Mr. Divyesh B. Shah	19,750,000	-
Security Deposit Given		
- India Land and Properties Limited	-	270,738
Employee Benefits Liabilities paid		
- Indiabulls Distribution Services Limited	2,473,272	1,206,415
- India Land and Properties Limited	-	2,513,324

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Employee Benefits Liabilities received		
- Indiabulls Distribution Services Limited	-	276,070
- India Land and Properties Limited	2,549,079	-
- Indiabulls Commodities Limited	-	98,212
Fixed Deposits pledged against overdraft facility availed by subsidiary company		
- Indiabulls Distribution Services Limited	6,500,000,000	6,500,000,000
Remuneration		
- Mr. Divyesh B. Shah	3,140,302	10,269,993
Investment in Non Convertible Debentures		
- Indiabulls Distribution Services Limited	9,515,000,000	12,833,000,000
Redemption of investment in Non Convertible Debentures		
- Indiabulls Distribution Services Limited	9,515,000,000	12,833,000,000
Investment in Equity Shares		
- Indiabulls Consumer Products Limited	500,000	-
- Indiabulls Logistics Limited	500,000	-
- Indiabulls Infra Resources Limited	30,000,000	-
- Indiabulls Asset Reconstruction Company Limited	449,000,000	-

Related party relationships as given above are as identified by the Company.

Note - 35**Employee Benefits:**

Provident Fund, Gratuity and Compensated Absences - disclosures as per Accounting Standard 15 (Revised) - 'Employee Benefits' :

Contributions are made to Government Provident Fund and Family Pension Fund and other statutory funds which cover all regular employees eligible under the respective acts. Both the employees and the Company make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of ₹ 1,561,545 (Previous year ₹ 1,048,159) towards Employer's Contribution for the above mentioned funds.

Provision for unfunded Gratuity and Compensated Absences for eligible employees is based on an actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains / losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Disclosures in respect of Gratuity and Compensated Absences:

(Amount in ₹)

Particulars	Gratuity (unfunded) 2016-17	Gratuity (unfunded) 2015-16	Compensated Absences (unfunded) 2016-17	Compensated Absences (unfunded) 2015-16
Reconciliation of Liability recognised in the Balance Sheet :				
Present Value of Commitments (as per Actuarial valuation)	29,967,306	24,075,702	8,329,057	6,055,597
Fair Value of Plans	-	-	-	-
Net Liability in the Balance Sheet (as per Actuarial valuation)	29,967,306	24,075,702	8,329,057	6,055,597
Movement in net Liability recognised in the Balance Sheet :				
Net Liability as at beginning of the year	24,075,702	20,460,755	6,055,597	5,795,350
Amount Paid during the year	3,094,928	3,126,222	54,150	155,767
Acquisition adjustment on account of transfer of employees paid / (received) (net)	805,534	1,182,952	(881,341)	2,162,505
Net expense recognised in the Statement of Profit and Loss	9,792,066	7,924,121	1,446,269	2,578,519
Contribution during the year	-	-	-	-
Net Liability as at end of the year	29,967,306	24,075,702	8,329,057	6,055,597
Expense recognised in the Statement of Profit and Loss :				
Current Service Cost	3,707,203	2,666,018	1,001,002	811,030
Past Service Cost	-	-	-	-
Interest Cost	2,013,227	1,783,016	472,181	509,483
Expected return on plan assets	-	-	-	-
Actuarial losses / (gains)	4,071,636	3,475,087	(26,914)	1,258,006
Expense charged to the Statement of Profit and Loss	9,792,066	7,924,121	1,446,269	2,578,519
Return on plan assets :				
Expected return on plan assets	-	-	-	-
Actuarial (gains) / losses	-	-	-	-
Actual return on plan assets	-	-	-	-
Reconciliation of defined-benefit Commitments :				
Commitments as at beginning of the year	24,075,702	20,460,755	6,055,597	5,795,350
Current Service Cost	3,707,203	2,666,018	1,001,002	811,030
Past Service Cost	-	-	-	-

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Particulars	Gratuity (unfunded) 2016-17	Gratuity (unfunded) 2015-16	Compensated Absences (unfunded) 2016-17	Compensated Absences (unfunded) 2015-16
Interest Cost	2013,227	1,783,016	472,181	509,483
Paid benefits	(3,094,928)	(3,126,222)	(54,150)	(155,767)
Acquisition adjustment on account of transfer of employees (paid) / received (net)	(805,534)	(1,182,952)	881,341	(2,162,505)
Actuarial losses / (gains)	4,071,636	3,475,087	(26,914)	1,258,006
Commitments as at end of the year	29,967,306	24,075,702	8,329,057	6,055,597
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	-	-	-	-

(Amount in ₹)

Experience adjustment:	Gratuity (Unfunded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
On plan liabilities (losses)	(1,495,931)	(2,397,855)	(2,146,701)	(2,659,739)	(2,683,314)
On plan assets (gains/ (losses))	-	-	-	-	-
Present value of benefit obligation	29,967,306	24,075,702	20,460,755	17,412,601	35,022,593
Fair value of plan assets	-	-	-	-	-
Excess of obligation over plan assets/ (plan assets over obligation)	29,967,306	24,075,702	20,460,755	17,412,601	35,022,593

(Amount in ₹)

Experience adjustment:	Compensated Absences (Unfunded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
On plan liabilities gain / (losses)	559,124	(1,020,390)	746,059	940,374	4,397,849
On plan assets (gains/ (losses))	-	-	-	-	-
Present value of benefit obligation	8,329,057	6,055,597	5,795,350	5,378,411	10,496,925
Fair value of plan assets	-	-	-	-	-
Excess of obligation over plan assets/ (plan assets over obligation)	8,329,057	6,055,597	5,795,350	5,378,411	10,496,925

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

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

Particulars	As at March 31, 2017	As at March 31, 2016
Discount rate -		
Gratuity and Compensated Absences	7.35%	8.00%
Expected return on plan assets	NA	NA
Expected rate of salary increase	5.00%	5.00%
Mortality	IALM (2006 - 08)	IALM (2006 - 08)

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet Date, towards Gratuity and Compensated Absences is ₹ 8,704,760 (Previous Year ₹ 6,078,943) and ₹ 2,327,621 (Previous Year ₹ 1,287,854) respectively.

Note - 36**Earnings in Foreign Currency:**

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Advisory Income	-	5,676
Total	-	5,676

Note - 37

Donation includes ₹ 7,529,000 (Previous year ₹ 9,360,000) towards amount contributed toward Corporate Social Responsibility as required under section 135 of the Companies Act, 2013.

Note - 38**Derivative Instruments:**

The Company has not entered into any derivative contract for hedging any foreign currency exposure. The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below :

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Amount receivable on loan notes and escrow receivable account (in USD)	1,209,558	1,209,558
Amount receivable on loan notes and escrow receivable account (in INR)	78,426,049	80,233,492

Note - 39

Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as required vide Notification No. G.S.R. 308 (E) dated March 30, 2017 issued by the Ministry of Corporate Affairs:

Notes forming part of the financial statements

for the year ended March 31, 2017 (contd.)

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	15,000	1,490	16,490
(+) Permitted receipts	-	110,250	110,250
(-) Permitted payments	-	60,270	60,270
(-) Amount deposited in Banks	15,000	-	15,000
Closing cash in hand as on December 30, 2016	-	51,470	51,470

Note - 40

In order to augment the long-term resources of the Company for meeting the funding requirements for its business purposes, -

- (i) The Board of Directors of the Company at its meeting held on March 28, 2017, has approved the preferential offer and issue of up to 33,800,000 (Three Crore Thirty Eight Lakhs) warrants convertible into equivalent number of equity shares of ₹ 2 each, to certain promoter group entities, at an exercise price of ₹ 43.75 per share, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended. The said issue, inter alia, has been approved by the shareholders of the Company in their extra-ordinary general meeting held on April 25, 2017.
- (ii) The Board of Directors of the Company at its meeting held on April 7, 2017, has approved the preferential offer and issue of 38,865,582 (Three Crore Eighty Eight Lakhs Sixty Five Thousand Five Hundred Eighty Two) equity shares of ₹ 2 each, to a foreign portfolio investor registered with the Securities and Exchange Board of India, at an issue price of ₹ 58.40 per equity share, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended. For seeking shareholder's approval, to the said issuance of equity shares, the Board has convened an Extraordinary General Meeting of Shareholders of the Company on Saturday, May 6, 2017.
- (iii) The Board of Directors of the Company at its meeting held on April 21, 2017, has approved the preferential offer and issue of 47,390,000 (Four Crore Seventy Three Lakhs Ninety Thousand) equity shares of ₹ 2 each, to a foreign investor, at an issue price of ₹ 94.70 per equity share, in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended. For seeking shareholder's approval, to the said issuance of equity shares, the Board has convened an Extraordinary General Meeting of Shareholders of the Company on Monday, May 22, 2017.

Note - 41

As per the best estimate of the Management, no provision is required to be made as per Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.

Note - 42

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

For and on behalf of the Board of Directors

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

Amiteshwar Choudhary
Whole Time Director
DIN: 01679090

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Mumbai, April 27, 2017

Statement Pursuant to Section 129 of the Companies Act, 2013

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

Part A: Subsidiaries													
Sr. No.	Name of the Subsidiary Companies	Reporting Period	Share Capital	Reserves and Surplus (Surplus / (Deficit))	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
1	Indiabulls Commodities Limited	2016-17 2015-16	6,000,000 6,000,000	263,834,629 235,349,662	401,966,075 292,175,686	157,074,206 52,765,558	24,942,760 1,939,534	234,612,210 163,282,301	203,347,898 75,656,783	103,628 (13,405,990)	203,244,270 89,062,773	- -	100% 100%
2	India Ethanol And Sugar Limited	2016-17 2015-16	1,900,000 1,900,000	(631,810) (949,485)	1,430,901 1,051,847	162,711 101,332	- -	915,579 414,670	421,565 26,290	103,890 (18,877)	317,675 45,167	- -	100% 100%
3	Devata Tradelink Limited	2016-17 2015-16	500,000 500,000	(1,807,515,346) (1,806,244,873)	13,384,187 13,394,827	1,841,409,533 1,840,149,700	21,010,000 21,010,000	850,833 200,000	(1,270,473) 83,160	- -	(1,270,473) 83,160	- -	100% 100%
4	Indiabulls Brokerage Limited	2016-17 2015-16	55,000,000 55,000,000	(6,178,864) (7,829,502)	49,703,516 47,919,080	882,380 748,582	- -	3,977,934 5,169,372	2,099,704 3,104,692	449,066 964,714	1,650,638 2,139,978	- -	100% 100%
5	Indiabulls Distribution Services Limited	2016-17 2015-16	500,000 500,000	1,222,994,316 (20,935,132)	9,245,910,919 7,694,567,615	10,050,192,203 12,670,885,014	2,027,775,600 4,955,882,267	3,614,006,951 1,662,470,637	1,656,347,686 (190,382,094)	292,060,591 (56,714,779)	1,364,287,095 (133,667,315)	- -	100% 100%
6	Auxesia Soft Solutions Limited	2016-17 2015-16	500,000 500,000	5,527,760 392,619	514,878,199 580,788,246	505,850,439 600,173,405	- 20,277,778	6,686,875 7,027,719	6,374,983 1,085,587	1,239,842 167,800	5,135,141 917,787	- -	100% 100%
7	Pushpanjli Finsolutions Limited	2016-17 2015-16	60,100,000 60,100,000	(984,990) (4,444,558)	60,104,421 56,674,093	989,411 1,018,651	- -	4,958,877 4,700,469	4,856,033 4,499,142	1,396,465 1,420,000	3,459,568 3,079,142	- -	100% 100%
8	Arbutus Constructions Limited	2016-17 2015-16	1,100,000 1,100,000	2,121,510 3,543,150	18,625,079 17,420,084	35,453,569 32,826,934	20,050,000 20,050,000	1,524,157 1,539,512	(1,421,640) (1,229,201)	- -	(1,421,640) (1,229,201)	- -	100% 100%
9	Gyansegar Buildtech Limited	2016-17 2015-16	1,100,000 1,100,000	9,907,462 11,762,068	267,122,850 265,729,391	276,165,388 272,917,323	20,050,000 20,050,000	21,514,789 18,476,296	303,158 (1,030,546)	2,157,764 -	(1,854,606) (1,030,546)	- -	100% 100%
10	IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited)	2016-17 2015-16	52,190,000 23,166,000	2,033,656,041 895,730,094	1,044,697,748 928,827,000	83,851,707 9,930,906	1,125,000,000 -	572,431,495 142,889,163	76,880,318 16,390,455	9,939,971 2,639,461	66,940,347 13,750,994	- -	100% 100%
11	Astraea Constructions Limited	2016-17 2015-16	500,000 500,000	106,637 75,471	619,337 603,921	12,700 28,450	- -	26,801 100,701	5,584 84,384	(25,582) 61,642	31,166 22,742	- -	100% 100%
12	Silenus Buildtech Limited	2016-17 2015-16	500,000 500,000	363,071 323,646	890,671 852,096	27,600 28,450	- -	77,283 100,000	54,912 82,272	15,487 30,686	39,425 51,586	- -	100% 100%

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

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

Part A: Subsidiaries

Sr. No.	Name of the Subsidiary Companies	Reporting Period	Share Capital	Reserves and Surplus (Surplus / (Deficit))	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
13	Astilbe Builders Limited	2016-17 2015-16	500,000 500,000	324,375 302,448	843,975 823,898	19,600 21,450	- -	44,408 45,760	29,707 26,309	7,780 13,760	21,927 12,549	- -	100% 100%
14	Pushpanjli Fincon Limited	2016-17 2015-16	40,100,000 40,100,000	(38,824,529) (41,857,003)	94,231,054 99,099,588	92,955,583 94,856,591	- -	10,850,000	3,032,474 (12,620,788)	- -	3,032,474 (12,620,788)	- -	100% 100%
15	India Land And Properties Limited ¹	For the period from April 1, 2016 to March 16, 2017 2015-16	N.A. 144,350,070	N.A. 2,689,518,223	N.A. 7,768,764,365	N.A. 4,934,896,072	N.A. -	1,248,869,999 1,423,884,023	325,395,126 495,343,607	- 1,240,711	325,395,126 494,102,896	N.A. -	N.A. 100%
16	Positive Housings Private Limited	2016-17 2015-16	174,363,610 174,363,610	(13,293,458) (13,323,059)	672,098,902 672,084,176	511,028,750 511,043,625	- -	654,875 1,083,847	31,106 (4,629,190)	1,505 -	29,601 (4,629,190)	- -	100% 100%
17	Indiabulls Alternate Investments Limited	2016-17 2015-16	50,500,000 500,000	5,655,192 (483,320)	63,122,762 240,000	6,967,570 223,320	- -	13,264,023	9,678,512 (483,320)	3,540,000 -	6,138,512 (483,320)	- -	100% 100%
18	Indiabulls Asset Reconstruction Company Limited ²	2016-17	500,000,000	3,603,073	7,655,234	4,052,161	500,000,000	15,393,371	9,675,504	4,593,408	5,082,096	-	100%
19	Indiabulls Consumer Products Limited ³	2016-17	500,000	428,629	3,423,682	2,495,053	-	12,501,605	666,577	237,948	428,629	-	100%
20	Indiabulls Logistics Limited ⁴	2016-17	500,000	(247,113)	270,137	17,250	-	-	(247,113)	-	(247,113)	-	100%
21	Indiabulls Infra Resources Limited ⁵	2016-17	30,000,000	(547,618)	29,469,632	17,250	-	57,995	(547,618)	-	(547,618)	-	100%

Notes:

- Being Subsidiary of the Company upto March 16, 2017
- Being subsidiary of the Company w.e.f. October 3, 2016
- Being subsidiary of the Company w.e.f. July 5, 2016
- Being subsidiary of the Company w.e.f. January 19, 2017
- Being subsidiary of the Company w.e.f. February 1, 2017

Part B and C: Not Applicable

For and on behalf of the Board of Director

Divyes B. Shah

Whole Time Director &
Chief Executive Officer

DIN: 00010933

Mumbai, April 27, 2017

Amiteshwar Choudhary

Whole Time Director
DIN: 01679090

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary



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