

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of Indiabulls Advisory Services Limited**

#### **Report on the Standalone Financial Statements**

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

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act' 2013 ("the Act") with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance and cash flow 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; judgments and estimate that are reasonable and prudent and design implementation of adequate 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 free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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 there under.

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 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 statement, 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 standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement 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 March 31, 2018, and its profits and its cash flow for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

Further to our comments in the aforesaid annexure, as required by section 143(3) of the Act, we report that:

1. 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.
2. 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.
3. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors none of the director is disqualified as on March 31, 2018 from being appointed as directors in terms of section 164(2) of the Act.
6. 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 over separate report in "**Annexure-B**".
7. 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:
  - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note 15** to the financial statements.

- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

**For Sumit Mohit & Company**  
**Chartered Accountants**  
**FRN: 021502N**

**Sd/-**  
**Sumit Garg**  
**(Partner)**  
**M. No.: 506945**  
**Place: New Delhi**  
**Date: April 16, 2018**

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under heading of "Report on other Legal and regulatory requirements" of our report of even date)**

- (i) The Company does not have any fixed assets; accordingly, the provisions of clause 3(i) of the Order are not applicable to the Company.
- (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) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently the provisions of clause (iii)(a), (iii)(b) and (iii)(c) of the other are not applicable to the company.
- (iv) The Company has been complied all the provisions of Section 185 and 186 in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of directives issues by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority have generally been regularly deposited during the year by the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues were in arrears, 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 and the records of the Company examined by us, as at March 31, 2018, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

Details of dues of Income Tax which has not been deposited as on March 31, 2018 on accounts of disputes are given below:

Name of Statute	Nature of Dues	From where dispute is pending remain	Period is to the amount	Amount involve (Rs)
The Income Tax Act' 1961	Income Tax	Income Tax Appellate Tribunal	Year Ended March 31, 2008	81,80,228/-

- (viii) The Company has no dues in respect of a financial institution, bank, Government or debenture holders.
- (ix) The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) The Company has not paid any managerial remuneration therefore the provision of Section 197 of Companies Act 2013 has not been applicable.
- (xii) The company is not a Nidhi company, therefore the provisions of paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of books of accounts, the company has not granted any loans secured or unsecured, to companies, firms and other parties listed in the register maintained section 177 and 188 of companies Act 2013. Consequently the provisions of the order are not applicable to the company.
- (xiv) Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review, therefore the requirement of Section 42 of Companies Act' 2013 need not be complied with.
- (xv) Company has not entered into any non-cash transaction with directors or person connected with him and therefore the provisions of section 192 of the Companies Act' 2013 has been complied with.
- (xvi) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sumit Mohit & Company**  
**Chartered Accountants**  
**FRN: 021502N**

**Sd/-**  
**Sumit Garg**  
**(Partner)**  
**M. No.: 506945**  
**Place: New Delhi**  
**Date: April 16, 2018**

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**  
**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 Advisory Services Limited, ("the Company")** as on 31 March 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 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 Sumit Mohit & Company**  
**Chartered Accountants**  
**FRN: 021502N**

**Sd/-**  
**Sumit Garg**  
**(Partner)**  
**M. No.: 506945**  
**Place: New Delhi**  
**Date: April 16, 2018**

**Indiabulls Advisory Services Limited**

**Balance Sheet as at March 31, 2018**

<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	25,500,000	25,500,000
(b) Reserves and Surplus	4	41,206,598	39,339,906
<b>(2) Current Liabilities</b>			
(a) Other current liabilities	5	23,960	20,250
(b) Short-term provisions	6	810,827	2,639,427
<b>Total</b>		<b>67,541,385</b>	<b>67,499,583</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Long term loans and advances	7	3,943,790	3,989,835
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	8	63,112,398	63,050,664
(b) Other current assets	9	485,197	459,084
<b>Total</b>		<b>67,541,385</b>	<b>67,499,583</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
FRN 021502N

For and on behalf of the Board of Directors of  
Indiabulls Advisory Services Limited

Sd/-  
Sumit Garg  
Partner  
M. No. 506945

Sd/-  
Saurabh Garg  
Director  
DIN: 03444152

Sd/-  
Lakshmi pathi Achar  
Director  
DIN: 00349586

New Delhi, April 16, 2018

New Delhi, April 16, 2018

**Indiabulls Advisory Services 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.)
<b>I. Revenue</b>			
Other Income	10	4,160,361	32,644,695
<b>I. Total Revenue</b>		<b>4,160,361</b>	<b>32,644,695</b>
<b>II. Expenses:</b>			
Employee benefit expense	11	1,138,729	507,435
Financial costs	12	282,694	27,755
Other expenses	13	83,828	19,727
<b>II. Total Expenses</b>		<b>1,505,251</b>	<b>554,917</b>
<b>III. Profit before tax</b>	(I - II)	<b>2,655,110</b>	<b>32,089,778</b>
<b>IV. Tax expense:</b>			
Current tax		756,461	2,771,375
Less: Mat Credit Entitlement		-	72,176
Net Current Tax expense		756,461	2,699,199
Tax Expenses for Earlier years		31,957	-
<b>Total Tax Expenses</b>		<b>788,418</b>	<b>2,699,199</b>
<b>V. Profit after tax</b>	(III-IV)	<b>1,866,692</b>	<b>29,390,579</b>
<b>VI. Earnings per equity share:</b>	16		
Basic		0.73	11.53
Diluted		0.73	11.53
Nominal value per equity share		10.00	10.00

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
FRN 021502N

For and on behalf of the Board of Directors of  
Indiabulls Advisory Services Limited

Sd/-  
Sumit Garg  
Partner  
M. No. 506945

Sd/-  
Saurabh Garg  
Director  
DIN: 03444152

Sd/-  
Lakshmi pathi Achar  
Director  
DIN: 00349586

New Delhi, April 16, 2018

New Delhi, April 16, 2018

**Indiabulls Advisory Services Limited**  
**Cash flow statement for the year ended March 31, 2018**

	<b>For the year ended March 31, 2018 Amount (Rs.)</b>	<b>For the year ended March 31, 2017 Amount (Rs.)</b>
<b>A Cash flow from operating activities :</b>		
Net Profit before tax	2,655,110	32,089,778
Adjustment for:		
Profit on sale of investments	(4,064,576)	(9,503,591)
Interest on Taxes	282,694	27,755
Dividend received from Subsidiary Company	-	(23,095,000)
Operating Profit/(Loss) before working capital changes	(1,126,772)	(481,058)
Adjustments for:		
Trade and other receivables	(26,113)	67,335
Trade Payables and other liabilities	3,710	(14,575)
	(22,403)	52,760
Cash used in operations	(1,149,175)	(428,298)
Direct taxes paid	(2,853,667)	(395,207)
<b>Net cash generated from/(used in) operating activities</b>	<b>(4,002,842)</b>	<b>(823,505)</b>
<b>B Cash Flow from Investing Activities</b>		
Dividend received from Subsidiary Company	-	23,095,000
Proceeds from redemption/investment of units of mutual funds (net)	4,064,576	3,128,591
Proceeds from sale of Investment in Indiabulls Assets Reconstruction Company Limited	-	38,750,000
<b>Net cash generated from/(used in) investing activities</b>	<b>4,064,576</b>	<b>64,973,591</b>
<b>C Cash flow from financing Activities</b>		
Distribution of Equity Dividends (including Corporate Dividend Tax thereon)	-	(23,104,629)
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>(23,104,629)</b>
<b>D Net increase / (decrease) in cash and cash equivalents ( A+B+C)</b>	<b>61,734</b>	<b>41,045,457</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>63,050,664</b>	<b>22,005,207</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>63,112,398</b>	<b>63,050,664</b>

Note :

1. Figures for the previous year have been regrouped wherever considered necessary.
2. The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS)-3 '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.
3. Cash and cash equivalents as at the close of the year include [Refer Note:8]:

Cash on Hand	4,944	5,271
Balances with banks		
In Current Accounts	57,454	1,045,393
In Deposit Accounts	63,050,000	62,000,000
- less than three months maturity		
<b>Cash and cash equivalents at the end of the year</b>	<b>63,112,398</b>	<b>63,050,664</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
FRN 021502N

For and on behalf of the Board of Directors of  
Indiabulls Advisory Services Limited

Sd/-  
Sumit Garg  
Partner  
M. No. 506945  
New Delhi, April 16, 2018

Sd/-  
Saurabh Garg  
Director  
DIN: 03444152  
New Delhi, April 16, 2018

Sd/-  
Lakshmipathi Achar  
Director  
DIN: 00349586

**Indiabulls Advisory Services Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2018**

**1 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:**

- Income from fee based advisory services is recognised on accrual basis.
- Transactions in respect of Investment/dealing in securities are recognised on trade dates.
- Dividend Income is recognised when the right to receive dividend is unconditionally established and profit/(loss) on redemption of Mutual Fund is recognized 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) Stock of Securities:**

Stock of securities is valued at lower of cost and net realisable value. Cost is determined on weighted average basis.

**viii) Borrowing cost:**

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

**ix) 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.

**x) 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.

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.

**xi) 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.

**Indiabulls Advisory Services Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**

**xii) Employee Benefits:**

As permitted under Accounting Standard 15 (Revised 2005) - Employee Benefits, 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 companies with few employees, retirement benefits in the form of Gratuity and Compensated Absences payable to employees is provided for on the accrual basis under the assumption that such benefits are payable at year end.

**xiii) 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.

**xiv) Taxes on Income:**

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

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

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

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

**xv) Leases:**

In case of assets taken on operating lease, the lease rentals are charged to the profit and loss account in accordance with Accounting Standard (AS) 19 – Leases as notified by the Companies (Accounts) Rules, 2014.

**xvi) 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.

**xvii) Provisions, Contingent Liability 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 recognised in the financial statements since this may result in the recognition of income that may never be realised.

**xviii) 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.

**xix) Segment reporting:**

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

**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 shares and dilutive potential equity shares outstanding during the year.

**Indiabulls Advisory Services Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2018**

**xxi) Equity Index / Stock Futures:**

a. Initial Margin – Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement/squaring-up of the underlying contract, are disclosed under Loans and Advances.

b. Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin – Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.

c. As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:

- Credit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.
- Debit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the profit and loss account.

d. On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in Mark-to-Market Margin – Equity Index/Stock Futures Account after adjustment of the provision for anticipated losses is recognised in the profit and loss account. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

**2 Corporate Information**

Indiabulls Advisory Services Limited ("the Company") was incorporated on November 02, 2006. The Company is in the business of providing financial consultancy and all allied and auxiliary services.

	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>3 Share Capital</b>		
<b>Authorised:</b>		
2,550,000 (Previous Year 2,550,000) Equity Shares of Rs.10 each	25,500,000	25,500,000
2,500,000 ((Previous Year 2,500,000) 9% Non-cumulative Redeemable Preference Share of Rs.10 each	<u>25,000,000</u>	<u>25,000,000</u>
<b>Issued, subscribed and paid up:</b>		
2,550,000 (Previous Year 2,550,000) Equity Shares of Rs. 10 each fully paid up	25,500,000	25,500,000
<b>As per Balance Sheet</b>	<u><u>25,500,000</u></u>	<u><u>25,500,000</u></u>

**i) Equity Shares**

<b>Particulars</b>	<b>As at March 31, 2018</b>		<b>As at March 31, 2017</b>	
	<b>No. of shares</b>	<b>(Amount in Rs.)</b>	<b>No. of shares</b>	<b>(Amount in Rs.)</b>
Opening No. of shares Outstanding	2,550,000	25,500,000	2,550,000	25,500,000
Shares Issued during the Year	-	-	-	-
Shares Brought back during the Year	-	-	-	-
Closing No. of shares Outstanding	<u>2,550,000</u>	<u>25,500,000</u>	<u>2,550,000</u>	<u>25,500,000</u>

**b) Terms/ rights attached to equity shares:**

The company has only one class of equity shares of Rs. 10 each fully paid up. 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

**c) Shares held by Shareholders holding more than 5% shares**

<b>No. of Shareholders</b>	<b>As at March 31, 2018</b>		<b>As at March 31, 2017</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
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	2,550,000	100%	2,550,000	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.

**ii) Employee stock option plans: [Refer Note: 26]**

**Indiabulls Advisory Services Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**

	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>4 Reserves &amp; Surplus</b>		
Capital Redemption Reserve		
Balance as per last balance sheet	20,000,000	20,000,000
Surplus / (deficit) in the Statement of Profit and Loss		
Balance of Profit brought forward	19,339,906	13,053,956
Profit for the Year	1,866,692	29,390,579
<b>Balance of Profit Carried forward (A)</b>	<b>21,206,598</b>	<b>42,444,535</b>
<b>Appropriation:</b>		
Interim Dividend on Equity Shares (Rs.9.06 Per Equity Share)	-	23,103,000
Corporate Dividend Tax on Interim Dividend paid on Equity Shares	-	1,629
<b>Total Appropriations (B)</b>	-	23,104,629
<b>(A)-(B)</b>	21,206,598	19,339,906
<b>As per Balance Sheet</b>	<b>41,206,598</b>	<b>39,339,906</b>
	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>5 Other Current Liabilities</b>		
Expenses Payables	23,960	20,250
<b>As per Balance Sheet</b>	<b>23,960</b>	<b>20,250</b>
	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>6 Short-term provisions</b>		
Provision for Taxation [Net of Advance Tax/Self Assessment Tax/Tax deducted at source Rs. 2,572,657 (Previous Year Rs. 1,294,154)]	810,827	2,639,427
<b>As per Balance Sheet</b>	<b>810,827</b>	<b>2,639,427</b>
	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>7 Long term loans and advances</b>		
Advance Tax /Tax deducted at source (Net of Provision for Tax Rs.52,030,496 (Previous Year Rs. 52,645,217))	3,943,790	3,989,835
<b>As per Balance Sheet</b>	<b>3,943,790</b>	<b>3,989,835</b>
	<b>As at March 31, 2018 Amount (Rs.)</b>	<b>As at March 31, 2017 Amount (Rs.)</b>
<b>8 Cash and cash equivalents</b>		
Cash on Hand	4,944	5,271
Balances with scheduled banks		
-in current accounts	57,454	1,045,393
-in deposit accounts	63,050,000	62,000,000
- less than three months maturity		
<b>As per Balance Sheet</b>	<b>63,112,398</b>	<b>63,050,664</b>

**Indiabulls Advisory Services Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**

	As at March 31, 2018 Amount (Rs.)	As at March 31, 2017 Amount (Rs.)
<b>9 Other Current Assets</b>		
Interest Accrued on deposit accounts	35,757	8,408
Advance recoverable in cash or in kind or for value to be received	449,440	450,676
	<u>485,197</u>	<u>459,084</u>
	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>10 Other Income</b>		
Dividend received from subsidiary company	-	23,095,000
Interest on deposit accounts	95,785	28,604
Profit on sale of Investments	4,064,576	9,503,591
Balance written back	-	17,500
<b>As per Statement of Profit and Loss</b>	<u>4,160,361</u>	<u>32,644,695</u>
	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>11 Employee benefit expense</b>		
Salaries	1,138,489	507,195
Contribution to Provident Fund and Other Funds	240	240
<b>As per Statement of Profit and Loss</b>	<u>1,138,729</u>	<u>507,435</u>
	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>12 Financial costs</b>		
Interest on Taxes	282,694	27,755
<b>As per Statement of Profit and Loss</b>	<u>282,694</u>	<u>27,755</u>
	For the year ended March 31, 2018 Amount (Rs.)	For the year ended March 31, 2017 Amount (Rs.)
<b>13 Other Expenses</b>		
Stamp Paper Expenses	110	340
Rates and Taxes	3,235	1,900
Professional charges	51,750	-
Communication Expenses	82	-
Auditor's Remuneration		
-as statutory auditor	20,000	17,250
Miscellaneous Expenses	8,651	237
<b>As per Statement of Profit and Loss</b>	<u>83,828</u>	<u>19,727</u>

**Indiabulls Advisory Services Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**

**14 Explanatory Statements**

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:

**Nature of relationship**

**Related party**

**(a) Related parties where control exists:**

Holding Company  
 Subsidiary Company

Indiabulls Housing Finance Limited  
 Indiabulls Asset Reconstruction Company Limited (up to October 2,2016)

**(b) Other related parties**

Fellow subsidiaries companies:  
 (including step-down subsidiaries)

Indiabulls Insurance Advisors Limited  
 Indiabulls Capital Services 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 Collection Agency Limited  
 Ibulls Sales Limited  
 Nilgiri Financial Consultants Limited  
 (Subsidiary of Indiabulls Insurance Advisors Limited)  
 Indiabulls Life Insurance Company Limited ( up to December 8,2017)  
 Indiabulls Asset Holding Company Limited  
 Indiabulls Asset Management Company Limited  
 Indiabulls Trustee Company 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:

Oaknorth Holdings Ltd. (w.e.f. November 13, 2015)

**(c) Key Management Personnel**

Mr. Lakshmi pathi Achar – Director  
 Mr. Saurabh Garg – Director  
 Mr. Praveen Kumar Rana– Director

**(d) Significant Transactions with Related Parties during the year: Amount (Rs.)**

Nature of Transaction	Holding Company	Subsidiary Company	Total
<b>Income</b>			
Dividend Income	-	-	-
	-	23,095,000	23,095,000
<b>Others</b>			
Dividend paid	-	-	-
	23,103,000	-	23,103,000

Figures in respect of previous years are stated in italics

**(e) Statement of Material Transactions:**

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
	Amount (Rs)	Amount (Rs)
<b>Dividend Income</b>		
-Indiabulls Asset Reconstruction Company Limited	-	23,095,000
<b>Dividend paid</b>		
-Indiabulls Housing Finance Limited	-	23,103,000

**(f) Outstanding balances as at 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 are as identified by the Company and relied upon by the Auditors.

**Indiabulls Advisory Services Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2018**

- 15** Contingent liability not provided for in respect of:  
For Rs.8,180,228/- with respect to FY 2007-08 (Previous Year Rs.8,180,228/-) against disallowance U/s 14A of the Income Tax Act, 1961 and treating capital gain as business income, against which appeal is pending before ITAT.

**16** Earnings per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per 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. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>Particulars</b>	<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
Profit/available for equity shareholders (Rs.)	1,866,692	29,390,579
Weighted average number of Shares used in computing Basic earning per share	2,550,000	2,550,000
Weighted average number of Shares used in computing Diluted earning per share	2,550,000	2,550,000
Nominal Value of equity Shares - (Rs.)	10.00	10.00
Basic Earnings Per Share - (Rs.)	0.73	11.53
Diluted earnings Per Share - (Rs.)	0.73	11.53

- 17** Considering the nature of Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting as notified under the Companies (Accounts) Rules, 2014. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.
- 18** As per the best estimate of the management, no provision is required to be made as per Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' as notified by the Companies (Accounts) Rules, 2014 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.
- 19** The provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, are not applicable to the Company as at March 31, 2018 and accordingly there are no dues payable in respect of the said statutes as at the year-end.
- 20** 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, 2018.
- 21** Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:  
(a) An amount of Rs. Nil and Rs. Nil was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.  
(b) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.  
(c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.  
(d) No amount of interest was accrued and unpaid at the end of the accounting year.  
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.
- 22** There are no borrowing costs to be capitalised as at March 31, 2018 (Previous year Rs. Nil).
- 23** 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).
- 24** In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2018 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.
- 25** There are no capital and other commitments to be reported as at March 31, 2018 (Previous year Rs. Nil).

**Indiabulls Advisory Services Limited**  
Notes forming part of the Financial Statements for the year ended March 31, 2018

**26 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.

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	720,000	7,500,000	39,000,000	39,000,000	39,000,000	N.A.	N.A.	N.A.	N.A.	N.A.
Options issued	720,000	7,500,000	21,100,000	21,100,000	21,100,000	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	724,178	6,695,081	10,500,000	100,000	19,710	78,610	158,000	6,000	87,600
Regrant Addition	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.)	-	411,715	2,032,400	-	-	6,390	19,440	39,500	1,500	21,900
Exercised during the year (Nos.)	15,192	383,124	2,132,700	-	-	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	340,124	4,548,381	10,500,000	100,000	15,570	58,320	79,000	4,500	43,800
Exercisable at the end of the year (Nos.)	1,152	134,263	497,581	-	-	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 Advisory Services Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2018**

- 27 Previous year figures have been re-grouped / re-arranged wherever considered necessary to confirm to current year's groupings and classifications.

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
FRN 021502N

For and on behalf of the Board of Directors of  
Indiabulls Advisory Services Limited

Sd/-  
Sumit Garg  
Partner  
M. No. 506945

Sd/-  
Saurabh Garg  
Director  
DIN: 03444152

Sd/-  
Lakshmipathi Achar  
Director  
DIN: 00349586

New Delhi, April 16, 2018

New Delhi, April 16, 2018