

**Independent Auditor's Report
To The Members of
Indiabulls Asset Management Company Limited**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

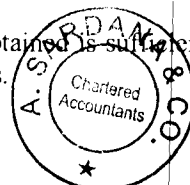
Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



March 31, 2018 – IAMCL

Page 1 of 7

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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



(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



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

A handwritten signature in black ink, appearing to read 'Ajay Sardana'.

Ajay Sardana
Partner

Membership No.089011
New Delhi, April 18, 2018

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

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

- (i) In respect of its Fixed Assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
 - (c) The Company does not own immovable properties.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to information and explanations given to us, the Company has not entered into any transactions in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 Companies Act, 2013 to the products/services of the Company. Accordingly, the provisions of clause 3 (vi) are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2018 for a period of more than six months from the date they became payable.

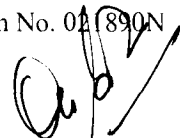
(b) According to the information and explanations given to us, the Company did not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, bank, government or dues to debenture holders.



- (ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/ employees has been noticed or reported during the year;
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in Note 32 to the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) During the year ended March 31, 2018, the Company has made preferential allotment by way of private placement of equity shares, in compliance with the requirements of Section 42 of the Act. The amounts raised have been applied by the Company for the purposes for which the funds were raised, other than temporary deployment of funds pending application. According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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




Ajay Sardana
Partner

Membership No.089011
New Delhi, April 18, 2018

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Asset Management Company Limited for the year ended March 31, 2018

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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



Ajay Sardana
Partner

Membership No.089011
New Delhi, April 18, 2018

Indiabulls Asset Management Company Limited
Balance Sheet as at March 31, 2018


Particulars	Note No.	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
I. Equity and liabilities			
Shareholders funds			
(a) Share capital	3	1,70,00,00,000	70,00,00,000
(b) Reserves and surplus	4	2,46,20,844	49,90,552
		<u>1,72,46,20,844</u>	<u>70,49,90,552</u>
Non - current liabilities			
Long term provisions	5	1,36,92,112	88,27,470
		<u>1,36,92,112</u>	<u>88,27,470</u>
Current liabilities			
(a) Other current liabilities	6	6,13,83,369	4,00,39,363
(b) Short-term provisions	7	1,76,582	1,10,809
		<u>6,15,59,951</u>	<u>4,01,50,172</u>
Total		<u><u>1,79,98,72,907</u></u>	<u><u>75,39,68,194</u></u>
II. Assets			
Non - current assets			
(a) Fixed assets			
(i) Tangible assets	8	94,14,081	30,99,912
(ii) Intangible assets	9	7,64,677	9,04,434
(b) Non-current investments	10	26,84,90,518	2,05,00,000
(c) Deferred tax assets (net)	11	39,25,864	30,12,802
(d) Long term loans and advances	12	18,59,97,970	14,69,55,219
		<u>44,85,93,110</u>	<u>17,44,72,367</u>
Current assets			
(a) Current investments	13	98,39,86,623	36,35,10,976
(b) Trade receivables	14	25,12,32,957	10,14,84,110
(c) Cash and cash equivalents	15	14,98,332	1,35,83,799
(d) Short-term loans and advances	16	11,45,61,885	10,09,16,942
		<u>1,35,12,79,797</u>	<u>57,94,95,827</u>
Total		<u><u>1,79,98,72,907</u></u>	<u><u>75,39,68,194</u></u>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements


As per our report of even date

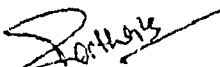
For A Sardana & Co.
Chartered Accountants,
Firm Registration No. 021890N



Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 18, 2018

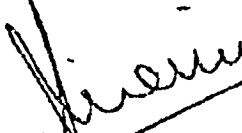


For and on behalf of the Board of Directors of
Indiabulls Asset Management Company Limited


Ashok Kacker
Whole time Director
DIN : 01647408
Mumbai, April 18, 2018


Rabindra Kumar Pathak
Company Secretary
New Delhi, April 18, 2018


Akshay Gupta
Whole time Director
DIN : 01272080


Sachin Virmani
Chief Financial Officer

Indiabulls Asset Management Company Limited
Statement of Profit and loss for the year ended March 31, 2018

Particulars	Note No.	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Income			
I. Revenue from operations	17	41,71,92,919	28,83,74,431
II. Other income	18	5,55,65,589	5,59,75,749
III. Total revenue (I + II)		47,27,58,488	34,23,50,180
IV. Expenses:			
Employee benefit expenses	19	18,61,66,469	13,39,66,234
Finance costs	20	12,428	11,979
Depreciation and amortization		27,23,763	18,08,706
Operating and Administrative expenses	21	25,28,67,048	12,58,03,049
V. Total expenses		44,18,09,708	26,15,89,968
VI. Profit/(Loss) before exceptional and extraordinary items and tax	(III - V)	3,09,48,780	8,07,60,212
VII. Exceptional items		-	-
VIII. Profit/(Loss) before extraordinary items and tax (VI - VII)		3,09,48,780	8,07,60,212
IX. Extraordinary items		-	-
X. Profit/(Loss) before tax (VIII - IX)		3,09,48,780	8,07,60,212
XI. Tax expense:			
(1) Current tax		1,22,31,550	1,82,78,910
(2) Deferred tax expense/(credit)		(9,13,062)	(15,60,389)
		1,13,18,488	1,67,18,521
XII. Profit/(Loss) from the year from continuing operations (X - XI)		1,98,30,292	6,40,41,691
XIII. Profit/(Loss) from discontinuing operations		-	-
XIV. Tax expense of discontinuing operations		-	-
XV. Profit/(Loss) from discontinuing operations after tax (XIII - XIV)		-	-
XVI. Profit/(Loss) for the year (XII + XV)		1,98,30,292	6,40,41,691
XVII. Earnings per equity share:			
(1) Basic	33	0.16	0.91
(2) Diluted		0.16	0.91
(3) Nominal value per equity share		10.00	10.00

Summary of significant accounting policies

2

...the accompanying notes are an integral part of the financial statements

As per our report of even date

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

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 18, 2018



For and on behalf of the Board of Directors of
Indiabulls Asset Management Company Limited

Ashok Kacker
Ashok Brijmohan Kacker
Whole time Director
DIN : 01847408
Mumbai, April 18, 2018

Rabindra Kumar Pathak
Company Secretary
Mumbai, April 18, 2018

Akshay Gupta
Whole time Director
DIN : 01272060

Satish Virmani
Chief Financial Officer

Indiabulls Asset Management Company Limited
Cash flow statement for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
A Cash flow from operating activities :		
Net Profit/ (loss) before tax	3,09,48,780	8,07,60,212
Adjustments for:		
Profit on redemption of mutual funds	(3,69,31,416)	(5,16,92,254)
Profit on redemption of Real Estate Fund-AIF	(68,52,901)	-
Interest on real estate fund	(1,04,73,907)	(28,47,225)
Provisions written back	(12,98,865)	(8,84,895)
Provision for gratuity	33,22,633	24,86,850
Provision for compensated absences	16,07,782	16,48,879
Depreciation and amortization	27,23,763	18,08,708
Operating Profit/(Loss) before working capital changes	(1,69,62,131)	3,14,80,173
Changes in working capital:		
Other current liabilities	2,26,40,871	3,61,22,313
Long-term loans and advances	(1,24,01,102)	(7,40,55,389)
Trade receivables	(14,97,48,847)	(8,76,20,427)
Short-term loans and advances	(79,31,666)	(4,88,20,323)
Cash used in operations	(18,43,92,875)	(14,28,93,653)
Direct taxes paid	(2,45,66,478)	(1,14,82,205)
Net cash generated from/(used in) operating activities	(18,69,79,361)	(15,43,75,658)
B Cash flow from investing activities		
(Purchase)/Sale of fixed assets-net	(88,98,175)	(11,20,302)
Interest received on real estate fund	1,04,73,907	28,47,225
Proceeds from sale/redemption of/(Investments in) current/non current investments	(82,46,81,848)	15,41,89,818
Net cash generated from/(used in) investing activities	(82,31,06,116)	15,59,26,741
C Cash flow from financing activities		
Proceeds from issue of equity shares	1,00,00,00,000	-
Net cash generated from/(used in) financing activities	1,00,00,00,000	-
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,20,66,467)	15,50,883
E Cash and cash equivalents at the beginning of the year	1,35,83,799	1,20,32,916
F Cash and cash equivalents at the close of the year (D + E)	14,98,332	1,36,83,799

Note:

- Figures for the previous year have been regrouped wherever considered necessary.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

- Cash and Cash equivalents as at the close of the year (Refer Note: 15):

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Cash on hand	8,665	15,730
Balances with scheduled banks in Current accounts	14,98,667	1,35,68,069
Cash and cash equivalents at the end of the year	14,98,332	1,36,83,799

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Ajay Sardana
Partner
Membership No. 088011
New Delhi, April 18, 2018



For and on behalf of the Board of Directors of
Indiabulls Asset Management Company Limited

Ashok Kacker

Ashok Brijmohan Kacker
Whole Time Director
DIN : 01647408
Mumbai, April 18, 2018

Rabindra Kumar Pathak

Rabindra Kumar Pathak
Company Secretary
Mumbai, April 18, 2018

Akshay Gupta
Akshay Gupta
Whole Time Director
DIN : 01272080

Satish Virmani
Chief Financial Officer

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 1

Corporate information:

Indiabulls Asset Management Company Limited ("the Company") was incorporated on April 10, 2008 as a wholly owned subsidiary of Indiabulls Housing Finance Limited (IHFL).

The Company's principal activity is to act as an investment manager to Indiabulls Mutual Fund ("the Fund"). The Company is registered with Securities and Exchange Board of India ('SEBI') under SEBI (Mutual Fund) Regulations, 1996. The Company manages the investment portfolio of the Fund and provides various administrative services to the Fund and Trustee Company as laid down in the Investment Management Agreement dated November 07, 2008 and amended from time to time.

Note - 2

Summary of significant accounting policies:

i) Basis of accounting:

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

ii) Use of estimates:

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

iii) Cash and cash equivalents:

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

i) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Revenue recognition:

- (a) Income from management fees are recognized on an accrual basis in accordance with the applicable SEBI regulations and the respective terms of contract between the Company and Trustee Company.
- (b) Portfolio management fees are recognized on accrual basis in accordance with the agreements with respective clients.
- (c) Advisory and consultancy charges are recognized on accrual basis as the related services are rendered.
- (d) Interest income is accounted on accrual basis.
- (e) Dividend income on units of Mutual Fund is recognised when the right to receive dividend is unconditionally established.
- (f) Profit/ (loss) on redemption of units of Mutual Funds is recognised on actual basis.

vi) Investments:

Investments are classified as non-current and current investments. Non-current investments are carried at cost less provision, if any, for any diminution other than temporary in their value. Current investments are valued at lower of cost and net realizable value.

vii) Borrowing cost:

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

viii) Fixed assets:

(a) Tangible assets:

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

(b) Intangible assets:

Intangible assets are stated at cost, less accumulated amortisation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

ix) Depreciation / Amortisation:

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013, except in respect of Vehicles, which are amortised on a straight line basis over a period of five years from the date when the assets are available for use. The useful life has been assessed based on management's past usage experience and considering the change in technology.

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction, as the case may be.

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

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.

x) Impairment of assets:

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

xi) Employee benefits:

The Company's contribution to Provident Fund and Employee State Insurance is charged to Statement of Profit and Loss. The Company has defined benefit plans namely compensated absences and gratuity for its employees the liability for which is determined on the basis of an actuarial valuation conducted annually by an independent actuary in accordance with Accounting Standards 15 (AS 15) Employee Benefits (Revised 2005), as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Actuarial gains and losses are recognised in Statement of Profit and Loss as income or expenses.

xii) Deferred employee stock compensation cost:

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

xiii) New fund offer expenses ('NFO'):

Expenses relating to NFO are charged to Statement of Profit and Loss of the Company in the year in which these expenses are incurred which is in compliance with SEBI circular No. SEBI/IMD/CIR. No. 4/168230/09

xiv) Fund expenses:

Expenses incurred (inclusive of advertisement/brokerage expenses) on behalf of schemes of the Fund are charged to the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

xv) Taxes on income:

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

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates at the Balance Sheet Date as applicable to the extent that the timing differences are expected to crystallise.

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

xvi) Leases:

In case of assets taken on operating lease the lease rentals are charged to the Statement of Profit and Loss on a straight line basis in accordance with Accounting Standard (AS) - 19-Leases.

xvii) Preliminary expenses:

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

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

xviii) Provisions contingent liabilities and contingent assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for:

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

xix) Share issue expenses:

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

xx) Earnings per share:

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

xxi) 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.

xxii) Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. Exchange differences, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly, restated in the balance sheet.

(This space has intentionally been left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 3

Share capital:

(Refer Note 29)

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorised:				
Equity Shares of face value of Rs. 10 each	17,00,00,000	1,70,00,00,000	8,00,00,000	80,00,00,000
Issued, subscribed and paid up:				
Equity Shares of face value of Rs. 10 each fully paid up	17,00,00,000	1,70,00,00,000	7,00,00,000	70,00,00,000
As per Balance Sheet	17,00,00,000	1,70,00,00,000	7,00,00,000	70,00,00,000

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

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at beginning of the reporting year	7,00,00,000	70,00,00,000	7,00,00,000	70,00,00,000
Shares issued during the year	10,00,00,000	1,00,00,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at end of the reporting year	17,00,00,000	1,70,00,00,000	7,00,00,000	70,00,00,000

b. Terms/ rights attached to equity shares:

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

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

c. Detail of Shareholders holding 5% or more shares:

No. of shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of face value of Rs. 10 each fully paid up				
The entire share capital is held by Indiabulls Housing Finance Limited ("the holding Company") and its nominees	17,00,00,000	100%	7,00,00,000	100%

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

d. Employees stock option plans: (Refer Note 35)

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 4		
Reserves and surplus:		
Surplus / (deficit) in the Statement of Profit and Loss		
Opening balance	49,90,552	(5,90,51,139)
Additional Profit/(Loss) during the year	1,96,30,292	6,40,41,691
As per Balance Sheet	2,46,20,844	49,90,552

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 5		
Long term provisions:		
Provision for employee benefits (Refer Note 30):		
Provision for gratuity	87,33,782	54,39,326
Provision for compensated absences	49,58,330	33,88,144
As per Balance Sheet	1,36,92,112	88,27,470

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 6		
Other current liabilities:		
Temporary overdrawn bank balance as per books	13,16,470	-
Statutory liabilities	2,61,07,629	16,78,597
Expenses payable	2,51,18,336	67,66,793
Income received in advance	88,40,934	3,15,93,973
As per Balance Sheet	6,13,83,369	4,00,39,363

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 7		
Short term provisions:		
Provision for employee benefits (Refer Note 30):		
Provision for gratuity	74,004	45,827
Provision for compensated absences	1,02,578	64,982
As per Balance Sheet	1,76,582	1,10,809

(this space has intentionally been left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 8

Tangible assets:

Particulars	Amount (Rs.)					
	Office equipments	Furniture and fixtures	Computers	Vehicles	Leasehold improvements	Total
Opening balance as at April 01, 2016	4,71,411	3,41,761	39,34,350	19,99,158	-	67,46,680
Additions during the year	1,53,337	14,188	9,52,777	-	-	11,20,302
Adjustments/Sales during the year	-	-	-	-	-	-
As at March 31, 2017	6,24,748	3,55,949	48,87,127	19,99,158	-	78,66,982
Additions during the year	83,049	2,96,185	22,04,242	53,94,085	9,20,614	88,98,175
Adjustments/Sales during the year	-	-	-	-	-	-
As at March 31, 2018	7,07,797	6,52,134	70,91,369	73,93,243	9,20,614	1,67,65,157
Depreciation						
Opening balance as at April 01, 2016	3,08,157	1,15,433	21,74,578	6,07,883	-	32,06,051
Charge for the year	1,03,756	37,854	10,19,577	3,99,832	-	15,61,019
Adjustments/Sales during the year	-	-	-	-	-	-
As at March 31, 2017	4,11,913	1,53,287	31,94,155	10,07,715	-	47,67,070
Charge for the year	72,932	55,093	13,97,666	10,11,654	46,661	25,84,006
Adjustments/Sales during the year	-	-	-	-	-	-
As at March 31, 2018	4,84,845	2,08,380	45,91,821	20,19,369	46,661	73,51,076
Net block						
As at March 31, 2017	2,12,835	2,02,662	16,92,972	9,91,443	-	30,99,912
As at March 31, 2018	2,22,952	4,43,754	24,99,548	53,73,874	8,73,953	94,14,081

Note - 9

Intangible assets:

Particulars	Amount (Rs.)	
	Software	Total
Opening balance as at April 01, 2016	72,39,018	72,39,018
Additions during the year	-	-
Adjustments/Sales during the year	-	-
As at March 31, 2017	72,39,018	72,39,018
Additions during the year	-	-
Adjustments/Sales during the year	-	-
As at March 31, 2018	72,39,018	72,39,018
Amortization		
Opening balance as at April 01, 2016	60,86,897	60,86,897
Charge for the year	2,47,687	2,47,687
Adjustments/Sales during the year	-	-
As at March 31, 2017	63,34,584	63,34,584
Charge for the year	1,39,757	1,39,757
Adjustments/Sales during the year	-	-
As at March 31, 2018	64,74,341	64,74,341
Net block		
As at March 31, 2017	9,04,434	9,04,434
As at March 31, 2018	7,64,677	7,64,677

Note - 10

Non-current investments:

(At Cost)

Non trade Unquoted

Investment in Alternative Investment Fund:

- Indiabulls Real Estate Fund Category II AIF 24,79,90,518 2,00,00,000

Investment in units of Mutual Fund:

- Indiabulls Tax Savings Fund - Direct Plan - Growth 2,00,00,000 -

[No. of units 2,000,000 (Previous year : Nil)]

NAV Rs. 10.0000 (Previous year Rs. Nil) per unit]

Investments in equity instruments

MF Utilities India Private Limited 5,00,000 5,00,000

[500,000 (Previous year 500,000) equity shares of face value of Rs. 1 each]

As per Balance Sheet 26,84,90,518

Aggregate book value of unquoted investments 26,84,90,518

Aggregate book value of quoted investments -

Aggregate market value of quoted investments -

As at
March 31, 2017
Amount (Rs.)

2,05,00,000

2,05,00,000

-

-

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 11		
Deferred tax assets (Net)		
Deferred tax assets:		
Arising on account of temporary differences due to:		
Disallowance under Section 40A(7) of the Income Tax Act, 1961	24,50,326	18,98,302
Disallowance under Section 43B of the Income Tax Act, 1961	14,07,945	11,95,058
On difference between book balance and tax balance of fixed assets	67,593	-
	39,25,864	30,93,360
Deferred tax liabilities:		
Arising on account of temporary differences due to:		
On difference between book balance and tax balance of fixed assets	-	80,558
	-	80,558
As per Balance Sheet	39,25,864	30,12,802

In compliance with AS - 22 'Accounting for Taxes on Income', as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the Company has credited deferred tax of Rs. 913,062 (Previous year Rs. 1,560,389) to the Statement of Profit and Loss for the year.

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 12		
Long term loans and advances:		
(Unsecured, Considered good)		
(a) Capital advances	20,59,789	20,295
(b) Security deposits	30,00,000	30,00,000
(c) Prepaid expenses	14,47,69,913	13,44,08,305
(d) Balances with government authorities:		
Income tax recoverable	1,61,68,268	95,26,619
[Net of Provision for taxation Rs. 28,803,940 (Previous year Rs. 10,525,030)]		
As per Balance Sheet	16,59,97,970	14,69,55,219

(This space has been intentionally left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 13		
Current investments:		
(At lower of cost and net realizable value, unless otherwise stated)		
Non-trade, Unquoted		
-Indiabulls Blue Chip Fund - Direct Plan Growth [No. of units 43,624.161 (Previous year : 43,624.161) NAV Rs. 14.9000 (Previous year Rs. 14.9000) per unit]	6,50,000	6,50,000
-Indiabulls Arbitrage Fund - Direct Plan Growth [No. of units 185,857.496 (Previous year : 185,857.496) NAV Rs. 10.7372 (Previous year Rs. 10.7372) per unit]	19,95,595	19,95,595
-Indiabulls Value Discovery Fund - Direct Plan Growth [No. of units 202,017.191 (Previous year : 202,017.191) NAV Rs. 10.0635 (Previous year Rs. 10.0635) per unit]	20,33,000	20,33,000
-Indiabulls Savings Income Plan (Formerly Indiabulls Monthly Income Plan) - Direct Plan Growth [No. of units 54,565,642.880 (Previous year : 210,000.000) NAV Rs. 13.3872 (Previous year Rs. 10.0000) per unit]	72,83,83,793	21,00,000
-Indiabulls Ultra Short Term Fund - Direct Plan Growth [No. of units 3,668.170 (Previous year : 3,668.170) NAV Rs. 1,667.7081 (Previous year Rs. 1458.3957) per unit]	61,17,437	51,98,898
-Indiabulls Liquid Fund - Direct Plan Growth [No. of units 33,740.941 (Previous year : 213,903.246) NAV Rs. 1,695.9055 (Previous year Rs. 1,588.4874) per unit]	5,72,21,447	33,97,82,615
-Indiabulls Income Fund - Direct Plan Growth [No. of units 353,089.533 (Previous year : 353,089.533) NAV Rs. 14.4823 (Previous year Rs. 12.4142) per unit]	51,13,564	43,83,333
-Indiabulls Short Term Fund - Direct Plan Growth [No. of units 4,259.119 (Previous year : 4,259.119) NAV Rs. 1483.9808 (Previous year Rs. 1181.2792) per unit]	63,20,451	50,31,209
-Indiabulls Gilt Fund - Direct Plan Growth [No. of units 112,406.869 (Previous year : 1,758.007) NAV Rs. 1567.0869 (Previous year Rs. 1328.9635) per unit]	17,61,51,336	23,36,326
As per Balance Sheet	98,39,86,623	36,35,10,976
Aggregate book value of unquoted investments	98,39,86,623	36,35,10,976
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 14		
Trade receivables:		
(Uncured, considered good)		
Debts outstanding for a period exceeding six months	2,47,60,000	-
Other trade receivables	22,64,72,957	10,14,84,110
As per Balance Sheet	25,12,32,957	10,14,84,110

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 15		
Cash and cash equivalents:		
(a) Balances with scheduled banks -In current accounts	14,88,667	1,35,68,069
(b) Cash on hand	9,665	15,730
As per Balance Sheet	14,98,332	1,35,83,799
	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
Note - 16		
Short term loans and advances:		
Unsecured, Considered good		
(a) Loans and advances to employees	5,00,000	20,00,000
(b) Prepaid expenses	9,81,55,264	9,08,28,983
(c) Balances with government authorities		
(i) GST input credit (Previous year Service tax input credit)	36,05,683	10,77,679
(ii) Income tax recoverable	94,98,117	37,84,840
[Net of provision for tax Rs. 12,231,550 (Previous year Rs. 18,278,910)]		
(d) Other loan and advances		
Advances recoverable in cash or in kind or for value to be received	28,02,821	32,25,440
As per Balance Sheet	11,45,61,885	10,09,16,942

(This space has been intentionally left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Note - 17		
Revenue from operations:		
Management fees from:		
- Mutual fund operations	16,10,52,869	11,07,84,975
- Alternative Investment Fund operations	20,23,67,540	14,27,08,077
- Portfolio Manager Service operations	5,37,72,510	3,28,81,379
As per Statement of Profit and Loss	41,71,92,919	28,63,74,431
Note - 18		
Other income:		
Profit on redemption of Mutual Funds	3,69,31,416	5,16,92,254
Profit on redemption of Real Estate Fund-AIF	68,52,901	-
Interest on income tax refund	-	7,45,615
Interest on Real Estate Fund	1,04,73,907	28,47,225
Provisions written back	12,96,865	6,84,995
Miscellaneous income	10,480	5,660
As per Statement of Profit and Loss	5,55,65,569	5,59,75,749
Note - 19		
Employee benefit expenses:		
Salaries	18,07,54,192	12,91,96,286
Contribution to provident fund and other statutory funds	1,89,786	1,46,483
Staff welfare	3,12,076	4,87,736
Provision for gratuity [Refer Note: 30]	33,22,633	24,86,850
Provision for compensated absences [Refer Note: 30]	16,07,782	16,48,879
As per Statement of Profit and Loss	18,61,86,469	13,39,66,234
Note - 20		
Finance cost:		
Interest on taxes	12,428	11,979
As per Statement of Profit and Loss	12,428	11,979

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
Note - 21		
Operating and administrative expenses:		
Advertisement	1,31,94,028	-
Recruitment expenses	22,87,670	10,56,417
Rent expenses (Refer footnote 1 below)	20,02,333	19,80,000
Rates and taxes	93,51,986	12,25,073
Subscription charges	15,70,708	34,665
Legal and professional charges	4,11,89,566	77,28,253
Repair and maintenance	46,09,730	31,27,432
Printing and stationary	50,72,033	10,85,605
Travelling and conveyance expenses	44,04,728	50,70,107
Communication, postage and courier expenses	21,38,364	9,82,457
Directors expenses	1,63,500	4,24,500
Business promotion	66,63,364	55,03,571
Fund expenses	16,00,14,404	9,75,20,840
Miscellaneous expenses	74,634	14,129
Auditor's remuneration		
- as statutory auditor	1,50,000	50,000
As per Statement of Profit and Loss	25,28,87,048	12,58,03,049

(this space has intentionally been left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 22

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

Note - 23

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2018 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.

Note - 24

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

Note - 25

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

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

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

Note - 26

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

Note - 27

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

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

Note - 28

In respect of amounts as mentioned under Section 124(5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2018 (Previous year Rs. Nil).

(This space has intentionally been left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 29

Changes in capital structure:

In pursuance of Section 97 and other applicable provisions, if any, of the Companies Act, 1956, members of the Company in their meeting held on August 23, 2013 granted their approval for increase in the authorised share capital from Rs. 150,000,000/- to Rs. 160,000,000/-, divided in to 16,000,000 equity shares of face value of Rs.10 each and subsequently, on December 18, 2013, granted their approval for increase in the authorised share capital from Rs. 160,000,000/- to Rs. 210,000,000/-, divided in to 21,000,000 equity shares of face value of Rs.10 each.

Consequent upon the increase in share capital, on October 24, 2013 and December 18, 2013, members of the Company, at their meetings held on October 24, 2013 and December 18, 2013 respectively granted their approval and the Company issued and allotted 1,000,000 and 5,000,000 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL").

In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, members of the Company in their meeting held on July 02, 2014 granted their approval for increase in the authorised share capital from Rs. 210,000,000 to Rs. 600,000,000, divided in to 60,000,000 equity shares of face value of Rs.10 each and subsequently, on September 24, 2014, granted their approval for increase in the authorised share capital from Rs. 600,000,000 to Rs. 700,000,000, divided in to 70,000,000 equity shares of face value of Rs.10 each.

Consequent upon the increase in authorized share capital, on July 02, 2014 and September 24, 2014, members of the Company, at their extra ordinary general meetings held on July 11, 2014 and October 29, 2014 respectively granted their approval and the Company issued and allotted 3,000,000 and 10,000,000 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL").

In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, members of the Company in their meeting held on December 22, 2015 granted their approval for increase in the authorised share capital from Rs. 700,000,000 to Rs. 800,000,000, divided in to 80,000,000 equity shares of face value of Rs.10 each.

In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, members of the Company in their meeting held on August 11, 2017 granted their approval for increase in the authorised share capital from Rs. 800,000,000 to Rs. 1,700,000,000, divided in to 170,000,000 equity shares of face value of Rs.10 each.

Consequent upon the increase in authorized share capital, on August 11, 2017, members of the Company, at their extra ordinary general meetings held on August 22, 2017 and October 16, 2017 granted their approval and the Company issued and allotted 50,000,000 equity shares and 50,000,000 equity shares respectively of face value Rs. 10 per share to the Holding Company, Indiabulls Housing Finance Limited ("IHFL") . As a result, the paid up equity share capital of the Company increased to Rs. 1,700,000,000 divided into 170,000,000 equity share of Rs. 10 each fully paid up.

Note - 30

Employee benefits:

(a) Defined contribution plans

The Company's contribution amounting to Rs. 175,104 (Previous year Rs.129,492) to defined contribution plans (Provident Fund and Employee State Insurance) is recognised as expenses in the Statement of Profit and Loss for the year ended March 31, 2018.

(b) Defined benefits plan

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

(this space has intentionally been left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 30

Employee benefits: (Continued)

Disclosure in respect of Gratuity and Compensated Absences:

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2018	Gratuity (unfunded) March 31, 2017	Compensated absences (unfunded) March 31, 2018	Compensated absences (unfunded) March 31, 2017
Reconciliation of liability recognized in the Balance Sheet:				
Present value of commitments (as per actuarial valuation)	88,07,786	54,85,153	50,60,908	34,53,126
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	88,07,786	54,85,153	50,60,908	34,53,126
Movement in net liability recognized in the Balance Sheet:				
Net liability as at beginning of the year	54,85,153	29,98,303	34,53,126	18,04,247
Net expense/(gain) recognized in the Statement of Profit and Loss	33,22,633	24,86,850	16,07,782	16,48,879
Benefits paid during the year	-	-	-	-
Acquisition Adjustment (net of settlement amount)	-	-	-	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	88,07,786	54,85,153	50,60,908	34,53,126
Expense recognized in the Statement of Profit and Loss				
Current service cost	30,97,679	22,31,351	21,54,992	16,81,450
Past service cost	6,92,275	-	-	-
Interest cost	4,03,159	2,39,864	2,53,805	1,44,340
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	(8,70,480)	15,635	(8,01,015)	(1,76,911)
Expense/(Income) charged to the Statement of Profit and Loss	33,22,633	24,86,850	16,07,782	16,48,879
Return on plan assets:				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-
Reconciliation of defined-benefit commitments:				
As at beginning of the year	54,85,153	29,98,303	34,53,126	18,04,247
Current service cost	30,97,679	22,31,351	21,54,992	16,81,450
Past service cost	6,92,275	-	-	-
Interest cost	4,03,159	2,39,864	2,53,805	1,44,340
Benefits paid during the year	-	-	-	-
Acquisition Adjustment (net of settlement amount)	-	-	-	-
Actuarial (gains)/ losses	(8,70,480)	15,635	(8,01,015)	(1,76,911)
Commitments as at end of the year	88,07,786	54,85,153	50,60,908	34,53,126
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	-	-	-	-

Experience adjustments:

Particulars	Gratuity (Unfunded)				
	Financial years				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities (loss)/gain	3,31,249	4,26,605	(27,748)	6,81,262	8,61,230
On plan assets (loss)/gain	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	88,07,786	54,85,153	29,98,303	18,73,484	10,75,388
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	88,07,786	54,85,153	29,98,303	18,73,484	10,75,388
Particulars	Compensated absences (Unfunded)				
	Financial years				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities (loss)/gain	4,61,079	4,94,771	6,67,316	1,76,923	5,43,639
On plan assets (loss)/gain	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	50,60,908	34,53,126	18,04,247	9,89,233	5,35,043
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	50,60,908	34,53,126	18,04,247	9,89,233	5,35,043

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 30

Employee benefits: (Continued)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate – Gratuity and Compensated Absences	7.80%	7.35%
Expected return on plan assets	N.A.	N.A.
Expected rate of salary increase	6.00%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

N.A.: Not Applicable

The employer's best estimate of expense for the next annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs.5,350,397 (Previous year Rs. 3,389,316) and Rs. 2,629,667 (Previous year Rs. 2,038,870) respectively.

Note - 31

Segment reporting:

The Company's primary business segment is reflected based on principal business activities carried on by it. The Company is engaged in the single primary business segment of managing the investment portfolio of the Fund (including providing various administrative services to the Fund and Trustee Company). The Company operates solely in one Geographic segment namely "Within India". No further disclosures are required under Accounting Standard 17, Segment Reporting, as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, other than those already provided in the financial statements.

(This space has intentionally been left blank)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 32

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

(a) Details of related parties:

Description of relationship	Names of related parties
(i) Where control exists	
Holding Company	Indiabulls Housing Finance Limited
Entities under common control	
Fellow Subsidiary Companies (including step-down subsidiaries)	Indiabulls Insurance Advisors Limited
	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)
	Indiabulls Capital Services Limited
	Indiabulls Asset Holding Company Limited
	Indiabulls Advisory Services Limited
	Indiabulls Asset Reconstruction Company Limited (up to October 2, 2016) (Subsidiary of Indiabulls Advisory Services Limited)
	Indiabulls Collection Agency Limited
	Indiabulls Commercial Credit Limited (Formerly known as Indiabulls Infrastructure Credit Limited)
	Indiabulls Asset Management Mauritius (w.e.f. July 18, 2016) (Subsidiary of Indiabulls Commercial Credit Limited)
	Indiabulls Life Insurance Company Limited (up to December 8, 2017)
	Indiabulls Trustee Company Limited
	Ibulls Sales Limited
	Indiabulls Holdings Limited
	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)
	Indiabulls Venture Capital Trustee Company Limited (Subsidiary of Indiabulls Holdings Limited)
	(ii) Other related parties
Associate of Holding Company	Oaknorth Holdings Ltd. (w.e.f. November 13, 2015)
Key Management Personnel	Mr. Ashok Brijmohan Kacker – Director
	Mr. Akshay Gupta – Director and Chief Executive Officer
	Mr. Jitendra Babubhai Sanghavi – Director (up to November 30, 2017)
	Mr. Girish Chandra Srivastava – Director
	Mr. Satish Virmani – Chief Financial Officer
	Mr. Ajit Kumar Singh (up to September 30, 2017)
	Mr. Rabindra Kumar Pathak – Company Secretary (w.e.f. October 01, 2017)

(b) Significant transactions with related parties:

Nature of Transaction	Holding company	Amount (Rs.)	
		Key Management Personnel	Total
Finance			
Issue of equity shares	1,00,00,00,000	-	1,00,00,00,000
	-	-	-
Expenses			
Director's expenses		1,63,500	1,63,500
		4,24,500	4,24,500

(Previous year's figures are stated in italics)

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 32

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

(c) Statement of material transactions:

Particulars	Amount (Rs.)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Issue of equity shares		
- Indiabulls Housing Finance Limited	1,00,00,00,000	-
Expenses		
Director's expenses		
- Mr. Girish Chandra Srivastava	1,63,500	3,16,750
- Mr. Jitendra Babubhai Sanghavi	-	1,07,750

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

Rs. Nil (Previous year Rs. Nil)

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

Note - 33

Earnings per share:

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/(Loss) available for equity shareholders (Rs.)	1,96,30,292	6,40,41,691
Weighted average number of equity shares used for computing Basic earnings per share	12,32,87,671	7,00,00,000
Weighted average number of equity shares used for computing Diluted earnings per share	12,32,87,671	7,00,00,000
Nominal value of equity shares – (Rs. Per Share)	10.00	10.00
Earnings per share – Basic (Rs. Per Share)	0.16	0.91
Earnings per share – Diluted (Rs. Per Share)	0.16	0.91

Note - 34

Expenditure in Foreign Currency:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Travelling expenses	5,06,906	4,94,915

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 35

Employee - Stock Options Plans of Indiabulls Housing Finance Limited ("the Holding Company" "IHFL"):

(a) Stock option plans of Indiabulls Financial Services Limited ("IBFSL") ("the erstwhile Holding Company") including plans in lieu of stock options plans of its erstwhile subsidiary Indiabulls Credit Services Limited transferred under the Court approved Plan of Arrangement :

S. No.	Erstwhile Plans	New Plans*
1	IBFSL - ICSL Employees Stock Option Plan 2006	IHFL- IBFSL Employees Stock Option Plan 2006
2	IBFSL - ICSL Employees Stock Option Plan II - 2006	IHFL - IBFSL Employees Stock Option Plan II - 2006
3	Employees Stock Option 2008	IHFL - IBFSL Employees Stock Option -2008

*The name of the plans has been revised by the approval of the Shareholders of the Holding Company in the 8th Annual General Meeting held on July 1, 2013.

(b) IHFL ESOS - 2013

The members of IHFL at their Meeting dated March 6, 2013 approved the IHFL ESOS - 2013 plan consisting of 39,000,000 stock options representing 39,000,000 fully paid up Equity Shares of Rs. 2 each of IHFL to be issued in one or more tranches to its eligible employees or to eligible employees of its subsidiaries / step down subsidiaries. The Compensation Committee constituted by the Board of Directors of IHFL has, at its meeting held on October 11, 2014, granted, 10,500,000 Stock Options representing an equal number of equity shares of face value of Rs. 2 each at an exercise price of Rs. 394.75, being the then latest available closing market price on the National Stock Exchange of India Ltd. as on October 10, 2014 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share Based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. These options vest with effect from the first vesting date i.e. October 11, 2015, whereby the options vest on each vesting date as per the vesting schedule provided in the Plan.

During the current financial year the Compensation Committee constituted by the Board of Directors of IHFL has, at its meeting held on August 10, 2017, granted, 10,500,000 Stock Options representing an equal number of equity shares of face value of Rs. 2 each at an exercise price of Rs. 1,156.50, being the then latest available closing market price on the National Stock Exchange of India Ltd. as on August 10, 2017 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share Based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. These options vest with effect from the first vesting date i.e. August 12, 2018, whereby the options vest on each vesting date as per the vesting schedule provided in the Scheme

During the current financial year the Compensation Committee constituted by the Board of Directors of IHFL has, at its meeting held on March 24, 2018, granted, 100,000 Stock Options representing an equal number of equity shares of face value of Rs. 2 each at an exercise price of Rs. 1,200.40, being the then latest available closing market price on the National Stock Exchange of India Ltd. as on March 23, 2018 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share Based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. These options vest with effect from the first vesting date i.e. March 25, 2019, whereby the options vest on each vesting date as per the vesting schedule provided in the Scheme

(c) The other disclosures in respect of the ESOS/ESOP Plans are as under:

Particulars	IHFL-IBFSL Employees Stock Option Plan II - 2006	IHFL-IBFSL Employees Stock Option - 2008	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL ESOS - 2013	IHFL-IBFSL Employees Stock Option - 2008 -Regrant	IHFL-IBFSL Employees Stock Option - 2008-Regrant	IHFL-IBFSL Employees Stock Option Plan - 2006 -Regrant	IHFL-IBFSL Employees Stock Option - 2008 -Regrant	IHFL-IBFSL Employees Stock Option Plan II - 2006 -Regrant
Total Options under the Plan	7,20,000	75,00,000	3,90,00,000	3,90,00,000	3,90,00,000	N.A.	N.A.	N.A.	N.A.	N.A.
Options issued	7,20,000	75,00,000	2,11,00,000	2,11,00,000	2,11,00,000	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	Ten years, 15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Date	1st November	8th December	12th October	12th August	25th March	31st December	16th July	27th August	11th January	27th August
Revised Vesting Period & Percentage	Nine years, 11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	NA	NA	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	100.00	95.95	394.75	1,156.50	1,200.40	125.90	158.50	95.95	153.65	100.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year (Nos.)	16,344	7,24,178	66,95,081	1,05,00,000	1,00,000	19,710	78,610	1,58,000	6,000	87,600
Regrant Allocation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	N.A.	N.A.	31-Dec-09	16-Jul-10	27-Aug-09	11-Jan-11	27-Aug-09
Options vested during the year (Nos.)	-	4,11,715	20,32,400	-	-	6,390	19,440	39,500	1,500	21,900
Exercised during the year (Nos.)	15,192	3,83,124	21,32,700	-	-	4,140	20,290	79,000	1,500	43,800
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	930	14,000	-	-	-	-	-	-	-
Re-granted during the year	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	1,152	3,40,124	45,48,381	1,05,00,000	1,00,000	15,570	58,320	79,000	4,500	43,800
Exercisable at the end of the year (Nos.)	1,152	1,34,263	4,97,581	-	-	2,790	-	-	-	-
Remaining contractual Life (Weighted Months)	43	63	70	88	96	72	75	71	69	71

N.A - Not Applicable

Indiabulls Financial Services Limited (IBFSL) and its erstwhile subsidiary, Indiabulls Credit Services Limited had announced the above ESOS/ESOP plans for its employees and the employees of other group companies wherein each option represents one Equity Share of IHFL. The Company had adopted the ESOS/ESOP plan in respect of its employees. A Compensation Committee constituted by the Board of Directors of IHFL administers each of the above plans.

There is no impact on the Company's net profit and earnings per share in respect of the above plans had the compensation cost for the stock options granted been determined based on the fair value approach.

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2018

Note - 36

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

As per our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021690N

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 18, 2018



For and on behalf of the Board of Directors of
Indiabulls Asset Management Company Limited

Ashok Kacker

Ashok Brijmohan Kacker
Whole-time Director
DIN : 01647408
Mumbai, April 18, 2018

Rabindra Kumar Pathak

Rabindra Kumar Pathak
Company Secretary
New Delhi, April 18, 2018

Akshay Gupta
Akshay Gupta
Whole-time Director
DIN : 01272080

Satish Virmani

Satish Virmani
Chief Financial Officer