

**Independent Auditor's Report  
To The Members of  
Indiabulls Collection Agency Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Indiabulls Collection Agency 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 22, 2016

## **Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Collection Agency 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 Collection Agency 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 22, 2016

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Collection Agency Limited for the year ended March 31, 2016**

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

- (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) 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 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) in our opinion and 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 or 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) In our opinion and 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 25 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 Registration No. 021890N

Sd/-  
Ajay Sardana  
Membership No.089011  
New Delhi, April 22, 2016

**Indiabulls Collection Agency 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	1,500,000	1,500,000
(b) Reserves and surplus	4	<u>184,045,976</u>	<u>174,174,514</u>
		<b>185,545,976</b>	<b>175,674,514</b>
<b>Current liabilities</b>			
(a) Other current liabilities	5	58,178	43,422
(b) Short-term provisions	6	<u>4,509,356</u>	<u>4,861,711</u>
		<b>4,567,534</b>	<b>4,905,133</b>
<b>Total</b>		<u><b>190,113,510</b></u>	<u><b>180,579,647</b></u>
<b>II.Assets</b>			
<b>Non current assets</b>			
Long term loans and advances	7	<u>-</u>	<u>706,914</u>
		<b>-</b>	<b>706,914</b>
<b>Current assets</b>			
(a) Cash and cash equivalents	8	190,021,236	179,864,753
(b) Short-term loans and advances	9	7,980	7,980
(c) Other current assets	10	<u>84,294</u>	<u>-</u>
		<b>190,113,510</b>	<b>179,872,733</b>
<b>Total</b>		<u><b>190,113,510</b></u>	<u><b>180,579,647</b></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 Collection Agency Limited

Sd/-  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 22, 2016

Sd/-  
Anil Malhan  
Director  
DIN :01542646  
New Delhi, April 22, 2016

Sd/-  
Ravi Dutt Sharma  
Director  
DIN : 07162530



**Indiabulls Collection Agency 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.)
I. Revenue from operations	11	539,924	1,804,648
II. Other income	12	15,044,826	16,158,135
<b>III. Total revenue</b>		<b>15,584,750</b>	<b>17,962,783</b>
IV. Expenses:			
Employee benefits expense	13	-	120,990
Finance costs	14	515,979	284,386
Other expenses	15	70,559	57,451
<b>V. Total expenses</b>		<b>586,538</b>	<b>462,827</b>
<b>VI. Profit/(Loss) before exceptional and extraordinary items and tax (II-IV)</b>		<b>14,998,212</b>	<b>17,499,956</b>
VII. Exceptional items		-	-
<b>VIII. Profit/(Loss) before extraordinary items and tax (VI - VII)</b>		<b>14,998,212</b>	<b>17,499,956</b>
IX. Extraordinary items		-	-
<b>IX. Profit/(Loss) before tax (VII - VIII)</b>		<b>14,998,212</b>	<b>17,499,956</b>
X. Tax expense:			
(1) Current tax		5,126,750	4,936,000
(2) Tax adjustment in respect of earlier years		-	(188,548)
		<b>5,126,750</b>	<b>4,747,452</b>
<b>XI. Profit/(Loss) from the year from continuing operations (IX-X)</b>		<b>9,871,462</b>	<b>12,752,504</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
<b>XIV. Profit/(Loss) from discontinuing operations after tax (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV. Profit/(Loss) for the year (XI + XIV)</b>		<b>9,871,462</b>	<b>12,752,504</b>
XVI. Earnings per equity share:	26		
(1) Basic		65.81	85.02
(2) Diluted		65.81	85.02
(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 Collection Agency Limited

Sd/-  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 22, 2016

Sd/-  
Anil Malhan  
Director  
DIN :01542646  
New Delhi, April 22, 2016

Sd/-  
Ravi Dutt Sharma  
Director  
DIN : 07162530

**Indiabulls Collection Agency 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 before tax	14,998,212	17,499,956
Adjustment for		
Interest income from intercorporate deposits	-	(47,415)
Dividend on units of mutual funds	-	(861,623)
Profit on redemption of units of mutual funds	(14,442,230)	(15,212,035)
Interest income from fixed deposits	(317,720)	(33,972)
Bad debt written off	-	8,978
	<b>(14,759,950)</b>	<b>(16,146,067)</b>
<b>Operating Profit/(Loss) before working capital changes</b>	<b>238,262</b>	<b>1,353,889</b>
Changes in working capital:		
Other current liabilities	14,756	(120,899)
Short term loans and advances	-	(7,794)
	<b>253,018</b>	<b>1,225,196</b>
<b>Cash generated from/(used in) after working capital changes</b>	<b>253,018</b>	<b>1,225,196</b>
Direct taxes (paid)/refund (net)	(4,772,191)	(2,275,453)
<b>Net cash generated from/(used in) operating activities</b>	<b>(4,519,173)</b>	<b>(1,050,257)</b>
<b>B Cash flow from investing activities</b>		
Loan(given to)/repayment received from fellow subsidiaries Companies (net)	-	450,000
Interest received on fixed deposits	233,426	157,826
Dividend received on units of mutual funds	-	861,623
Proceed from redemption/sales of investment (net)	14,442,230	84,770,673
<b>Net cash generated from/(used in) investing activities</b>	<b>14,675,656</b>	<b>86,240,122</b>
<b>C Cash flow from financing activities</b>		
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>D Net increase / (decrease) in cash and cash equivalents ( A+B+C)</b>	<b>10,156,483</b>	<b>85,189,865</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>179,864,753</b>	<b>94,674,888</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>190,021,236</b>	<b>179,864,753</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	3,011	3,051
Balances with scheduled banks		
In current accounts	93,225	179,861,702
In deposit accounts	189,925,000	-
<b>Cash and cash equivalents at the end of the year</b>	<b>190,021,236</b>	<b>179,864,753</b>

The accompanying notes are an integral part of the financial statements

As per our report on even date

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

For and on behalf of the Board of Directors of  
Indiabulls Collection Agency Limited

Sd/-  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 22, 2016

Sd/-  
Anil Malhan  
Director  
DIN :01542646  
New Delhi, April 22, 2016

Sd/-  
Ravi Dutt Sharma  
Director  
DIN : 07162530

**Indiabulls Collection Agency Limited**  
**Notes to financial statements as at March 31, 2016**

**Note - 1**

**Corporate information:**

Indiabulls Collection Agency Limited ("the Company") was incorporated on June 1, 2006. The Company is primarily engaged in the business of debt collection and to act as recovery agent.

**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 consultancy charges is recognized on an accrual basis as the related services are rendered.
- (b) Interest income is recognized on accrual basis.
- (c) Dividend income on units of Mutual Fund is recognised when the right to receive dividend is unconditionally established.
- (d) 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) Deferred employee stock compensation cost:**

Deferred employee stock compensation cost for stock options are recognised on the basis of generally accepted accounting principles and are measured by the difference between the estimated value of the company's shares on stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortised over the vesting period of the options. The fair value of options for disclosure purpose is measured on the basis of a valuation performed in respect of stock options granted.

**ix) Employee benefits:**

The Company's contribution to Provident Fund is charged to Statement of Profit and Loss. 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.

**Indiabulls Collection Agency Limited**  
**Notes to financial statements as at March 31, 2016**

**x) 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.

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 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 virtual certainty of realization supported with convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

**xi) Preliminary expenses:**

Preliminary Expenses are adjusted (net of tax) 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.

**xii) 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.

**xiii) 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 liabilities are 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 realized.

**xiv) 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.

**xv) 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.

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**Indiabulls Collection Agency Limited**  
**Notes to financial statements as at March 31,2016**

**Note - 3**

**Share capital:**

	<u>As at March 31,2016</u>		<u>As at March 31, 2015</u>	
	<u>No. of Shares</u>	<u>Amount (Rs.)</u>	<u>No. of Shares</u>	<u>Amount (Rs.)</u>
<b>Authorised:</b>				
Equity Shares of face value of Rs. 10 each	500,000	5,000,000	500,000	5,000,000
<b>Issued, subscribed and paid up:</b>				
Equity Shares of face value of Rs. 10 each fully paid up	150,000	1,500,000	150,000	1,500,000
<b>As per Balance Sheet</b>		<u><u>1,500,000</u></u>		<u><u>1,500,000</u></u>

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

<b>Equity Shares</b>	<u>As at March 31,2016</u>		<u>As at March 31, 2015</u>	
	<u>No. of Shares</u>	<u>Amount (Rs.)</u>	<u>No. of Shares</u>	<u>Amount (Rs.)</u>
Shares outstanding at beginning of the reporting year	150,000	1,500,000	150,000	1,500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at end of the reporting year</b>	<u><u>150,000</u></u>	<u><u>1,500,000</u></u>	<u><u>150,000</u></u>	<u><u>1,500,000</u></u>

**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**

<b>No. of shareholders</b>	<u>As at March 31,2016</u>		<u>As at March 31, 2015</u>	
	<u>No. of Shares held</u>	<u>% of Holding</u>	<u>No. of Shares held</u>	<u>% of Holding</u>
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	150,000	100%	150,000	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 27)**

**Indiabulls Collection Agency 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 - 4</b>		
<b>Reserves and surplus:</b>		
<b>(a) Securities premium account</b>		
Opening balance	98,872,040	98,872,040
Add: Addition during the year	-	-
	<b>98,872,040</b>	<b>98,872,040</b>
<b>(b) Surplus / (deficit) in the Statement of Profit and Loss</b>		
Opening balance	75,302,474	62,549,970
Add: Profit/(Loss) during the year	9,871,462	12,752,504
	<b>85,173,936</b>	<b>75,302,474</b>
<b>As per Balance Sheet</b>	<b>184,045,976</b>	<b>174,174,514</b>
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 5</b>		
<b>Other current liabilities:</b>		
Expenses payable	58,178	43,422
<b>As per Balance Sheet</b>	<b>58,178</b>	<b>43,422</b>
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 6</b>		
<b>Short-term provisions:</b>		
Provision for Tax [Net of Tax deducted at source/Advance tax and Self assessment tax Rs.5,553,395 (Previous year Rs.74,289)]	4,509,356	4,861,711
<b>As per Balance Sheet</b>	<b>4,509,356</b>	<b>4,861,711</b>
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 7</b>		
<b>Long term loan and advances</b>		
Unsecured considered good		
<b>Balances with government authorities</b>	-	706,914
Income tax recoverable [Net of provision for tax Rs. Nil (Previous year Rs. 762,706)]		
<b>As per Balance Sheet</b>	<b>-</b>	<b>706,914</b>
	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
<b>Note - 8</b>		
<b>Cash and cash equivalents:</b>		
<b>(a) Balances with scheduled banks</b>		
In current accounts	93,225	179,861,702
In deposit accounts	189,925,000	-
<b>(b) Cash on hand</b>	3,011	3,051
<b>As per Balance Sheet</b>	<b>190,021,236</b>	<b>179,864,753</b>

**Indiabulls Collection Agency 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 - 9</b>		
<b>Short Term Loan and Advances:</b>		
(Unsecured, considered good)		
(a) Advances recoverable in cash or kind or for value to be received	4,889	4,889
	4,889	4,889
(b) Balances with government authorities	3,091	3,091
Service tax input credit	3,091	3,091
	3,091	3,091
<b>As per Balance Sheet</b>	<b>7,980</b>	<b>7,980</b>
	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Note - 10</b>		
<b>Other current assets:</b>		
Interest accrued on fixed deposits	84,294	-
	84,294	-
<b>As per Balance Sheet</b>	<b>84,294</b>	<b>-</b>

*(This space has been intentionally left blank)*

**Indiabulls Collection Agency Limited**  
Notes to financial statements as at 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 - 11</b>		
<b>Revenue from operations</b>		
Business support services	539,924	1,804,648
<b>As per Statement of Profit and Loss</b>	<b>539,924</b>	<b>1,804,648</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 - 12</b>		
<b>Other income:</b>		
Interest income from loan	-	47,415
Interest income from fixed deposits	317,720	33,972
Interest on income tax refund	284,876	-
Dividend on units of mutual funds	-	861,623
Profit on redemption of mutual funds	14,442,230	15,212,035
Miscellaneous income	-	3,090.00
<b>As per Statement of Profit and Loss</b>	<b>15,044,826</b>	<b>16,158,135</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 - 13</b>		
<b>Employee benefits expense:</b>		
Salaries	-	120,790
Contribution to labour welfare fund	-	200
<b>As per Statement of Profit and Loss</b>	<b>-</b>	<b>120,990.00</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 - 14</b>		
<b>Finance costs:</b>		
Interest on taxes	515,979	284,386
<b>As per Statement of Profit and Loss</b>	<b>515,979</b>	<b>284,386</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 - 15</b>		
<b>Other expenses:</b>		
Statutory fees	3,540	5,575
Professional and consultancy charges	15,000	17,247
Bad debt written off	-	8,978
Miscellaneous expenses	27,019	651
Auditor's remuneration	25,000	25,000
<b>As per Statement of Profit and Loss</b>	<b>70,559</b>	<b>57,451</b>



**Indiabulls Collection Agency Limited**  
**Notes to financial statements as at March 31, 2016**

**Note - 16**

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 - 17**

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 - 18**

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 - 19**

**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 - 20**

There are no borrowing costs to be capitalised as at March 31, 2016 (Previous year Rs. Nil).

**Note - 21**

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

**Note - 22**

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

**Note - 23**

**Segment reporting:**

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.

**Note - 24**

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).

**Indiabulls Collection Agency Limited**  
Notes to financial statements as at March 31, 2016

**Note - 25**

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

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

Description of relationship	Names of related parties	
(i) Where control exists		
Holding Company	Indiabulls Housing Finance Limited	
(ii) Other related parties		
Fellow Subsidiary Companies (including step-down subsidiaries)	Indiabulls Insurance Advisors Limited	
	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)	
	Ibolls Sales Limited	
	Indiabulls Commercial Credit Limited (Formerly known as Indiabulls Infrastructure Credit Limited )	
	Indiabulls Finance Company Private Limited (Up to March 31, 2015)#	
	Indiabulls Capital Services Limited	
	Indiabulls Advisory Services Limited	
	Indiabulls Life Insurance Company Limited	
	Indiabulls Asset Holding Company Limited	
	Indiabulls Trustee Company Limited	
	Indiabulls Asset Management Company Limited	
	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)	
	Indiabulls Venture Capital Trustee Company Limited (Subsidiary of Indiabulls Holdings Limited)	
	Indiabulls Holdings Limited	
	Indiabulls Asset Reconstruction Company Limited (Subsidiary of Indiabulls Advisory Services Limited)	
	Associate of Holding Company	Oaknorth Holdings Ltd. (w.e.f.November 13,2015)
	Key Management Personnel	Mr. Anil Malhan, Director
Mr. Vineet Saxena, Director		
Mr. Ravi Dutt Sharma, Director		
Mr Tejpal Gulia ,Director		

#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.)	
	Fellow Subsidiary Companies (including step-down subsidiaries)	Total
<b>Finance</b>		
Loan given	-	-
(Maximum balance outstanding at any time during the year)	<i>9,680,000</i>	<i>9,680,000</i>
<b>Income</b>		
Interest income	-	-
	<i>47,415</i>	<i>47,415</i>

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

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

Particulars	Amount (Rs.)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Loan given</b>		
<b>(Maximum balance outstanding at any time during the year)</b>		
- Ibolls Sales Limited	-	9,200,000
- Indiabulls Asset Holding Company Limited	-	480,000
<b>Interest income</b>		
- Ibolls Sales Limited	-	32,900
- Indiabulls Asset Holding Company Limited	-	14,515

**Indiabulls Collection Agency Limited**  
**Notes to financial statements as at March 31, 2016**

**Note - 25**

**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)**

**(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 - 26**

**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.)	9,871,462	12,752,504
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	150,000	150,000
Nominal value of equity shares – (Rs. Per Share)	10.00	10.00
Earnings per share – Basic and Diluted (Rs. Per Share)	65.81	85.02

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**Indiabulls Collection Agency Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 27**

**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 – ICSSL Employees Stock Option Plan 2006	IHFL- IBFSL Employees Stock Option Plan 2006
2	IBFSL - ICSSL 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% 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 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 Collection Agency Limited**  
**Notes to financial statements as at March 31, 2016**

**Note - 28**

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

As per our report on even date

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

For and on behalf of the Board of Directors of  
Indiabulls Collection Agency Limited

Sd/-  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 22, 2016

Sd/-  
Anil Malhan  
Director  
DIN :01542646  
New Delhi, April 22, 2016

Sd/-  
Ravi Dutt Sharma  
Director  
DIN : 07162530