

**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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 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.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on management representations, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management – Refer Note 29 to the financial statements.

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

Sd/-
Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2017

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, 2017

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, 2017 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 33 to the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2017

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, 2017

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, 2017 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, 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 A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Sd/-
Ajay Sardana
Partner
Membership No.089011
New Delhi, April 21, 2017

Indiabulls Asset Management Company Limited
Balance Sheet as at March 31,2017

Particulars	Note No.	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
I. Equity and liabilities			
Shareholders funds			
(a) Share capital	3	700,000,000	700,000,000
(b) Reserves and surplus	4	4,990,552	(59,051,139)
		704,990,552	640,948,861
Non - current liabilities			
Long term provisions	5	8,827,470	4,723,232
		8,827,470	4,723,232
Current liabilities			
(a) Other current liabilities	6	40,039,363	4,602,045
(b) Short-term provisions	7	110,809	79,318
		40,150,172	4,681,363
Total		753,968,194	650,353,456
II.Assets			
Non - current assets			
(a) Fixed assets			
(i) Tangible assets	8	3,099,912	3,540,629
(ii) Intangible assets	9	904,434	1,152,121
(b) Non-current investments	10	20,500,000	20,500,000
(c) Deferred tax assets (net)	11	3,012,802	1,452,413
(d) Long term loans and advances	12	146,955,219	78,397,250
		174,472,367	105,042,413
Current assets			
(a) Current investments	13	363,510,976	466,018,540
(b) Trade receivables	14	101,484,110	13,863,683
(c) Cash and cash equivalents	15	13,583,799	12,032,916
(d) Short-term loans and advances	16	100,916,942	53,395,904
		579,495,827	545,311,043
Total		753,968,194	650,353,456

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Sd/-
Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2017

Sd/-
Ashok Brijmohan Kacker
Whole time Director
DIN : 01647408
Mumbai, April 21, 2017

Sd/-
Akshay Gupta
Whole time Director
DIN : 01272080

Sd/-
Ajit Kumar Singh
Company Secretary
New Delhi, April 21, 2017

Sd/-
Satish Virmani
Chief Financial Officer

Indiabulls Asset Management Company Limited
Statement of Profit and loss for the year ended March 31,2017

Particulars	Note No.	For the year ended March 31, 2017 Amount (Rs.)	For the year ended March 31, 2016 Amount (Rs.)
Income			
I. Revenue from operations	17	286,374,431	163,272,717
II. Other income	18	55,975,749	31,838,341
III. Total revenue (I +II)		342,350,180	195,111,058
IV. Expenses:			
Employee benefit expenses	19	133,966,234	95,883,076
Finance costs	20	11,979	5,126
Depreciation and amortization		1,808,706	2,183,185
Operating and Administrative expenses	21	125,803,049	67,875,345
V. Total expenses		261,589,968	165,946,732
VI. Profit/(Loss) before exceptional and extraordinary items and tax (III-V)		80,760,212	29,164,326
VII. Exceptional items		-	-
VIII. Profit/(Loss) before extraordinary items and tax (VI - VII)		80,760,212	29,164,326
IX. Extraordinary items		-	-
X. Profit/(Loss) before tax (VIII - IX)		80,760,212	29,164,326
XI. Tax expense:			
(1) Current tax		18,278,910	10,525,030
(2) Deferred tax expense/(credit)		(1,560,389)	(296,358)
		16,718,521	10,228,672
XII. Profit/(Loss) from the year from continuing operations (X-XI)		64,041,691	18,935,654
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)		64,041,691	18,935,654
XVII. Earnings per equity share:	34		
(1) Basic		0.91	0.27
(2) Diluted		0.91	0.27
(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

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

Sd/-
Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2017

Sd/-
Ashok Brijmohan Kacker
Whole time Director
DIN : 01647408
Mumbai, April 21, 2017

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Akshay Gupta
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DIN : 01272080

Sd/-
Ajit Kumar Singh
Company Secretary
New Delhi, April 21, 2017

Sd/-
Satish Virmani
Chief Financial Officer

Indiabulls Asset Management Company Limited
Cash flow statement for the year ended March 31,2017

	For the year ended March 31, 2017 Amount (Rs.)	For the year ended March 31, 2016 Amount (Rs.)
A Cash flow from operating activities :		
Net Profit/ (loss) before tax	80,760,212	29,164,326
Adjustments for:		
Profit on redemption of mutual funds	(51,692,254)	(26,100,483)
Interest income	(2,847,225)	(5,732,768)
Provisions written back	(684,995)	-
Provision for gratuity	2,486,850	2,076,278
Provision for compensated absences	1,648,879	815,014
Loss on sale of fixed assets	-	474,381
Depreciation and amortization expense	1,808,706	2,183,185
Operating Profit/(Loss) before working capital changes	31,480,173	2,879,933
Changes in working capital:		
Other current liabilities	36,122,313	1,536,949
Gratuity (paid)/acquisition adjustment-net	-	(951,459)
Long-term loans and advances	(74,055,389)	(60,373,211)
Trade receivables	(87,620,427)	(11,385,542)
Short-term loans and advances	(48,820,323)	(46,566,907)
Cash used in operations	(142,893,653)	(114,860,237)
Direct taxes paid	(11,482,205)	(16,030,610)
Net cash generated from/(used in) operating activities	(154,375,858)	(130,890,847)
B Cash flow from investing activities		
(Purchase)/Sale of fixed assets-net	(1,120,302)	(1,974,553)
Interest received	2,847,225	5,732,768
Proceed from redemption of /(Investments in) units of mutual funds (net)	154,199,818	125,368,146
Net cash generated from/(used in) investing activities	155,926,741	129,126,361
C Cash flow from financing activities		
Net cash generated from/(used in) financing activities	-	-
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,550,883	(1,764,486)
E Cash and cash equivalents at the beginning of the year	12,032,916	13,797,402
F Cash and cash equivalents at the close of the year (D + E)	13,583,799	12,032,916

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:

	As at March 31, 2017	As at March 31, 2016
Cash on hand	15,730	5,215
Balances with scheduled banks In Current accounts	13,568,069	12,027,701
Cash and cash equivalents at the end of the year	13,583,799	12,032,916

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

Sd/-
Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2017

Sd/-
Ashok Brijmohan Kacker
Whole time Director
DIN : 01647408
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Ajit Kumar Singh
Company Secretary
New Delhi, April 21, 2017

Sd/-
Satish Virmani
Chief Financial Officer

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

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.

iv) Cash flow statement:

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

v) Revenue recognition:

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

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.

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

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 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.

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.

Indiabulls Asset Management Company Limited
Notes to financial statements as at March 31,2017

Note - 3

Share capital: [Refer Note: 30]

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorised:				
Equity Shares of face value of Rs. 10 each	80,000,000	800,000,000	80,000,000	800,000,000
Issued, subscribed and paid up:				
Equity Shares of face value of Rs. 10 each fully paid up	70,000,000	700,000,000	70,000,000	700,000,000
As per Balance Sheet		700,000,000		700,000,000

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity Shares				
Shares outstanding at beginning of the reporting year	70,000,000	700,000,000	70,000,000	700,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at end of the reporting year	70,000,000	700,000,000	70,000,000	700,000,000

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:

	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 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	70,000,000	100%	70,000,000	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: 36]

	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 4		
Reserves and surplus:		
Surplus / (deficit) in the Statement of Profit and Loss		
Opening balance	(59,051,139)	(77,986,793)
Add : Profit/(Loss) during the year	64,041,691	18,935,654
As per Balance Sheet	4,990,552	(59,051,139)

Indiabulls Asset Management Company Limited
Notes to financial statements as at March 31,2017

	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 5		
Long term provisions:		
Provision for employee benefits		
Provision for gratuity [Refer Note: 31]	5,439,326	2,958,829
Provision for compensated absences [Refer Note: 31]	3,388,144	1,764,403
As per Balance Sheet	8,827,470	4,723,232
	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 6		
Other current liabilities:		
Temporary overdrawn bank balance as per books	-	33,980
Statutory liabilities	1,678,597	1,677,915
Expenses payable	6,766,793	2,890,150
Income received in advance	31,593,973	-
As per Balance Sheet	40,039,363	4,602,045
	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 7		
Short term provisions:		
Provision for employee benefits		
Provision for gratuity [Refer Note: 31]	45,827	39,474
Provision for compensated absences [Refer Note: 31]	64,982	39,844
As per Balance Sheet	110,809	79,318

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Indiabulls Asset Management Company Limited
Notes to financial statements as at March 31,2017

Note - 8

Tangible assets:

Particulars	Amount (Rs.)				
	Office equipments	Furniture and fixtures	Computers	Vehicles	Total
Opening balance as at April 01, 2015	439,086	296,996	2,543,353	1,999,158	5,278,593
Additions during the year	114,610	568,947	1,390,997	-	2,074,554
Adjustments/Sales during the year	82,285	524,182	-	-	606,467
As at March 31, 2016	471,411	341,761	3,934,350	1,999,158	6,746,680
Additions during the year	153,337	14,188	952,777	-	1,120,302
Adjustments/Sales during the year	-	-	-	-	-
As at March 31, 2017	624,748	355,949	4,887,127	1,999,158	7,866,982
Depreciation					
Opening balance as at April 01, 2015	176,941	80,657	1,489,609	208,051	1,955,258
Charge for the year	139,984	58,093	684,969	399,832	1,282,878
Adjustments/Sales during the year	8,768	23,317	-	-	32,085
As at March 31, 2016	308,157	115,433	2,174,578	607,883	3,206,051
Charge for the year	103,756	37,854	1,019,577	399,832	1,561,019
Adjustments/Sales during the year	-	-	-	-	-
As at March 31, 2017	411,913	153,287	3,194,155	1,007,715	4,767,070
Net block					
As at March 31, 2016	163,254	226,328	1,759,772	1,391,275	3,540,629
As at March 31, 2017	212,835	202,662	1,692,972	991,443	3,099,912

Note - 9

Intangible assets:

Particulars	Amount (Rs.)	
	Software	Total
Opening balance as at April 01, 2015	7,239,018	7,239,018
Additions during the year	-	-
Adjustments/Sales during the year	-	-
As at March 31, 2016	7,239,018	7,239,018
Additions during the year	-	-
Adjustments/Sales during the year	-	-
As at March 31, 2017	7,239,018	7,239,018
Amortization		
Opening balance as at April 01, 2015	5,186,590	5,186,590
Charge for the year	900,307	900,307
Adjustments/Sales during the year	-	-
As at March 31, 2016	6,086,897	6,086,897
Charge for the year	247,687	247,687
Adjustments/Sales during the year	-	-
As at March 31, 2017	6,334,584	6,334,584
Net block		
As at March 31, 2016	1,152,121	1,152,121
As at March 31, 2017	904,434	904,434

As at March 31,2017
Amount (Rs.)

As at March 31,2016
Amount (Rs.)

Note - 10

Non- current investments:

(At Cost)

Non trade Unquoted

Investment in units of Alternative Investment Fund:

-Indiabulls Real estate Fund

20,000,000

20,000,000

[No.of units 200,000 (Previous year : 200,000) NAV Rs. 100 (Previous year Rs. 100) per unit]

Investments in equity instruments

MF Utilities India Private Limited

500,000

500,000

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

As per Balance Sheet

20,500,000

20,500,000

Aggregate book value of unquoted investments

20,500,000

20,500,000

Aggregate book value of quoted investments

-

-

Aggregate market value of quoted investments

-

-

Indiabulls Asset Management Company Limited
Notes to financial statements as at March 31,2017

	As at March 31,2017 Amount (Rs.)	As at March 31,2016 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	1,898,302	991,329
Disallowance under Section 43B of the Income Tax Act,1961	1,195,058	596,538
	3,093,360	1,587,867
Deferred tax liabilities:		
Arising on account of temporary differences due to:		
On difference between book balance and tax balance of fixed assets	80,558	135,454
	80,558	135,454
As per Balance Sheet	3,012,802	1,452,413

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. 1,560,389 (Previous year Rs. 296,358) to the Statement of Profit and Loss for the year.

	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 12		
Long term loans and advances:		
(Unsecured, Considered good)		
(a) Capital advances	20,295	31,717
(b) Security deposits	3,000,000	3,000,000
(c) Prepaid expenses	134,408,305	60,341,494
(d) Balances with government authorities:		
Income tax recoverable	9,526,619	15,024,039
[Net of provision for tax Rs. 10,525,030 (Previous year Rs. Nil)]		
As per Balance Sheet	146,955,219	78,397,250

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Indiabulls Asset Management Company Limited
Notes to financial statements as at March 31,2017

As at March 31,2017
Amount (Rs.)

As at March 31,2016
Amount (Rs.)

Note - 13

Current investments:

(At lower of cost and fair 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]	650,000	650,000
-Indiabulls Arbitrage Fund - Direct Plan Growth [No.of units 185,857.496 (Previous year : 6,699,121.292) NAV Rs. 10.7372 (Previous year Rs. 10.7372) per unit]	1,995,595	71,930,000
-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]	2,033,000	2,033,000
-Indiabulls Monthly Income Plan - Direct Plan Growth [No.of units 210,000,000 (Previous year :5,000,000.000) NAV Rs. 10.0000 (Previous year Rs. 10.0000) per unit]	2,100,000	50,000,000
-Indiabulls Ultra Short Term Fund - Direct Plan Growth [No.of units 3,668.170 (Previous year : 130,178.012) NAV Rs. 1458.3957 (Previous year Rs. 1458.3957) per unit]	5,198,898	184,501,412
-Indiabulls Liquid Fund - Direct Plan Growth [No.of units 213,903.246 (Previous year :3,641.834) NAV Rs. 1588.4874 (Previous year Rs. 1,475.1163) per unit]	339,782,615	5,372,129
-Indiabulls Income Fund - Direct Plan Growth [No.of units 353,089.533 (Previous year : 5,170,780.093) NAV Rs. 12.4142 (Previous year Rs. 12.4142) per unit]	4,383,333	64,191,223
-Indiabulls Short Term Fund - Direct Plan Growth [No.of units 4,259.119 (Previous year : 4,259.119) NAV Rs. 1181.2792 (Previous year Rs. 1181.2792) per unit]	5,031,209	5,031,209
-Indiabulls Gilt Fund - Direct Plan Growth [No.of units 1,758.007 (Previous year : 61,935.160) NAV Rs. 1328.9635 (Previous year Rs. 1328.9635) per unit]	2,336,326	82,309,567

As per Balance Sheet 363,510,976

466,018,540

Aggregate book value of unquoted investments	363,510,976	466,018,540
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

As at March 31,2017
Amount (Rs.)

As at March 31,2016
Amount (Rs.)

Note - 14

Trade receivables:

(Unsecured, Considered good)

Debts outstanding for a period exceeding six months	-	-
Other trade receivables	101,484,110	13,863,683

As per Balance Sheet 101,484,110

13,863,683

Indiabulls Asset Management Company Limited
Notes to financial statements as at March 31,2017

	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 15		
Cash and cash equivalents:		
(a) Balances with scheduled banks In current accounts	13,568,069	12,027,701
(b) Cash on hand [Refer Note: 29]	15,730	5,215
As per Balance Sheet	13,583,799	12,032,916
	As at March 31,2017 Amount (Rs.)	As at March 31,2016 Amount (Rs.)
Note - 16		
Short term loans and advances:		
Unsecured, Considered good		
(a) Loans and advances to employees	2,000,000	-
(b) Prepaid expenses	90,828,983	40,116,256
(c) Balances with government authorities		
(i) Service tax input credit	1,077,679	7,530,232
(ii) Income tax recoverable	3,784,840	5,084,125
[Net of provision for tax Rs. 18,278,910 (Previous year Rs. 10,525,030)]		
(d) Other loan and advances		
Advances recoverable in cash or in kind or for value to be received	3,225,440	665,291
As per Balance Sheet	100,916,942	53,395,904

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Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31,2017

**For the year ended
March 31, 2017
Amount (Rs.)**

**For the year ended
March 31, 2016
Amount (Rs.)**

Note - 17

Revenue from operations:

Management fees from:

- Mutual fund operations	110,784,975	74,705,677
- Alternative investment fund operations	142,708,077	88,567,040
- Portfolio manager service operations	32,881,379	-

As per Statement of Profit and Loss 286,374,431

163,272,717

**For the year ended
March 31, 2017
Amount (Rs.)**

**For the year ended
March 31, 2016
Amount (Rs.)**

Note - 18

Other income:

Profit on redemption of mutual funds	51,692,254	26,100,483
Interest on income tax refund	745,615	-
Interest on real estate fund	2,847,225	5,732,768
Provisions written back	684,995	-
Miscellaneous income	5,660	5,090

As per Statement of Profit and Loss 55,975,749

31,838,341

**For the year ended
March 31, 2017
Amount (Rs.)**

**For the year ended
March 31, 2016
Amount (Rs.)**

Note - 19

Employee benefit expenses:

Salaries	129,196,286	92,062,674
Contribution to provident fund and other statutory funds	146,483	159,341
Staff welfare	487,736	769,769
Provision for gratuity [Refer Note: 31]	2,486,850	2,076,278
Provision for compensated absences [Refer Note: 31]	1,648,879	815,014

As per Statement of Profit and Loss 133,966,234

95,883,076

**For the year ended
March 31, 2017
Amount (Rs.)**

**For the year ended
March 31, 2016
Amount (Rs.)**

Note - 20

Finance cost:

Interest on taxes	11,979	5,126
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As per Statement of Profit and Loss 11,979

5,126

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31,2017

For the year ended
March 31, 2017
Amount (Rs.)

For the year ended
March 31, 2016
Amount (Rs.)

Note - 21

Operating and administrative expenses:

Recruitment expenses	1,056,417	1,248,924
Rent expenses	1,980,000	1,498,548
Rates and taxes	1,225,073	3,464,863
Subscription charges	34,665	1,677,902
Legal and professional charges	7,728,253	7,661,843
Electricity expenses	-	38,755
Repair and maintenance	3,127,432	2,927,512
Printing and stationary	1,085,605	425,667
Travelling and conveyance expenses	5,070,107	7,847,677
Communication, postage and courier expenses	982,457	655,540
Loss on sale of fixed assets	-	474,381
Directors expenses	424,500	310,472
Business promotion	5,503,571	6,590,875
Fund expenses	97,520,840	32,942,081
Miscellaneous expenses	14,129	60,305
Auditor's remuneration	50,000	50,000

As per Statement of Profit and Loss 125,803,049

67,875,345

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Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

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, 2017 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, 2017 (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, 2017 Amount (Rs.)	As at March 31, 2016 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, 2017 (Previous year Rs. Nil) .

Note - 27

(a) There are no contingent liabilities to be reported as at March 31, 2017 (Previous year Rs. Nil)

(b) There are no capital and other commitments to be reported as at March 31, 2017 (Previous year Rs. Nil)

Note - 28

In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2017 (Previous year Rs. Nil).

Note - 29

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,500	30,632	32,132
(+) Permitted receipts	-	33,400*	33,400
(-) Permitted payments	-	34,267	34,267
(-) Amount deposited in Banks	1,500	-	1,500
Closing cash in hand as on 30.12.2016	-	29,765	29,765

*Rs. 30,000 withdrawn from Bank.

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

Note - 30

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 39,000,000 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.

Note - 31

Employee benefits:

(a) Defined contribution plans

The Company's contribution amounting to Rs. 110,431 (Previous year Rs.126,489) to defined contribution plan (Provident Fund) is recognised as expenses in the Statement of Profit and Loss for the year ended March 31, 2017.

(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.

Disclosure in respect of Gratuity and Compensated Absences:

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2017	Gratuity (unfunded) March 31, 2016	Compensated absences (unfunded) March 31, 2017	Compensated absences (unfunded) March 31, 2016
Reconciliation of liability recognized in the Balance Sheet:				
Present value of commitments (as per actuarial valuation)	1,873,484	2,998,303	3,453,126	1,804,247
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	1,873,484	2,998,303	3,453,126	1,804,247
Movement in net liability recognized in the Balance Sheet:				
Net liability as at beginning of the year	2,998,303	1,873,484	1,804,247	989,233
Net expense/(gain) recognized in the Statement of Profit and Loss	2,486,850	2,076,278	1,648,879	815,014
Benefits paid during the year	-	(951,459)	-	-
Acquisition Adjustment (net of settlement amount)	-	-	-	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	5,485,153	2,998,303	3,453,126	1,804,247
Expense recognized in the Statement of Profit and Loss				
Current service cost	2,231,351	1,389,682	1,681,450	1,090,111
Interest cost	239,864	154,562	144,340	81,612
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	15,635	532,034	(176,911)	(356,709)
Expense/(Income) charged to the Statement of Profit and Loss	2,486,850	2,076,278	1,648,879	815,014
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	2,998,303	1,873,484	1,804,247	989,233
Current service cost	2,231,351	1,389,682	1,681,450	1,090,111
Interest cost	239,864	154,562	144,340	81,612
Benefits paid during the year	-	(951,459)	-	-
Acquisition Adjustment (net of settlement amount)	-	-	-	-
Actuarial (gains)/ losses	15,635	532,034	(176,911)	(356,709)
Commitments as at end of the year	5,485,153	2,998,303	3,453,126	1,804,247

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

Note - 31

Employee benefits: (Continued)

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2017	Gratuity (unfunded) March 31, 2016	Compensated absences (unfunded) March 31, 2017	Compensated absences (unfunded) March 31, 2016
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				
	2016-17	2015-16	2014-15	2013-14	2012-13
On plan liabilities	426,605	(27,748)	681,262	861,230	472,746
On plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	5,485,153	2,998,303	1,873,484	1,075,388	1,563,907
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	5,485,153	2,998,303	1,873,484	1,075,388	1,563,907
Particulars	Compensated absences (Unfunded)				
	Financial years				
	2016-17	2015-16	2014-15	2013-14	2012-13
On plan liabilities	494,771	667,316	176,923	543,639	284,944
On plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	3,453,126	1,804,247	989,233	535,043	875,787
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	3,453,126	1,804,247	989,233	535,043	875,787

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, 2017	Year ended March 31, 2016
Discount rate – Gratuity and Compensated Absences	7.35%	8.00%
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 best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs.3,389,316 (Previous year Rs.2,243,326) and Rs.2,038,870 (Previous year Rs.1,288,888) respectively.

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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.

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Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

Note - 33

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
(ii) Other related parties	
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
	Indiabulls Trustee Company Limited
	Indiabulls 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)
	Associate of Holding Company
Key Management Personnel	Mr. Ashok Brijmohan Kacker – Director
	Mr. Akshay Gupta – Director
	Mr. Jitendra Babubhai Sanghavi – Director
	Mr. Girish Chandra Srivastava – Director
	Mr. Satish Virmani - Chief Financial Officer
	Mr. Ajit Kumar Singh - Company Secretary

#The Board of Directors of Indiabulls Finance Company Private Limited ("IFCPL") and Indiabulls Commercial Credit Limited ("ICCL") (formerly Indiabulls Infrastructure Credit Limited) at their meeting held on April 16, 2015 had approved, the merger of IFCPL, on an ongoing basis, into ICCL, pursuant to and in terms of the provisions of Section 391 – 394 of the Companies Act, 1956, as amended from time to time. The appointed date of the proposed merger fixed under the Scheme was April 01, 2015. The Hon'ble High Court of Delhi, vide its order dated March 15, 2016, received by ICCL on March 31, 2016, approved the Scheme (Order). In terms of the court approved Scheme, with the filing of the copy of the Order, on March 31, 2016 with the office of ROC, NCT of Delhi & Haryana (the Effective Date), the Scheme came into effect and IFCPL, as a going concern, stands amalgamated with ICCL with effect from the Appointed Date, being April 01, 2015. Subsequently the Board of Directors of ICCL, on March 31, 2016, issued and allotted Equity Shares of ICCL to the holders of Equity Shares of IFCPL, in the ratio of 3:1 i.e the Share Exchange Ratio, fixed under the Scheme.

(b) Significant transactions with related parties:

Nature of Transaction	Amount (Rs.)		
	Holding Company	Key Management Personnel	Total
Finance			
Sale of Investments	-	-	-
	<i>52,861,003</i>	-	<i>52,861,003</i>
Expenses			
Director's expenses	-	424,500	424,500
	-	<i>310,472</i>	<i>310,472</i>

(Previous year's figures are stated in italics)

(c) Statement of material transactions:

Particulars	Amount (Rs.)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Investments		
- Indiabulls Housing Finance Limited	-	52,861,003
Expenses		
Director's expenses		
- Mr. Girish Chandra Srivastava	316,750	288,000
- Mr. Jitendra Babubhai Sanghavi	107,750	22,472

(d) Outstanding at year ended March 31, 2017:

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 are as identified by the Company and relied upon by the Auditors.

Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

Note - 34

Earnings per share:

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

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net Profit/(Loss) available for equity shareholders (Rs.)	64,041,691	18,935,654
Weighted average number of equity shares used for computing Basic earnings per share	70,000,000	70,000,000
Weighted average number of equity shares used for computing Diluted earnings per share	70,000,000	70,000,000
Nominal value of equity shares – (Rs. Per Share)	10.00	10.00
Earnings per share – Basic (Rs. Per Share)	0.91	0.27
Earnings per share – Diluted (Rs. Per Share)	0.91	0.27

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Expenditure in Foreign Currency:

Particulars	Amount (Rs.)	
	Year ended March 31, 2017	Year ended March 31, 2016
Subscription charges	-	252,162
Business promotion	-	987,359
Travelling expenses	1,111,229	-

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Indiabulls Asset Management Company Limited
Notes to financial statements for the year ended March 31, 2017

Note - 36

Employees 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.

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

Particulars	IHFL-IBFSL Employees Stock Option Plan – 2006	IHFL-IBFSL Employees Stock Option Plan II – 2006	IHFL-IBFSL Employees Stock Option – 2008	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	1,440,000	720,000	7,500,000	39,000,000	N.A.	N.A.	N.A.	N.A.	N.A.
Options issued	1,440,000	720,000	7,500,000	10,500,000	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	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	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Date	1st April	1st November	8th December	11th October	31st December	16th July	27th August	11th January	27th August
Revised Vesting Period & Percentage	Eight years, 12% each year for 7 years and 16% during the 8th year	Nine years, 11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	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.)	41.67	100.00	95.95	394.75	125.90	158.50	95.95	153.65	100.00
Exercisable Period	4 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.)	58,536	46,422	1,228,919	8,686,025	33,840	97,810	237,000	7,500	131,400
Regrant Addition	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.	31-Dec-09	16-Jul-10	27-Aug-09	11-Jan-11	27-Aug-09
Options vested during the year (Nos.)	55,656	24,168	412,335	2,062,000	6,390	19,440	39,500	1,500	21,900
Exercised during the year (Nos.)	55,656	29,682	493,666	1,830,144	11,430	19,200	79,000	1,500	43,800
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-
Lapsed during the year	2,880	396	11,075	160,800	2,700.00	-	-	-	-
Re-granted during the year	-	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	-	16,344	724,178	6,695,081	19,710	78,610	158,000	6,000	87,600
Exercisable at the end of the year (Nos.)	-	16,344	105,672	597,881	540	850	39,500	-	21,900
Remaining contractual Life (Weighted Months)	NA	49	70	76	80	81	71	87	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 loss 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, 2017

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

As per our report of even date

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

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

Sd/-
Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 21, 2017

Sd/-
Ashok Brijmohan Kacker
Whole- time Director
DIN : 01647408
Mumbai, April 21, 2017

Sd/-
Akshay Gupta
Whole- time Director
DIN : 01272080

Sd/-
Ajit Kumar Singh
Company Secretary
New Delhi, April 21, 2017

Sd/-
Satish Virmani
Chief Financial Officer