

**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, 2016, 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, 2016, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

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

Sd/-  
Ajay Sardana  
Membership No.089011  
New Delhi, April 21, 2016

## **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, 2016**

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, 2016 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, 2016, 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  
Membership No.089011  
New Delhi, April 21, 2016

**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, 2016**

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, 2016 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, the Company did not have any dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, bank, government or dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.

- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/ employees has been noticed or reported during the year;
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in Note 32 to the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) 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  
Membership No.089011  
New Delhi, April 21, 2016

**Indiabulls Asset Management Company Limited**  
**Balance Sheet as at March 31,2016**

Particulars	Note No.	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders funds</b>			
(a) Share capital	3	700,000,000	700,000,000
(b) Reserves and surplus	4	(59,051,139)	(77,986,793)
		<u>640,948,861</u>	<u>622,013,207</u>
<b>Non - current liabilities</b>			
Long term provisions	5	4,723,232	2,805,638
		<u>4,723,232</u>	<u>2,805,638</u>
<b>Current liabilities</b>			
(a) Other current liabilities	6	4,602,045	3,065,096
(b) Short-term provisions	7	79,318	57,079
		<u>4,681,363</u>	<u>3,122,175</u>
	<b>Total</b>	<u><u>650,353,456</u></u>	<u><u>627,941,020</u></u>
<b>II.Assets</b>			
<b>Non - current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	3,540,629	3,323,335
(ii) Intangible assets	9	1,152,121	2,052,428
(b) Non-current investments	10	20,500,000	500,000
(c) Deferred tax assets (net)	11	1,452,413	1,156,055
(d) Long term loans and advances	12	78,397,250	14,249,937
		<u>105,042,413</u>	<u>21,281,755</u>
<b>Current assets</b>			
(a) Current investments	13	466,018,540	585,286,203
(b) Trade receivables	14	13,863,683	2,478,141
(c) Cash and cash equivalents	15	12,032,916	13,797,402
(d) Short-term loans and advances	16	53,395,904	5,097,519
		<u>545,311,043</u>	<u>606,659,265</u>
	<b>Total</b>	<u><u>650,353,456</u></u>	<u><u>627,941,020</u></u>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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, 2016

Sd/-  
Ashok Brijmohan Kacker  
Whole time Director  
DIN : 01647408  
New Delhi, April 21, 2016

Sd/-  
Akshay Gupta  
Whole time Director  
DIN : 01272080

Ajit Kumar Singh  
Company Secretary  
New Delhi, April 21, 2016

Satish Virmani  
Chief Financial Officer

**Indiabulls Asset Management Company Limited**  
**Statement of Profit and loss for the year ended March 31,2016**

Particulars	Note No.	For the year ended March 31,2016 Amount (Rs.)	For the year ended March 31, 2015 Amount (Rs.)
<b>Income</b>			
I. Revenue from operations	17	163,272,717	37,609,617
II. Other income	18	31,838,341	39,482,847
<b>III. Total revenue (I +II)</b>		<b>195,111,058</b>	<b>77,092,464</b>
<b>IV. Expenses:</b>			
Employee benefit expenses	19	95,883,076	46,530,630
Finance costs	20	5,126	1,147
Depreciation and amortization		2,183,185	2,714,715
Operating and Administrative expenses	21	67,875,345	43,249,177
<b>V. Total expenses</b>		<b>165,946,732</b>	<b>92,495,669</b>
<b>VI. Profit/(Loss) before exceptional and extraordinary items and tax (III - V)</b>		<b>29,164,326</b>	<b>(15,403,205)</b>
VII. Exceptional items		-	-
<b>VIII. Profit/(Loss) before extraordinary items and tax (VI - VII)</b>		<b>29,164,326</b>	<b>(15,403,205)</b>
IX. Extraordinary items		-	-
<b>X. Profit/(Loss) before tax (VIII - IX)</b>		<b>29,164,326</b>	<b>(15,403,205)</b>
XI. Tax expense:			
(1) Current tax		10,525,030	-
(2) Deferred tax expense/(credit)		(296,358)	22,069,222
		<b>10,228,672</b>	<b>22,069,222</b>
<b>XII. Profit/( Loss) from the year from continuing operations (X-XI)</b>		<b>18,935,654</b>	<b>(37,472,427)</b>
XIII. Profit/(Loss) from discontinuing operations		-	-
XIV. Tax expense of discontinuing operations		-	-
<b>XV. Profit/(Loss) from discontinuing operations after tax (XIII - XIV)</b>		<b>-</b>	<b>-</b>
<b>XVI. Profit/(Loss) for the year (XII + XV)</b>		<b>18,935,654</b>	<b>(37,472,427)</b>
XVII. Earnings per equity share:	33		
(1) Basic		0.27	(0.70)
(2) Diluted		0.27	(0.70)
(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, 2016

Sd/-  
Ashok Brijmohan Kacker  
Whole time Director  
DIN : 01647408  
New Delhi, April 21, 2016

Sd/-  
Akshay Gupta  
Whole time Director  
DIN : 01272080

Sd/-  
Ajit Kumar Singh  
Company Secretary  
New Delhi, April 21, 2016

Sd/-  
Satish Virmani  
Chief Financial Officer

**Indiabulls Asset Management Company Limited**  
**Cash flow statement for the year ended March 31,2016**

	<b>For the year ended March 31, 2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>A Cash flow from operating activities :</b>		
Net Profit/ (loss) before tax	29,164,326	(15,403,205)
Adjustments for:		
Dividend on units of mutual funds	-	(3,323,225)
Profit on redemption of mutual funds	(26,100,483)	(35,875,470)
Interest on real estate fund	(5,732,768)	-
Provisions written back	-	(271,657)
Provision for gratuity	2,076,278	497,550
Provision for compensated absences	815,014	419,025
Loss on sale of fixed assets	474,381	246,691
Advances written off	-	1,754,722
Depreciation and amortization expense	2,183,185	2,714,715
<b>Operating Profit/(Loss) before working capital changes</b>	<b>2,879,933</b>	<b>(49,240,854)</b>
Changes in working capital:		
Other current liabilities	1,536,949	1,629,203
Gratuity (paid)/acquisition adjustment-net	(951,459)	300,546
Compensated absences acquisition adjustment-net	-	35,165
Long-term loans and advances	(60,373,211)	(296,352)
Trade receivables	(11,385,542)	(2,478,141)
Short-term loans and advances	(46,566,907)	479,791
<b>Cash used in operations</b>	<b>(114,860,237)</b>	<b>(49,570,642)</b>
Direct taxes paid	(16,030,610)	(3,352,647)
<b>Net cash generated from/(used in) operating activities</b>	<b>(130,890,847)</b>	<b>(52,923,289)</b>
<b>B Cash flow from investing activities</b>		
(Purchase)/Sale of fixed assets-net	(1,974,553)	(4,347,599)
Interest received on real estate fund	5,732,768	-
Dividend received on units of mutual funds	-	3,323,225
Proceed from redemption of /(Investments in) units of mutual funds (net)	125,368,146	(425,282,655)
<b>Net cash generated from/(used in) investing activities</b>	<b>129,126,361</b>	<b>(426,307,029)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	490,000,000
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>490,000,000</b>
<b>D Net increase / (decrease) in cash and cash equivalents ( A+B+C)</b>	<b>(1,764,486)</b>	<b>10,769,682</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>13,797,402</b>	<b>3,027,720</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>12,032,916</b>	<b>13,797,402</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:

Cash on hand	5,215	9,734
Balances with scheduled banks		
In Current accounts	12,027,701	13,787,668
<b>Cash and cash equivalents at the end of the year</b>	<b>12,032,916</b>	<b>13,797,402</b>

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, 2016

Sd/-  
Ashok Brijmohan Kacker  
Whole time Director  
DIN : 01647408  
New Delhi, April 21, 2016

Sd/-  
Akshay Gupta  
Whole time Director  
DIN : 01272080

Sd/-  
Ajit Kumar Singh  
Company Secretary  
New Delhi, April 21, 2016

Sd/-  
Satish Virmani  
Chief Financial Officer

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**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, 2016**

**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.

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**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.

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**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31,2016**

**Note - 3**

**Share capital:**

	As at March 31,2016		As at March 31, 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>Authorised:</b>				
Equity Shares of face value of Rs. 10 each	80,000,000	800,000,000	70,000,000	700,000,000
<b>Issued, subscribed and paid up:</b>				
Equity Shares of face value of Rs. 10 each	70,000,000	700,000,000	70,000,000	700,000,000
<b>As per Balance Sheet</b>		<b>700,000,000</b>		<b>700,000,000</b>

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

Equity Shares	As at March 31,2016		As at March 31, 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at beginning of the reporting year	70,000,000	700,000,000	21,000,000	210,000,000
Shares issued during the year	-	-	49,000,000	490,000,000
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at end of the reporting year</b>	<b>70,000,000</b>	<b>700,000,000</b>	<b>70,000,000</b>	<b>700,000,000</b>

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

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

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

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

No. of shareholders	As at March 31,2016		As at March 31, 2015	
	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 35)**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Note - 4</b>		
<b>Reserves and surplus:</b>		
<b>Surplus / (deficit) in the Statement of Profit and Loss</b>		
Opening balance	(77,986,793)	(40,514,366)
Add : Profit/( Loss) during the year	18,935,654	(37,472,427)
<b>As per Balance Sheet</b>	<b>(59,051,139)</b>	<b>(77,986,793)</b>

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31,2016**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Note - 5</b>		
<b>Long term provisions:</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity <sup>(Refer Note: 30)</sup>	2,958,829	1,840,208
Provision for compensated absences <sup>(Refer Note:30)</sup>	1,764,403	965,430
<b>As per Balance Sheet</b>	<b>4,723,232</b>	<b>2,805,638</b>
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 6</b>		
<b>Other current liabilities:</b>		
Temporary overdrawn bank balance as per books	33,980	-
Statutory liabilities	1,677,915	1,552,185
Expenses payable	2,890,150	1,512,911
<b>As per Balance Sheet</b>	<b>4,602,045</b>	<b>3,065,096</b>
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 7</b>		
<b>Short term provisions:</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity <sup>(Refer Note: 30)</sup>	39,474	33,276
Provision for compensated absences <sup>(Refer Note: 30)</sup>	39,844	23,803
<b>As per Balance Sheet</b>	<b>79,318</b>	<b>57,079</b>

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31,2016**

**Note - 8**

**Tangible assets:**

Particulars	Amount (Rs.)				
	Office equipments	Furniture and fixtures	Computers	Vehicles	Total
Opening balance as at April 01, 2014	576,167	296,996	1,473,894	-	2,347,057
Additions during the year	83,519	-	1,069,459	2,678,094	3,831,072
Adjustments/Sales during the year	220,600	-	-	678,936	899,536
<b>As at March 31, 2015</b>	<b>439,086</b>	<b>296,996</b>	<b>2,543,353</b>	<b>1,999,158</b>	<b>5,278,593</b>
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
<b>As at March 31,2016</b>	<b>471,411</b>	<b>341,761</b>	<b>3,934,350</b>	<b>1,999,158</b>	<b>6,746,680</b>
<b>Depreciation</b>					
Opening balance as at April 01, 2014	45,635	47,759	523,891	-	617,285
Charge for the year	135,698	32,898	965,718	272,550	1,406,864
Adjustments/Sales during the year	4,392	-	-	64,499	68,891
<b>As at March 31, 2015</b>	<b>176,941</b>	<b>80,657</b>	<b>1,489,609</b>	<b>208,051</b>	<b>1,955,258</b>
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
<b>As at March 31,2016</b>	<b>308,157</b>	<b>115,433</b>	<b>2,174,578</b>	<b>607,883</b>	<b>3,206,051</b>
<b>Net block</b>					
<b>As at March 31, 2015</b>	<b>262,145</b>	<b>216,339</b>	<b>1,053,744</b>	<b>1,791,107</b>	<b>3,323,335</b>
<b>As at March 31,2016</b>	<b>163,254</b>	<b>226,328</b>	<b>1,759,772</b>	<b>1,391,275</b>	<b>3,540,629</b>

In accordance with the requirements of Schedule II of the Companies Act, 2013, the Company had re-assessed the useful lives and residual values of its fixed assets and an amount of Rs.6,01,685 was charged to the Statement of Profit and Loss for the year ended March 31, 2015 representing the additional depreciation on the carrying value of its assets as at April 1, 2014 due to change in useful lives of the assets.

**Note - 9**

**Intangible assets:**

Particulars	Amount (Rs.)	
	Software	Total
Opening balance as at April 01, 2014	6,134,145	6,134,145
Additions during the year	884,273	884,273
Adjustments/Sales during the year	220,600	220,600
<b>As at March 31, 2015</b>	<b>7,239,018</b>	<b>6,797,818</b>
Additions during the year	-	-
Adjustments/Sales during the year	-	-
<b>As at March 31,2016</b>	<b>7,239,018</b>	<b>6,797,818</b>
<b>Amortization</b>		
Opening balance as at April 01, 2014	3,874,347	3,874,347
Charge for the year	1,307,851	1,307,851
Adjustments/Sales during the year	4,392	4,392
<b>As at March 31, 2015</b>	<b>5,186,590</b>	<b>5,177,806</b>
Charge for the year	900,307	900,307
Adjustments/Sales during the year	-	-
<b>As at March 31,2016</b>	<b>6,086,897</b>	<b>6,078,113</b>
<b>Net block</b>		
<b>As at March 31, 2015</b>	<b>2,052,428</b>	<b>2,052,428</b>
<b>As at March 31,2016</b>	<b>1,152,121</b>	<b>1,152,121</b>

As at  
March 31, 2016  
Amount (Rs.)

As at  
March 31, 2015  
Amount (Rs.)

**Note - 10**

**Non-current investments:**

(At Cost)

**Non trade Unquoted**

Investment in units of Alternative Investment Fund:

-Indiabulls Realestate Fund 20,000,000 -

[No.of units 200,000 (Previous year : Nil) NAV Rs. 100  
(Previous year Rs. Nil) 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**

**500,000**

Aggregate book value of unquoted investments

20,500,000

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 31,2016**

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 11</b>		
<b>Deferred tax assets (Net)</b>		
<b>Deferred tax assets:</b>		
Arising on account of temporary differences due to:		
Disallowance under Section 40A(7) of the Income Tax Act,1961	991,329	578,907
Disallowance under Section 43B of the Income Tax Act,1961	596,538	305,673
On difference between book balance and tax balance of fixed assets	-	271,475
	<b>1,587,867</b>	<b>1,156,055</b>
<b>Deferred tax liabilities:</b>		
Arising on account of temporary differences due to:		
On difference between book balance and tax balance of fixed assets	135,454	-
	<b>135,454</b>	<b>-</b>
<b>As per Balance Sheet</b>	<b>1,452,413</b>	<b>1,156,055</b>

In compliance with AS - 22 'Accounting for Taxes on Income', as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the Company has credited deferred tax of Rs. 296,357 (Previous year deferred tax expenses Rs. 22,069,222) to the Statement of Profit and Loss for the year.

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 12</b>		
<b>Long term loans and advances:</b>		
(Unsecured, Considered good)		
<b>(a) Capital advances</b>	31,717	-
<b>(b) Security deposits</b>	3,000,000	3,000,000
<b>(c) Prepaid expenses</b>	60,341,494	-
<b>(d) Balances with government authorities:</b>		
Income tax recoverable	15,024,039	11,249,937
<b>As per Balance Sheet</b>	<b>78,397,250</b>	<b>14,249,937</b>

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**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31,2016**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Note - 13</b>		
<b>Current investments:</b>		
(At lower of cost and fair value, unless otherwise stated)		
<b>Non-trade, Unquoted</b>		
-Indiabulls Blue Chip Fund - Direct Plan Growth [No.of units 43,624.161 (Previous year : Nil) NAV Rs. 14.9000 (Previous year Rs. Nil) per unit]	650,000	-
-Indiabulls Arbitrage Fund - Direct Plan Growth [No.of units 6,699,121.292 (Previous year : Nil) NAV Rs. 10.7372 (Previous year Rs. Nil) per unit]	71,930,000	-
-Indiabulls Value Discovery Fund - Direct Plan Growth [No.of units 202,017.191 (Previous year : Nil) NAV Rs. 10.0635 (Previous year Rs. Nil) per unit]	2,033,000	-
-Indiabulls Monthly Income Plan - Direct Plan Growth [No.of units 5,000,000.000 (Previous year : Nil) NAV Rs. 10.0000 (Previous year Rs. Nil) per unit]	50,000,000	-
-Indiabulls Ultra Short Term Fund - Direct Plan Growth [No.of units 126,509.842 (Previous year : Nil) NAV Rs. 1458.3957 (Previous year Rs. Nil) per unit]	184,501,412	-
-Indiabulls Liquid Fund - Direct Plan Growth [No.of units 3,641.834 (Previous year : Nil) NAV Rs. 1475.1163 (Previous year Rs. Nil) per unit]	5,372,129	-
-Indiabulls Income Fund - Direct Plan Growth [No.of units 5,170,780.093 (Previous year : Nil) NAV Rs. 12.4142 (Previous year Rs. Nil) per unit]	64,191,223	-
-Indiabulls Short Term Fund - Direct Plan Growth [No.of units 4,259.119 (Previous year : Nil) NAV Rs. 1181.2792 (Previous year Rs. Nil) per unit]	5,031,209	-
-Indiabulls Gilt Fund - Direct Plan Growth [No.of units 61,935.160 (Previous year : Nil) NAV Rs. 1328.9635 (Previous year Rs. Nil) per unit]	82,309,567	-
-Indiabulls Liquid Fund - Direct Plan Growth [No.of units Nil (Previous year :430,035.450 ) NAV Rs. Nil (Previous year Rs. 1,361.02) per unit]	-	585,286,203
<b>As per Balance Sheet</b>	<b>466,018,540</b>	<b>585,286,203</b>
Aggregate book value of unquoted investments	466,018,540	585,286,203
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 14</b>		
<b>Trade receivables:</b>		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	-	-
Other trade receivables	13,863,683	2,478,141
<b>As per Balance Sheet</b>	<b>13,863,683</b>	<b>2,478,141</b>

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31,2016**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Note - 15</b>		
<b>Cash and cash equivalents:</b>		
(a) Balances with scheduled banks In current accounts	12,027,701	13,787,668
(b) Cash on hand	5,215	9,734
<b>As per Balance Sheet</b>	<b>12,032,916</b>	<b>13,797,402</b>
	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Note - 16</b>		
<b>Short term loans and advances:</b>		
Unsecured, Considered good		
(a) Prepaid expenses	40,116,256	972,228
(b) Balances with government authorities		
(i) Service tax input credit	7,530,232	58,318
(ii) Income tax recoverable	5,084,125	3,352,647
[Net of provision for tax Rs. 10,525,030 (Previous year Rs. Nil)]		
(c) Other loan and advances		
Advances recoverable in cash or in kind or for value to be received	665,291	714,326
<b>As per Balance Sheet</b>	<b>53,395,904</b>	<b>5,097,519</b>

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**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31,2016**

	<b>For the year ended March 31,2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 17</b>		
<b>Revenue from operations:</b>		
<b>Management fees from:</b>		
- Mutual fund operations	74,705,677	37,609,617
- Alternative Investment Fund operations	88,567,040	-
<b>As per Statement of Profit and Loss</b>	<b>163,272,717</b>	<b>37,609,617</b>
	<b>For the year ended March 31,2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 18</b>		
<b>Other income:</b>		
Dividend on units of mutual funds	-	3,323,225
Profit on redemption of mutual funds	26,100,483	35,875,470
Interest on real estate fund	5,732,768	-
Provisions written back	-	271,657
Miscellaneous income	5,090	12,495
<b>As per Statement of Profit and Loss</b>	<b>31,838,341</b>	<b>39,482,847</b>
	<b>For the year ended March 31,2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 19</b>		
<b>Employee benefit expenses:</b>		
Salaries	92,062,674	45,397,846
Contribution to provident fund and other statutory funds	159,341	105,377
Staff welfare	769,769	110,832
Provision for gratuity	2,076,278	497,550
Provision for compensated absences	815,014	419,025
<b>As per Statement of Profit and Loss</b>	<b>95,883,076</b>	<b>46,530,630</b>
	<b>For the year ended March 31,2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 20</b>		
<b>Finance cost:</b>		
Interest on taxes	5,126	1,147
<b>As per Statement of Profit and Loss</b>	<b>5,126</b>	<b>1,147</b>

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31,2016**

	<b>For the year ended March 31,2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 21</b>		
<b>Operating and administrative expenses:</b>		
Advertisement	-	928,599
Recruitment expenses	1,248,924	2,004,987
Rent expenses	1,498,548	-
Rates and taxes	3,464,863	6,578,199
Subscription charges	1,677,902	3,464,282
Legal and professional charges	7,661,843	8,244,042
Electricity expenses	38,755	-
Repair and maintenance	2,927,512	1,334,857
Printing and stationary	425,667	488,801
Travelling and conveyance expenses	7,847,677	2,297,473
Communication, postage and courier expenses	655,540	294,381
Loss on sale of fixed assets	474,381	246,691
Directors expenses	310,472	134,832
Advances written off	-	1,754,722
Business promotion	6,590,875	4,318,124
Fund expenses	32,942,081	11,100,945
Miscellaneous expenses	60,305	8,242
Auditor's remuneration	50,000	50,000
<b>As per Statement of Profit and Loss</b>	<b><u><u>67,875,345</u></u></b>	<b><u><u>43,249,177</u></u></b>

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**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, 2016 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, 2016 (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, 2016 Amount (Rs.)	As at March 31, 2015 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, 2016 (Previous year Rs. Nil) .

**Note - 27**

(a) There are no contingent liabilities to be reported as at March 31, 2016 (Previous year Rs. Nil)

(b) There are no capital and other commitments to be reported as at March 31, 2016 (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, 2016 (Previous year Rs. Nil).

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**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 29**

**Changes in capital structure:**

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

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

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

Consequent upon the increase in authorized share capital, on July 02, 2014 and September 24, 2014, members of the Company, at their extra ordinary general meetings held on July 11, 2014 and October 29, 2014 respectively granted their approval and the Company issued and allotted 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 - 30**

**Employee benefits:**

**(a) Defined contribution plans**

The Company's contribution amounting to Rs. 126,489 (Previous year Rs.67,642) to defined contribution plan (Provident Fund) is recognised as expenses in the Statement of Profit and Loss for the year ended March 31, 2016.

**(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, 2016	Gratuity (unfunded) March 31, 2015	Compensated absences (unfunded) March 31, 2016	Compensated absences (unfunded) March 31, 2015
<b>Reconciliation of liability recognized in the Balance Sheet:</b>				
Present value of commitments (as per actuarial valuation)	2,998,303	1,873,484	1,804,247	989,233
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	2,998,303	1,873,484	1,804,247	989,233
<b>Movement in net liability recognized in the Balance Sheet:</b>				
Net liability as at beginning of the year	1,873,484	1,075,388	989,233	535,043
Net expense/(gain) recognized in the Statement of Profit and Loss	2,076,278	497,550	815,014	419,025
Benefits paid during the year	(951,459)	(373,597)	-	-
Acquisition Adjustment (net of settlement amount)	-	674,143	-	35,165
Contribution during the year	-	-	-	-
Net liability as at end of the year	2,998,303	1,873,484	1,804,247	989,233
<b>Expense recognized in the Statement of Profit and Loss</b>				
Current service cost	1,389,682	665,970	1,090,111	550,469
Interest cost	154,562	91,408	81,612	45,479
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	532,034	(259,828)	(356,709)	(176,923)
Expense/(Income) charged to the Statement of Profit and Loss	2,076,278	497,550	815,014	419,025
Return on plan assets:				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-
<b>Reconciliation of defined-benefit commitments:</b>				
As at beginning of the year	1,873,484	1,075,388	989,233	535,043
Current service cost	1,389,682	665,970	1,090,111	550,469
Interest cost	154,562	91,408	81,612	45,479
Benefits paid during the year	(951,459)	(373,597)	-	-
Acquisition Adjustment (net of settlement amount)	-	674,143	-	35,165
Actuarial (gains)/ losses	532,034	(259,828)	(356,709)	(176,923)
Commitments as at end of the year	2,998,303	1,873,484	1,804,247	989,233

**Indiabulls Asset Management Company Limited**  
Notes to financial statements for the year ended March 31, 2016

**Note - 30**

**Employee benefits: (Continued)**

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2016	Gratuity (unfunded) March 31, 2015	Compensated absences (unfunded) March 31, 2016	Compensated absences (unfunded) March 31, 2015
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				
	2015-16	2014-15	2013-14	2012-13	2011-12
On plan liabilities	(27,748)	681,262	861,230	472,746	N.A.
On plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	2,998,303	1,873,484	1,075,388	1,563,907	N.A.
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	2,998,303	1,873,484	1,075,388	1,563,907	N.A.
Particulars	Compensated absences (Unfunded)				
	Financial years				
	2015-16	2014-15	2013-14	2012-13	2011-12
On plan liabilities	667,316	176,923	543,639	284,944	(454,057)
On plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	1,804,247	989,233	535,043	875,787	609,099
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	1,804,247	989,233	535,043	875,787	609,099

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, 2016	Year ended March 31, 2015
Discount rate – Gratuity and Compensated Absences	8.00%	8.25%
Expected return on plan assets	N.A.	N.A.
Expected rate of salary increase	6.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

N.A.: Not Applicable

The employer best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs.2,243,326 (Previous year Rs. 1,546,846) and Rs. 12,28,888 (Previous year Rs. 744,814) respectively.

**Note - 31**

**Segment reporting:**

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

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**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 32**

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

**(a) Details of related parties:**

Description of relationship	Names of related parties
(i) Where control exists	
Holding Company	Indiabulls Housing Finance Limited
(ii) Other related parties	
Fellow Subsidiary Companies	Indiabulls Advisory Services Limited
	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)
	Indiabulls Capital Services Limited
	Indiabulls Insurance Advisors Limited
	Indiabulls Asset Holding Company Limited
	Indiabulls Asset Reconstruction Company Limited (Subsidiary of Indiabulls Advisory Services Limited)
	Indiabulls Collection Agency Limited
	Indiabulls Commercial Credit Limited (Formerly known as Indiabulls Infrastructure Credit Limited )
	Indiabulls Finance Company Private Limited (Up to March 31, 2015)#
	Indiabulls Life Insurance Company Limited
	Indiabulls Trustee Company Limited
	Ibulls Sales Limited
	Indiabulls Holdings Limited
	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)
Indiabulls Venture Capital Trustee Company Limited (Subsidiary of Indiabulls Holdings Limited)	
Associate of Holding Company	Oaknorth Holdings Ltd.(w.e.f. November 13,2015)
Key Management Personnel	Mr. Ashok Brijmohan Kacker – Director
	Mr. Akshay Gupta– Director
	Mr. Jitendra Babubhai Sanghavi – Director
	Mr. Girish Chandra Srivastava – Director
	Mr. Keezhayur Sowrirajan Sreenivasan – 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
<b>Finance</b>			
Issue of equity shares	-	-	-
	<i>490,000,000</i>	-	<i>490,000,000</i>
Sale of Investments	52,861,003	-	52,861,003
	-	-	-
<b>Expenses</b>			
Director's expenses	-	310,472	310,472
	-	<i>134,832</i>	<i>134,832</i>
Reimbursement of expenses	-	-	-
	-	<i>8,614</i>	<i>8,614</i>

*(Previous year's figures are stated in italics)*

**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 32**

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

**(c) Statement of material transactions:**

Particulars	Amount (Rs.)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Issue of equity shares</b>		
- Indiabulls Housing Finance Limited	-	490,000,000
<b>Sale of Investments</b>		
- Indiabulls Housing Finance Limited	52,861,003	-
<b>Expenses</b>		
<b>Director's expenses</b>		
- Mr. Girish Chandra Srivastava	288,000	67,416
- Mr. Keezhayur Sowrirajan Sreenivasan	-	22,472
- Mr. Jitendra Babubhai Sanghavi	22,472	44,944
<b>Reimbursement of expenses</b>		
- Mr. Akshay Gupta	-	8,614

**(d) Outstanding at year ended March 31, 2016:**

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.

**Note - 33**

**Earnings per share:**

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

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net Profit/(Loss) available for equity shareholders (Rs.)	18,935,654	(37,472,427)
Weighted average number of equity shares used for computing Basic earnings per share	70,000,000	53,427,397
Weighted average number of equity shares used for computing Diluted earnings per	70,000,000	53,427,397
Nominal value of equity shares – (Rs. Per Share)	10.00	10.00
Earnings per share – Basic (Rs. Per Share)	0.27	(0.70)
Earnings per share – Diluted (Rs. Per Share)	0.27	(0.70)

**Note - 34**

**Expenditure in Foreign Currency:**

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Subscription charges	252,162	-
Business promotion	987,359	-

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**Indiabulls Asset Management Company Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 35**

**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.)	104,526	63,126	1,596,088	10,468,000	37,440	123,450	237,000	10,700	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.)	44,334	21,753	417,300	2,088,400	6,840	19,440	39,500	1,500	21,900
Exercised during the year (Nos.)	45,414	13,464	357,731	1,706,375	3,600	19,640	-	3,200	-
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-
Lapsed during the year	576	3,240	9,438	75,600	-	6,000	-	-	-
Re-granted during the year	-	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	58,536	46,422	1,228,919	8,686,025	33,840	97,810	237,000	7,500	131,400
Exercisable at the end of the year (Nos.)	-	22,254	189,153	382,025	6,480	610	79,000	-	43,800
Remaining contractual Life (Weighted Months)	48	58	73	83	80	87	71	93	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, 2016**

**Note - 36**

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

As per our report of even date

For A Sardana & Co.  
Chartered Accountants  
Firm Registration No. 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, 2016

Sd/-  
Ashok Brijmohan Kacker  
Whole- time Director  
DIN : 01647408  
New Delhi, April 21, 2016

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

Sd/-  
Ajit Kumar Singh  
Company Secretary  
New Delhi, April 21, 2016

Sd/-  
Satish Virmani  
Chief Financial Officer