

**POWERING
DIGITALISATION.
EMPOWERING
CUSTOMERS.**





Digitalisation has been in the forefront of all our efforts to ensure richer customer experiences. The modern customer desires greater efficiency, transparency and comfort. Our digital first approach has helped us design superior propositions to meet this demand. At Indiabulls Ventures, we are proud to empower our customers by leveraging the power of digitalisation. The answer to their financial needs is now simpler, better and on their fingertips!

Contents

Corporate Information	01
From the Chairman's desk.....	02
Directors' Report	04
Management Discussion and Analysis	34
Business Responsibility Report.....	43
Report on Corporate Governance	52
Consolidated Financials.....	76
Standalone Financials.....	184
Statement Pursuant to Section 129 of the Companies Act, 2013	260

Corporate Information

1

Board of Directors:

Mr. Sameer Gehlaut
 Mr. Divyesh B. Shah
 Mr. Gagan Banga
 Mr. Pinank Jayant Shah
 Mr. Shyam Lal Bansal
 Mr. Abhaya Prasad Hota
 Mr. Alok Kumar Misra
 Mrs. Rekha Gopal Warriar

Company Secretary:

Mr. Lalit Sharma

Chief Financial Officer:

Mr. Rajeev Lochan Agrawal

Statutory Auditors:

Walker Chandio & Co LLP
 (A member of Grant Thornton International)
 Chartered Accountants
 L 41, Connaught Circus,
 New Delhi 110 001

Internal Auditors:

N.D. Kapur & Co.
 Chartered Accountants
 1st Floor, The Great Eastern Center
 70, Nehru Place, Behind IFCI Tower
 New Delhi – 110 014

Secretarial Auditors:

A.K. Kuchhal & Co.
 Company Secretaries,
 C-154, Sector-51,
 Noida- 201301

Registered Office:

M- 62 & 63, First Floor,
 Connaught Place, New Delhi – 110 001
 Email: helpdesk@indiabulls.com
 Tel: 0124-6681199, Fax:0124-6681240
 Website:www.indiabullsventures.com

Corporate Offices:

Indiabulls House,
 Indiabulls Finance Centre,
 Senapati Bapat Marg, Elphinstone Road,
 Mumbai – 400 013

Indiabulls House, 448-451,
 Udyog Vihar, Phase V,
 Gurugram – 122 016

Registrars & Transfer Agents:

Karvy Fintech Pvt. Ltd.,
 Unit: Indiabulls Ventures Limited,
 Karvy Selenium, Tower B,
 Plot No. 31-32, Gachibowli Financial District,
 Nanakramguda,
 Hyderabad - 500 032

Bankers:

Allahabad Bank Limited
 Axis Bank Limited
 Bank of Baroda Limited
 Canara Bank Limited
 HDFC Bank Limited
 ICICI Bank Limited
 IDBI Bank Limited
 IDFC First Bank Limited
 Indian Overseas Bank Limited
 IndusInd Bank Limited
 Kotak Mahindra Bank Limited
 Lakshmi Vilas Bank Limited
 Oriental Bank of Commerce Limited
 Punjab & Sind Bank Limited
 Punjab National Bank Limited
 RBL Bank Limited
 South Indian Bank Limited
 State Bank of India Limited
 Syndicate Bank Limited
 UCO Bank Limited
 Union Bank of India Limited
 Vijaya Bank Limited
 Yes Bank Limited

From the Chairman's desk

2

Dear Shareholders and Friends,

Your Company has a mission to help fulfil the dreams and aspirations of fellow Indians, no matter how much they earn, what occupation they have or where they live.

I am glad to report that Dhani, the flagship app based product of your Company was one of the top 10 fintech apps of the world for the year 2018. We want Dhani to be a lifestyle app anchored around credit and have a very high use case for customers for fulfilling their transactions based lifestyle solutions. We are making rapid progress towards that by introducing multiple Lending Products & Transaction Products like Dhani Pay Mobile Wallet, Dhani Pay Rupay Cards.

Goals

We want to impact maximum number of lives by providing them with a wider access to financial services, through use of technology and by putting in trust in our customers.

We have served over 2 million customers so far since the start of our business in 2017 and aspire to serve 10 million customers by 2020 and 100 million customers by 2023.

The Company is focused on building a fee based and non-balance sheet business model where the Company would originate retail loans & sell it to third parties. The overall fee income generated through this business model is the aggregation of processing fee collected at the time of origination, upfront fee booked at the time of sell down of loan assets and fees generated through cross selling of multiple products like Insurance, Dhani Club, Dhani Pay wallets, etc. The bouquet of these product offerings has resulted in the company's product per customer increase to 1.81 from 1.00 in FY18.

The Company is equipped to grab the opportunity of origination of loans and being an integral part of an un-served Indian individual and SME lending market in India

The Company has a cutting edge digital lending platform and wide range of products to tap this opportunity available in un-served individual and SME customer's space with customised credit solutions across different tenor and ticket sizes. The Company continues to launch new products to cater to this wide market opportunity.

Daily user engagement and monthly user engagement

The Company is focussed on building a deeper relationship with customers, being monitored by the number of people using the Dhani App on a daily and monthly basis. Through our product range we aim to maximise the number of customers visiting us daily, deepen the customer engagement by offering solutions to our customer's daily financial needs. Our Daily and monthly user engagement are at par with leading apps and continue to improve. We are on course to become a one stop platform for present day customer's day to day requirements, including travel bookings, bill payments, credit lines for individuals and SMEs, etc.

Our Performance

I am pleased to share that your Company has performed well during the year under review within stressed conditions of NBFC sector. The Company has diversified its borrowings and reduced dependency on term loans by increasing focus on sell down of loans and public issue of NCD's.



Sameer Gehlaut
Chairman and Founder

The Company's funding mix is well diversified and has kept the leverage ratio below 2, which safeguards Company against any ALM mismatch or liquidity issues. The Company, through its strong risk management framework, has been able to maintain the risk profile of asset portfolio and resultant credit costs under control, at par with the industry.

Consolidated total Revenue grew by 101% year-on-year, from ₹ 9.95 Bn in FY 2018 to ₹ 19.97 Bn in FY 2019. The Company has been able to pass on the increase in cost of funds to its customers and thereby maintained its net interest margin.

The Company has kept its credit costs under control and Gross non-performing loans (GNPA) of the Company as at March 31, 2019 amounted to ₹ 0.84 Bn, which is equivalent to 0.75% of Asset under Management.

Your Company has posted consolidated profit before tax of ₹ 6.29 Bn for FY 2019 (₹ 2.81 Bn for FY 2018), YoY growth of 124%. The consolidated profit after tax has also increased in the same growth tandem of 119% to ₹ 4.6 Bn FY 2019 (₹ 2.10 Bn FY 2018).

Keeping in mind investor's expectations and after considering the adequacy of profits, the Company had declared interim dividend of ₹ 1 per share of face value ₹ 2 /-, amounting to 50%, in the board meeting held on April 25, 2019.

The way forward

The company is progressing on the path of prominent and sustainable business growth by providing best customer service in consumer and SME finance segment on a platform which takes care of all funding and transactional financial needs of the customer.

I would like to conclude by thanking to our regulators, customers, business partners, employees, bankers, Board and shareholders. The support extended by all of our stakeholders allowed us to achieve more and more.

Thanking You

Sameer Gehlaut
Chairman and Founder

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS (STANDALONE)

The highlights of the standalone financial results for the financial year ended March 31, 2019 are as under:

	Amount in Rs. Lakh	
	Year ended March 31, 2019 (Ind AS)	Year ended March 31, 2018 (GAAP)
Profit before Depreciation & Amortisation expenses and Tax	13,207.75	7,195.65
Less: Depreciation & Amortisation expenses	406.33	165.03
Profit before Tax	12,801.42	7,030.62
Less: Tax Expense	2,256.39	1,818.65
Profit after Tax	10,545.03	5,211.97
Add: balance of profit brought forward	5,991.20	1,436.17
Add: Other comprehensive income	12.68	-
Amount available for appropriation	16,548.91	6,648.14
Appropriations		
Interim Dividend on Equity Shares	4,631.28	-
Dividend distribution tax	0.68	-
Balance of profit carried forward to Balance Sheet	11,916.95	6,648.14

The total revenue of the Company during the financial year ended March 31, 2019 stood at ₹ 317.11 crores with a net profit of ₹ 105.45 crores. The Company proposes to retain the entire amount of ₹ 119.17 crores in the statement of profit & loss. The consolidated revenue of the Company stood at ₹ 1,997.28 crores and the consolidated net profit stood at ₹ 460.29 crores.

DIVIDEND

In keeping with the Company's policy of rewarding its shareholders, the Board of Directors of the Company, had, for the financial year 2018-19, declared interim dividend of Re. 1/- per fully paid up equity share (face value of ₹ 2/- per equity share) and an interim dividend of Re. 0.25 per partly paid up equity share (face value of ₹ 2 per share with paid up value of Re. 0.50 per share), in its meeting held on April 23, 2018.

Further pursuant to the requirements of SEBI Circular no. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016, the Dividend Distribution Policy of the Company is available on the website of the Company i.e. <https://www.indiabullsventures.com/investor/policies-codes/>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2018-19, Mr. Abhaya Prasad Hota (DIN: 02593219), (Ex-Managing Director of National Payments Corporation of India) has been appointed as an Independent Director, on the Board of the Company for a period of three years, w.e.f. August 25, 2018 and members of the Company in their 23rd Annual General Meeting held on September 21, 2018 had approved the appointment of Mr. Hota as an Independent Director for a term of three years w.e.f. August 25, 2018 to August 24, 2021 and he is not liable to retire by rotation.

In compliance with the applicable SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which shall come into force w.e.f. April 1, 2019, regarding age limit to 75 years for Independent Directors, Brig.

Directors' Report (contd.)

Labh Singh Sitara (Retd.) (DIN: 01724648), independent director of the Company, having attained the age of over 75 years, has resigned from the directorship of the Company w.e.f. March 31, 2019. The Board has placed on record its appreciation for the contribution made by Mr. Sitara during his tenure of office.

To ensure continuity of guidance from (a) Mr. Shyam Lal Bansal (DIN: 02910086) (Ex-Chairman & Managing Director of Oriental Bank of Commerce) and (b) Mr. Alok Kumar Misra (DIN: 00163959) (Ex-Chairman & Managing Director of Bank of India), the existing Independent Directors of the Company, whose existing term is upto August 27, 2019, the Board has recommended their re-appointment as Independent Directors of the Company for another term of one year from August 28, 2019 to August 27, 2020. Keeping in view, their vast experience and knowledge, the Board is of the view that their re-appointment as Independent Directors, on the Board, will be in the interest of the Company.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act, 2013 (the Act) and in Regulation 16(1)(b) of SEBI LODR Regulations.

In accordance with the provisions of Section 152 of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. Gagan Banga (DIN: 00010894), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Present composition of the Board is provided in the Report on Corporate Governance, presented in a separate section forming part of this Annual Report. The brief resume of the Director(s) proposed to be appointed/reappointed, nature of their expertise in specific functional areas, terms of appointment and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, are provided in the Notice convening the 24th Annual General Meeting of the Company.

SHARE CAPITAL

During the financial year 2018-19, the Company had:

- (a) Issued and allotted an aggregate of 79,639,888 fully paid up equity shares of face value of ₹ 2/- each i.e.
 - (i) 33,800,000 fully paid up equity shares allotted upon conversion of equivalent number of warrants,
 - (ii) 45,839,888 fully paid up equity shares allotted to foreign companies/investors on preferential basis.
- (b) Issued and allotted an aggregate of 27,985,452 Compulsory Convertible Debenture of face value of ₹ 550/- each to certain foreign investors, convertible into 27,985,452 fully paid up equity shares of the Company within 18 months of allotment.
- (c) Forfeited 39,195 partly paid up rights equity shares of the Company due to non-payment of first call money by the concerned shareholders.

Subsequently, from April 1, 2019 till date of this report:

- (i) The Company has received the second call money on 11,99,058 partly paid shares.
- (ii) The Company has issued and allotted 6,756,616 fully paid up equity shares of face value ₹ 2/- each of the Company, to eligible employees upon exercise of options vested in their favour under –'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008' and 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'.

As a result of the aforesaid, the paid up share capital of the Company stands increased to ₹ 1,148,731,850.20 comprising of 528,787,506 fully paid up Equity Shares of face value of ₹ 2 each and 82,765,146 partly paid up Equity Shares, of face value of ₹ 2 each, with paid up value of ₹ 1.10 each and 143,972 partly paid up Equity Shares, of face value of ₹ 2 each, with paid up value of Re. 0.80 each).

Directors' Report (contd.)

STATEMENT OF DEVIATION(S) OR VARIATION(S) PURSUANT TO REGULATION 32 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Regulation 32 of the SEBI LODR Regulations, statement of deviation, for the quarter and year ended March 31, 2019, on the utilization of proceeds of Rights Issue of the Company was placed before the Audit Committee, in its meeting held on April 25, 2019, wherein the Audit Committee noted that there was no deviation as regards the utilization of funds from the Objects stated in the Letter of Offer for Company's Rights Issue and post its approval the same was submitted with the Stock Exchanges on April 25, 2019.

EMPLOYEE STOCK OPTIONS

Presently, stock options granted to the employees operate under the schemes namely; "Indiabulls Ventures Limited Employees Stock Option Scheme – 2008 and "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009. During the year under review no stock option was granted to any employee. There has been no material variation in the terms of the options granted under any of these schemes and both the schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The disclosures required to be made under Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 and the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, in respect of all existing ESOP Schemes of the Company have been placed on the website of the Company www.indiabullsvventures.com

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

LISTING WITH STOCK EXCHANGES

The Fully paid up Equity Shares (ISIN: INE274G01010) and partly paid up Rights Equity Shares (ISIN: IN9274G01034) of the Company continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2019-20 have been paid. The GD₹ issued by the Company continue to remain listed on Luxembourg Stock Exchange.

INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES AND SEBI LODR REGULATIONS

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013 read with the relevant rules (to the extent applicable) and SEBI LODR Regulations, not elsewhere mentioned in this Report, are given in "Annexure A" forming part of this Report.

AUDITORS

(a) Statutory Auditors

M/s Walker Chandiook & Co LLP (Firm Regn. No. 001076N/N500013) (a member of Grant Thornton International), the statutory auditors of the Company were appointed by the members in their 22nd Annual General Meeting, held on September 29, 2017, for a period of five years i.e. until the conclusion of the 27th Annual General Meeting of the Company.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

(b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s A. K. Kuchhal & Co., a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2018-19. The Company has

Directors' Report (contd.)

provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2018-19, is annexed as “**Annexure 1**” and forming part of this Report. The Report is self – explanatory and therefore do not call for any further explanation.

The Secretarial Compliance Report as prescribed by SEBI is annexed as “**Annexure 2**” and forming part of this Report.

(c) Cost Records

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under “Corporate Social Responsibility (CSR)”, the Company has undertaken projects in the area of Nutrition, as per its CSR Policy (available on your Company’s website <https://www.indiabullsventures.com/investor/policies-codes/>) and the details are contained in the Annual Report on CSR Activities given in “**Annexure 3**”, forming part of this Report. The project is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules. For details regarding the CSR Committee, please refer to the Corporate Governance Report, forming part of Annual Report for the financial year 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of SEBI LODR Regulations, Management’s Discussion and Analysis Report (MDA), for the year under review, is presented in a separate section forming part of this Annual Report. The disclosures made under MDA are to be read together with this Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of SEBI LODR Regulations, a separate section on Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, form part of this Annual Report, which is to be read together with this Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the SEBI LODR Regulations a separate section on the Business Responsibility Report (BRR) is presented in a separate section forming part of this Annual Report.

DIRECTORS’ RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2019 and the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;

Directors' Report (contd.)

- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

GREEN INITIATIVES

The Company's Environmental Management System (EMS) focuses on assessing the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects. Environmental sustainability is important to the Company and is one of the reasons behind the Company's push to digitize its processes.

Electronic copies of the Annual Report for Financial year 2018-19 and Notice of the 24th AGM are being sent to all the members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report for Financial year 2018-19 and Notice of the 24th AGM are being sent in the permitted mode.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the 24th AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR Regulations. The instructions for remote e-voting are provided in the Notice convening the 24th AGM.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made and committed services rendered by the employees of the Company at various levels. Your Directors also wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year.

For and on behalf of the Board of Directors

Date: July 31, 2019
Place: Mumbai

Divyesh B. Shah
Whole-time Director & CEO
DIN: 00010933

Pinank Jayant Shah
Executive Director
DIN: 07859798

Directors' Report (contd.)

ANNEXURE-A

ANNEXURE FORMING PART OF THE DIRECTORS REPORT

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2019, pursuant to Section 92 (3) of the Companies Act, 2013, in form MGT-9, are given in **Annexure 4** forming part of this Report and is also available at the website of the Company at www.indiabullsventures.com

BOARD MEETINGS

During the FY 2018-19, 11 (Eleven) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI LODR Regulations, were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on January 14, 2019, without the attendance of Non-Independent Directors and the members of the Company Management.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board Committee(s), as well as performance of each director(s)/Chairman and confirms that the existing evaluation parameters are in compliance with the requirements as per SEBI guidance note dated January 5, 2017 on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on January 14, 2019. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman of the Company, on a periodic basis, has had one-to-one discussion with the directors for their views on the functioning of the Board and the Company, including discussions on level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders and implementation of the suggestions offered by Directors either individually or collectively during different board/committee meetings.

POLICY ON APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said Policy is stated in the Corporate Governance Report forming part of this Annual Report.

LOANS, GUARANTEES OR INVESTMENTS

During the FY 2018-19, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies. The Company's investment/loans/guarantees, during FY 2018-19, were in compliance with the provisions of section 186 of the Companies Act, 2013, particulars of which are captured in financial statements of the Company, wherever applicable and required, forming part of this Annual Report.

Directors' Report (contd.)

RELATED PARTY TRANSACTIONS

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC 2 are not applicable. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company www.indiabullsventures.com.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with regulatory directives, efficacy of its operating systems, adherence to the accounting procedures and policies of the Company and its subsidiaries. Wherever required, the internal audit efforts are supplemented by audits conducted by specialized consultants/audit firms. Based on the report of the Internal Auditors, process owners undertake corrective actions, in their respective areas and thereby strengthen the controls.

MATERIAL CHANGES AND COMMITMENTS

Other than those disclosed in this report, there are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2019 and the date of this Report.

Further, no significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being in the business of share and stock broking service is not required to use much of energy and technology absorption, however in compliance of Section 134(3) read with Rule – 8 of Companies (Accounts) Rules, 2014, the necessary reporting with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, is as under:

A. Conservation of Energy

IVL is taking all possible measures to conserve energy. As an on-going process, the following measures are undertaken:

By utilizing virtualized server environments, IVL has drastically reduced the number of servers in the data centres which in turn has maximized energy efficiency. This has increased the portability, efficiency, manageability, reliability and end user accessibility of IVL's computing resources. It also substantially lowers the energy consumption of the data centre. Further IVL started to utilize Virtual Desktop Infrastructure (VDI) across departments. VDI allowed IVL to be environmentally friendly in a number of ways. The most obvious way is by replacing legacy desktops, which can casually consume upward of 100 W, with thin clients that are far less power-hungry utilizing less than approx. 20 W

B. Technology Absorption

IVL continuously does market research on various technology available and used by peers in the industry.

IVL has been at the forefront of technology adoption amongst other companies, and has continuously leveraged

Directors' Report (contd.)

existing and emerging technologies to launch new products, enhance customer acquisition, Risk Management System, Execution platforms and back office solutions to enhance customer experience and serviceability. Enterprise technology architecture is being rapidly modernized to address the need for consumerisation as well as to manage the scale and agility requirements of the organization. This is happening in collaboration with global technology partners and start-ups alike. IVL has defined a roadmap for micro services based architecture using open stack and industry level applications to modernize the core applications.

Further, IVL is continuously working to transition its customer facing interfaces like web portals and mobile apps on to a micro services architecture with auto scale layer supported by platform as a service (PaaS) infrastructure. This provides ability to scale and deploy rapidly. With scalable Enterprise Data Warehouse (EDW) architecture, IVL has invested in data ingestion technology for all kinds of data and information which would be the single source of truth cutting across different verticals of Risk, Marketing, Operations, Analytics and Sales.

During the year ended March 31, 2019, the Company, on standalone basis, has capitalised ₹ 16.39 crores on acquisition and development of various software.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company has earned ₹ 0.04 crores in foreign exchange and there was an outgo of ₹ 9.45 crores in foreign exchange.

BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Company has in place a robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in "Annexure 5" forming part of this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the said rules, the Directors' Report is being sent to all the shareholders of the Company excluding the annexure on the names and other particulars of employees, required in accordance with Rule 5(2) of said rules, which is available for inspection by the members, subject to their specific written request, in advance, to the Company Secretary. The inspection is to be carried out at the Registered Office of the Company on all working days between 10:00 a.m. to 1:00 p.m. up to date of ensuing Annual General Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Independent Directors. The details of the familiarization programmes have been hosted on the website of the Company: (<https://www.indiabullsventures.com/investor/policies-codes/>).

Directors' Report (contd.)

SUBSIDIARY & ASSOCIATE COMPANIES

As on March 31, 2019, the Company has 14 subsidiaries, 5 business trusts and 1 associate company and there is no joint venture company, within the meaning of Section 2(6) of the Act. Pursuant to Section 129 of the Act, the Company has prepared its Consolidated Financial Statements along with all its subsidiaries, trusts & associate company, in the same form and manner, as that of the Company, which shall be laid before members in its ensuing 24th Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company for the year ended March 31, 2019, form part of this Annual Report.

For the performance and financial position of each of the subsidiaries and associate of the Company, included in its Consolidated Financial Statements, the members are requested to refer to Note No. 61 of the Notes to the Consolidated Financial Statements of the Company.

Further pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are also available on the website of the Company. Shareholders may write to the Company for the annual financial statements and detailed information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company. Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) was material unlisted subsidiary of the Company during the F.Y.2018-19.

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES OR ASSOCIATE COMPANIES

During the year under review, five subsidiary companies, namely, Astraea Constructions Limited, Silenus Buildtech Limited, Astilbe Builders Limited, Indiabulls Logistics Limited and India Ethanol and Sugar Limited stands dissolved w.e.f. March 08, 2019 and Transerv Private Limited has become associate company from March 29, 2019.

COMMITTEES OF THE BOARD

The Company has following Board constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Compensation Committee
- e) Corporate Social Responsibility Committee
- f) Allotment Committee
- g) Management Committee
- h) Securities Issuance Committee
- i) Restructuring Committee
- j) Risk Management Committee
- k) Internal Complaints Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of relevant committees are given in details in the Corporate Governance Report forming part of this Annual Report.

SECRETARIAL STANDARDS

The Board of Directors state that the Company has complied with the applicable Secretarial Standards (SS-1 and SS-2) respectively relating to Meetings of the Board, its Committees and the General Meetings as issued by the Institute of Company Secretaries of India.

Directors' Report (contd.)

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2018-19, 3 such cases were reported to the Company and 1 case was resolved during financial year 2018-19 and remaining 2 cases were resolved during financial year 2019-20.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

SUSPENSION OF TRADING IN PARTLY PAID UP EQUITY SHARES

In terms of letter of offer dated February 1, 2018 for Rights Issue of the Company and in view of fixation of record dates for sending call money notices to the shareholders of the Company, trading in partly paid-up equity shares was suspended on NSE & BSE during the period from July 30, 2018 to October 11, 2018 and January 23, 2019 to April 11, 2019, respectively.

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has formulated several policies to assist its employees in achieving and maintaining these standards. The purpose of the Whistle Blower Policy ("the Policy") is to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. A whistle-blowing or reporting mechanism as such set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company (<https://www.indiabullsventures.com/investor/policies-codes/>).

The Company adopts accounting policies and practices in accordance with the applicable accounting standards to present a true and fair view of its operations and financial position. Selection of accounting practices requires interpretation and exercise of judgment, which may give rise to differing opinions. Employees are free to raise issues, if any, which they may have on the accounting policies and procedures adopted for any area or item and discuss the same.

For and on behalf of the Board of Directors

Date: July 31, 2019
Place: Mumbai

Divyesh B. Shah
Whole-time Director & CEO
DIN: 00010933

Pinank Jayant Shah
Executive Director
DIN: 07859798

Secretarial Audit Report

14

ANNEXURE 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Indiabulls Ventures Limited
CIN L74999DL1995PLC069631
M-62 & 63, First Floor
Connaught Place, New Delhi-01

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indiabulls Ventures Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not Applicable as there was no reportable event during the period under review]; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable [Not Applicable as there was no reportable event during the period under review];

Secretarial Audit Report (contd.)

- (vi) The Management has identified and confirmed the following other laws, as applicable:
- (a) The Securities and Exchange Board of India Act, 1992.
 - (b) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996;
 - (c) The Bye laws and Business Rules of NSDL/ CDSL ;
 - (d) Directives/ Circular/ Clarifications/ Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL/ CDSL, from time to time;
 - (e) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - All the decisions of the Board and Committees thereof were carried out with requisite majority.
- We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-
- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- We further report that** during the audit period the Company has:
- i. Appointed Mr. Abhaya Prasad Hota as Non-Executive Independent Director and Mr. Labh Singh Sitara has resigned from the Board of Directors of the Company.
 - ii. Issued and allotted an aggregate of 7,96,39,888 equity shares of face value of ₹ 2/- each i.e. (a) 3,38,00,000 fully paid up equity shares allotted upon conversion of equivalent number of warrants, (b) 4,58,39,888 fully paid up equity shares allotted to foreign companies/investors on preferential basis.
 - iii. Issued and allotted an aggregate of 2,79,85,452 Compulsory Convertible Debenture of face value of ₹ 550/- each to foreign investors.
 - iv. Forfeited 39,195 partly paid up Rights Equity Shares of the Company due to non-payment of first call money by the concerned shareholders.
 - v. Declared and paid an interim dividend of Re. 1/- per Fully Paid up equity share and an interim dividend of Re. 0.25 per Partly Paid up equity share with paid up value of Re. 0.50 per share) for the Financial Year 2018-19.

**For A. K. Kuchhal & Co.
Company Secretaries**

**(Robin Sen Giri)
Partner
C. P. 19074**

Date: July 22, 2019
Place: Noida

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,
The Members,
Indiabulls Ventures Limited
CIN L74999DL1995PLC069631
M-62 & 63, First Floor
Connaught Place, New Delhi-01

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For A. K. Kuchhal & Co.
Company Secretaries

Date: July 22, 2019
Place: Noida

(Robin Sen Giri)
Partner
C. P. 19074

ANNEXURE 2
SECRETARIAL COMPLIANCE REPORT OF
“INDIABULLS VENTURES LIMITED”
FOR THE YEAR ENDED 31ST MARCH, 2019

We, M/s A.K. Kuchhal & Co., Practising Company Secretaries having office at C-154, Sector-51, Noida-201301 have examined:

- (a) all the documents and records made available to us and explanation provided by **Indiabulls Ventures Limited** (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended 31st March, 2019 (“**Review Period**”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (till November 9, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. November 10, 2018);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (h) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
- (i) SEBI (Research Analysts) Regulations, 2014;
- (j) SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011;
- (k) SEBI (Merchant Bankers) Regulations, 1992;
- (l) Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Not Applicable			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	SEBI	The Company's promoter(s), received a show cause notice dated May 22, 2017("Show Cause Notice") in connection with compliances under the SEBI (Substantial Acquisition of Shares and Takeovers Regulations) 2011.	In reply to the Show Cause Notice, an application dated January 19, 2018 in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 was submitted. By way of settlement order dated December 10, 2018, settlement charges of ₹ 47,93,473/- was paid resulting in the disposal of the proposed adjudication proceedings set out in the Show Cause Notice.	The proposed adjudication proceedings set out in the Show Cause Notice were disposed of vide settlement order dated December 10, 2018.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

For A. K. Kuchhal & Co.
Company Secretaries

Sd/-
(Robin Sen Giri)
Partner
C. P. 19074

Date: May 23, 2019

Place: Noida

ANNEXURE 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards education, health, nutrition, sanitation, animal welfare and rural development etc. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

CSR Policy can be accessed through below web-link:

2. Web-link:

<http://www.indiabullsventures.com/uploads/downloads/csr-policy-isl-0707935001497868298.pdf>

3. Composition of the CSR Committee

Mr. Divyesh B. Shah, Chairman (Whole-time Director & CEO)

Mr. Abhaya Prasad Hota, Member (Independent Director)

Mr. Pinank Jayant Shah, Member (Executive Director)

4. Average Net Profit of the Company for last three financial years: Rs. 43.44 crores

5. Prescribed CSR Expenditure (two percent of the amount as in item 4 above): Rs. 86.89 lacs

6. Details of CSR spend for the financial year:

a. Total amount spent for the financial year: Rs. 86.89 lacs

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

(Figs. in Rupees)

1	2	3	4		5	6	7	8
			Projects or Programs					
Sr. No.	CSR project or activity identified	Sector in which the project is covered	District	State	Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cummulative Expenditure up to 31st March 2019	Amount Spent Direct or through implementing agency *
1	Poshtik Ahar	Nutrition	Mumbai	Maharashtra	8,689,000	8,689,000	8,689,000	Implementing Agency (Indiabulls Foundation)
			Thane					
			Raigad					
			Nashik					
			Palghar					
Total					8,689,000	8,689,000	8,689,000	

* Indiabulls Foundation is a registered Trust established by the Company along with its other companies.

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.

During the financial year 2018-19, the Company has contributed its entire CSR expenditure aggregating to ₹ 86.89 lacs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf. Contribution made covers the mandatory CSR expenditure which was required to be made by the Company.

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2018-19, the implementation and monitoring of CSR Policy of the Company were environment friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For Indiabulls Ventures Limited

Date: April 25, 2019
Place: Mumbai

Divyesh B. Shah
Chairman – CSR Committee
DIN: 00010933

Pinank Jayant Shah
Executive Director
DIN: 07859798

ANNEXURE-4
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the
Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

i	CIN	L74999DL1995PLC069631
ii	Registration Date	9-Jun-95
iii	Name of the Company	Indiabulls Ventures Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	M - 62 & 63 First Floor, Connaught Place, New Delhi 110001 Ph: (011) 30252900 Fax: (011) 30252901
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Unit: Indiabulls Ventures Limited Karvy Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Tel : 040-6716 2222 - Fax: 040-23001153 E-mail: einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Carries on the business of stock and share brokers and depository participants	66120	51.01%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Indiabulls Investment Advisors Limited (Formerly Indiabulls Brokerage Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74992DL2008PLC182331	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2	Indiabulls Securities Limited (Formerly Indiabulls Commodities Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2003PLC122874	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Auxesia Soft Solutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U72900DL2011PLC225699	Subsidiary	100%	Section 2(87) of Companies Act, 2013
4	Indiabulls Distribution Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2009PLC191143	Subsidiary	100%	Section 2(87) of Companies Act, 2013
5	Devata Tradelink Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U51109DL2008PLC172459	Subsidiary	100%	Section 2(87) of Companies Act, 2013
6	Indiabulls Consumer Finance Limited (Formerly IVL Finance Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74899DL1994PLC062407	Subsidiary	100%	Section 2(87) of Companies Act, 2013
7	Pushpanjali Finsolutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC196822	Subsidiary	100%	Section 2(87) of Companies Act, 2013
8	Arbutus Constructions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2010PLC208342	Subsidiary	100%	Section 2(87) of Companies Act, 2013
9	Gyansagar Buildtech Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70200DL2010PLC209963	Subsidiary	100%	Section 2(87) of Companies Act, 2013
10	Pushpanjali Fincon Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC197255	Subsidiary	100%	Section 2(87) of Companies Act, 2013
11	Indiabulls Alternate Investments Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2016PLC290926	Subsidiary	100%	Section 2(87) of Companies Act, 2013
12	Indiabulls Consumer Products Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2016PLC302574	Subsidiary	100%	Section 2(87) of Companies Act, 2013

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
13	Indiabulls Asset Reconstruction Company Limited Indiabulls Finance Centre, Tower - 1, 9th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013	U67110MH2006PLC305312	Subsidiary	100%	Section 2(87) of Companies Act, 2013
14	Indiabulls Infra Resources Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2017PLC311192	Subsidiary	100%	Section 2(87) of Companies Act, 2013
15	Transerv Private Limited 1002-B 10th Floor Tower 1 Indiabulls Finance Center S B Marg, Elphinstone Road (W), Mumbai 400013	U93090MH2010PTC211328	Associate	33%	Section 2(6) of Companies Act, 2013

Note 1: During the year under review, five subsidiary companies, namely, Astraea Constructions Limited, Silenus Buildtech Limited, Astilbe Builders Limited, Indiabulls Logistics Limited and India Ethanol and Sugar Limited have been struck off from the records of the Registrar of Companies, NCT of Delhi & Haryana.

Note 2: During the year under review, the Company's subsidiary company Indiabulls Asset Reconstruction Company Limited, for its business purposes has set up five trusts namely Indiabulls ARC Trust – III, Indiabulls ARC Trust – IV, Indiabulls ARC Trust – V, Indiabulls ARC Trust – VI and Indiabulls ARC Trust – VII.

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to Total Equity)

(i) CATEGORY –WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (Fully paid up Equity shares of face value of Rs. 2 each)(FPS) AND (Partly paid up Equity shares of face value of Rs. 2 each with paid up value of Rs. 0.50 each)(PPS)						No. of Shares held at the end of the year (Fully paid up Equity shares of face value of Rs. 2 each)(FPS) AND (Partly paid up Equity shares of face value of Rs. 2 each with paid up value of Rs. 1.10 & Re. 0.80 each)(PPS)						% change during the year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
	FPS	PPS	FPS	PPS	FPS+PPS		FPS	PPS	FPS	PPS	FPS+PPS		
A. Promoters													
(1) Indian													
a) Individual/HUF	40,158,292	9,408,927	0	0	49,567,219	9.44	41,489,078	9,408,927	0	0	50,898,005	8.41	-1.03
b) Central Govt.	0	0	0	0	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0	0	0	0	0
d) Bodies Corporates	112,590,510	26,379,507	0	0	138,970,017	26.45	146,390,510	26,379,507	0	0	172,770,017	28.56	2.11
e) Bank/Fl	0	0	0	0	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0	0	0	0	0
SUB TOTAL-(A) (1)	152,748,802	35,788,434	0	0	188,537,236	35.89	187,879,588	35,788,434	0	0	223,668,022	36.97	1.08
(2) Foreign													
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A) (1)+(A)(2)	152748802	35,788,434	0	0	188,537,236	35.89	187,879,588	35,788,434	0	0	223,668,022	36.97	1.08
B. PUBLIC SHAREHOLDING													
(1) Institutions													
a) Mutual Funds	2,605	0	0	0	2,605	0	29,880	0	0	0	29,880	0	0
b) Banks/Fl	720,397	0	0	0	720,397	0.14	156,083	0	0	0	156,083	0.03	-0.11
c) Central Govt.	0	0	0	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0
g) FIs	82,753,819	12,437,735	0	0	95,191,554	18.12	144,687,623	11,552,315	0	0	156,239,938	25.83	7.71
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	83,476,821	12,437,735	0	0	95,914,556	18.26	144,873,586	11,552,315	0	0	156,425,901	25.86	7.60

Category of Shareholders	No. of Shares held at the beginning of the year (Fully paid up Equity shares of face value of Rs. 2 each)(FPS) AND (Partly paid up Equity shares of face value of Rs. 2 each with paid up value of Rs. 0.50 each)(PPS)						No. of Shares held at the end of the year (Fully paid up Equity shares of face value of Rs. 2 each)(FPS) AND (Partly paid up Equity shares of face value of Rs. 2 each with paid up value of Rs. 1.10 & Re. 0.80 each)(PPS)						% change during the year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
	FPS	PPS	FPS	PPS	FPS+PPS		FPS	PPS	FPS	PPS	FPS+PPS		
(2) Non Institutions													
a) Bodies corporates													
i) Indian	78,323,660	13,666,315	0	0	91,989,975	17.51	55,422,850	13,312,727	0	0	68,735,577	11.36	-6.15
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals													
i) Individuals holding nominal share capital upto ₹ 1 lakh	39,383,041	5,218,078	21,102	20,298	44,642,519	8.5	30,013,233	5,510,974	13,919	2,424	35,540,550	5.87	-2.63
ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	38,917,572	4,662,472	0	0	43,580,044	8.3	31,381,673	5,646,894	0	0	37,028,567	6.12	-2.18
c) Others (specify)													
i) Clearing Members	586,815	30,177	0	0	616,992	0.12	6,220,692	5,359	0	0	6,226,051	1.03	0.91
ii) EPF	73,307	0	0	0	73,307	0.01	73,282	0	0	0	73,282	0.01	0.00
iii) Foreign Corporate Bodies	0	0	0	0	0	0	2,250,000	0	0	0	2,250,000	0.37	0.37
iv) Foreign Companies	47,390,000	11,103,288	0	0	58,493,288	11.13	62,213,000	11,103,288	0	0	73,316,288	12.12	0.99
v) Non-Resident Indians	1,409,405	21,516	0	0	1,430,921	0.27	1,630,090	11,227	0	0	1,641,317	0.27	0.00
SUB TOTAL (B)(2):	206,083,800	34,701,846	21,102	20298	240,827,046	45.84	189,204,820	35,590,469	13,919	2,424	224,811,632	37.16	-8.68
Total Public Shareholding (B)= (B)(1)+(B)(2)	289,560,621	47,139,581	21,102	20298	336,741,602	64.10	334,078,406	47,142,784	13,919	2,424	381,237,533	63.02	-1.08
C. Shares held by Custodian for GDRs & ADRs													
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0	0	0	0	0
Public	60,477	0	0	0	60,477	0.01	58,977	0	0	0	58,977	0.01	0.00
Grand Total (A+B+C)	442,369,900	82,928,015	21,102	20298	525,339,315	100.00	522,016,971	82,931,218	13,919	2,424	604,964,532	100.00	0.00

Note: As on March 31, 2019, effect of forfeiture of 24,524 partly paid up equity shares was pending in depositories system.

(ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year					Shareholding at the end of the year					% change in share holding during the year
		No. of shares			% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares			% of total shares of the Company	% of shares pledged/encumbered to total shares	
		FPS	PPS	Total			FPS	PPS	Total			
1	Mr. Sameer Gehlaut	40,158,292	9,408,927	49,567,219	9.44	0	41,489,078	9,408,927	50,898,005	8.41	0	-1.03
2	Orthia Properties Private Limited	39,981,305	9,367,460	49,348,765	9.39	0	39,981,305	9,367,460	49,348,765	8.16	0	-1.23
3	Zelkova Builders Private Limited	32,907,534	7,710,104	40,617,638	7.73	0	32,907,534	7,710,104	40,617,638	6.71	0	-1.02
4	Orthia Constructions Private Limited	39,701,671	9,301,943	49,003,614	9.33	0	39,701,671	9,301,943	49,003,614	8.10	0	-1.23
5	Inuus Properties Private Limited	0	0	0	0	0	17,000,000	0	17,000,000	2.81	0	2.81
6	Inuus Developers Private Limited	0	0	0	0	0	16,800,000	0	16,800,000	2.78	0	2.78
	Total	152,748,802	35,788,434	188,537,236	35.89	0	187,879,588	35,788,434	223,668,022	36.97	0	1.08

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	188,537,236	35.89		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) #	# (Please see note 1)		# (Please see note 1)	
	At the end of the year	223,668,022	36.97		

Note 1: Date wise increase/decrease in Promoters Shareholding:

FPS: Fully paid up shares**PPS: Partly paid up shares**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.18 to 31.03.19)	
		No. of Shares at the beginning (01.04.18) (FPS +PPS)	% of total shares of the Company				No. of Shares (FPS + PPS)	% of total shares of the Company
1	Mr. Sameer Gehlaut	49,567,219 (FPS-40,158,292 & PPS-9,408,927)	9.44	01-Apr-18	-	-	-	-
				17- Oct-18	763,244(FPS) (Increase)	Market Purchase	50,330,463 (FPS- 40,921,536 & PPS-9,408,927)	8.32
				20-Nov-18 to 29-Nov-18	567,542(FPS) (Increase)	Market Purchase	50,898,005 (FPS- 41,489,078 & PPS-9,408,927)	8.41
At the end of the year (31.03.2019)							50,898,005 (FPS- 41,489,078 & PPS-9,408,927)	8.41
2	Orthia Properties Private Limited	49,348,765 (FPS-39,981,305 & PPS-9,367,460)	9.39	01-Apr-18	-	-	-	-
		At the end of the year (31.03.2019)						
3	Zelkova Builders Private Limited	40,617,638 (FPS-32,907,534 & PPS-7,710,104)	7.73	01-Apr-18	-	-	-	-
		At the end of the year (31.03.2019)						
4	Orthia Constructions Private Limited	49,003,614 (FPS-39,701,671 & PPS-9,301,943)	9.33	01-Apr-18	-	-	-	-
		At the end of the year (31.03.2019)						
5	Inuus Properties Private Ltd	0	0	01-Apr-18	-	-	-	-
				11- Jun-18	17,000,000(FPS) (Increase)	Shares were allotted upon conversion of warrants	17,000,000(FPS)	2.81
		At the end of the year (31.03.2019)						
6	Inuus Developers Private Ltd	0	0	01-Apr-18	-	-	-	-
				11- Jun-18	16,800,000(FPS) (Increase)	Shares were allotted upon conversion of warrants	16,800,000(FPS)	2.78
At the end of the year (31.03.2019)							16,800,000(FPS)	2.78

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) \$

Sl No.	Shareholders Name	Shareholding at the beginning of the year				Shareholding at the end of the year			
		No. of shares			% of total shares of the Company	No. of shares			% of total shares of the Company
		FPS	PPS	Total		FPS	PPS	Total	
1	Tamarind Capital Pte Ltd ** (1)	47,390,000	11,103,288	58,493,288	11.13	62,213,000	11,103,288	73,316,288	12.12
2	Jasmine Capital Investments Pte Ltd # (1)	0	0	0	0	52,545,147	7,287,296	59,832,443	9.89
3	Steadview Capital Mauritius Limited **	4,676,877	1,095,774	5,772,651	1.10	34,907,801	1,095,774	36,003,575	5.95
4	Tupelo Consultancy LLP **	25,115,371	4,709,132	29,824,503	5.68	18,440,813	4,709,132	23,149,945	3.83
5	Shubhi Consultancy Services LLP **	5,467,375	1,025,132	6,492,507	1.24	9,487,486	1,025,132	10,512,618	1.74
6	Brijkishor Trading Private Limited **	8,300,000	1,556,250	9,856,250	1.88	8,300,000	1,556,250	9,856,250	1.63
7	ABG Capital #	1,425,000	257,726	1,682,726	0.32	5,565,280	257,726	5,823,006	0.96
8	Nomura Singapore Limited **	4,086,248	0	4,086,248	0.78	4,973,435	0	4,973,435	0.82
9	TIMF Holdings #	0	0	0	0	4,950,000	0	4,950,000	0.82
10	Inuus Constructions Private Limited **	4,911,456	920,898	5,832,354	1.11	4,911,456	920,898	5,832,354	0.96
11	Cinnamon Capital Limited * (1)	38,865,582	7,287,296	46,152,878	8.79	0	0	0	0.00
12	The Nomura Trust and Banking Co., Ltd as the Trust *	4,406,935	1,612,442	6,019,377	1.15	0	954,024	954,024	0.16
13	Merrill Lynch Markets Singapore Pte. Ltd *	3,971,825	778,125	4,749,950	0.90	0	778,125	778,125	0.13

** Top 10 shareholders as on April 1, 2018 and March 31, 2019

Top 10 shareholders as on March 31, 2019 only

*Top 10 shareholders as on April 1, 2018 only

(1) Acting as PACs

\$ 99.98% of paid-up Equity share capital of the Company was held in dematerialised form. These are traded on a daily basis at BSE & NSE and hence, the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors & Key Managerial Personnel**A) Shareholding of Directors**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.18 to 31.03.19)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Sameer Gehlaut, Non-Executive Chairman	49,567,219 (FPS-40,158,292 & PPS-9,408,927)	9.44	01-Apr-18	-	-	-	-
				17-Oct-18	763,244 (FPS) (Increase)	Market Purchase	50,330,463 (FPS-40,921,536 & PPS-9,408,927)	8.32
				20-Nov-18 to 29-Nov-18	567,542(FPS) (Increase)	Market Purchase	50,898,005 (FPS-41,489,078 & PPS-9,408,927)	8.41

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.18 to 31.03.19)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
At the end of the year (31.03.2019)							50,898,005 (FPS-41,489,078 & PPS-9,408,927)	8.41
2	Mr. Divyesh B. Shah, Whole-time Director & CEO	12,550,687 (FPS-10,569,000 & PPS-1,981,687)	2.39	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							12,550,687 (FPS-10,569,000 & PPS-1,981,687)	2.07
3	Mr. Gagan Banga, Non-Executive Director	914,422 (FPS-770,040 & PPS-144,382)	0.17	01-Apr-18	-	-	-	-
				13 Mar-19 to 15- Mar-19	223,000 (FPS) (decrease)	Market Sale	691,422 (FPS-547,040 & PPS-144,382)	0.11
At the end of the year (31.03.2019)							691,422 (FPS-547,040 & PPS-144,382)	0.11
4	Mr. Pinank Jayant Shah, Executive Director	0	0	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							0	0.00
5	Mrs. Vijayalakshmi Rajaram Iyer, Non-Executive Independent Director	0	0	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							0	0.00
6	Mr. Shyam Lal Bansal, Non-Executive Independent Director	0	0	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							0	0.00
7	Mr. Alok Kumar Misra, Non-Executive Independent Director	1,235 (FPS-1,000 & PPS-235)	0.00	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							1,235 (FPS-1,000 & PPS-235)	0.00
8	Mr. Abhaya Prasad Hota#, Non-Executive Independent Director	0	0	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							0	0.00
9	Brig. Labh Singh Sitara*, Non-Executive Independent Director	0	0	01-Apr-18	-	-	-	-
				August-18 to February-19	2,500 (FPS) (increase)	Market Purchase	2,500 (FPS)	0.00
At the end of the year (31.03.2019)*							2,500 (FPS)	0.00

Appointed as director w.e.f. August 25, 2018

* In compliance with the applicable SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which has come into force w.e.f. April 1, 2019, regarding age limit to 75 years for Independent Directors, he has resigned from the directorship of the Company w.e.f. March 31, 2019, having attained the age of over 75 years.

B) Shareholding of KMP

1	Mr. Rajeev Lochan Agrawal, CFO	29,500 (FPS-24,500 & PPS-5,000)	0	01-Apr-18	-	-	-	-
At the end of the year (31.03.2019)							29,500 (FPS-24,500 & PPS -5,000)	0.00
2	Mr. Lalit Sharma, Company Secretary	1,100 (FPS- 500 & PPS-600)	0.00	01-Apr-18	-	-	-	-
				May-July 18	500 (FPS) (Decrease)	Market Sale	600 (PPS)	0.00
At the end of the year (31.03.2019)							600 (PPS)	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (Rs.)

	Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
i)	Principal Amount	2,318,010,087	7,500,000,000	-	9,818,010,087
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	4,190,520	-	-	4,190,520
	Total (i+ii+iii)	2,322,200,607	7,500,000,000	-	9,822,200,607
	Change in Indebtedness during the financial year				
	Additions	1,295,523,090	25,041,474,975	-	26,336,998,065
	Reduction	1,255,002,261	29,539,544,647	-	30,794,546,908
	Net Change	40,520,829	(4,498,069,672)	-	57,131,544,973
	Indebtedness at the end of the financial year				
i)	Principal Amount	2,361,725,031	3,001,930,328	-	5,363,655,359
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	996,405	-	-	996,405
	Total (i+ii+iii)	2,362,721,436	3,001,930,328	-	5,364,651,764

* Includes liability component of compulsorily convertible debentures

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Amount (Rs.)		
		Mr. Divyesh B Shah (CEO & Whole-time Director)	Mr. Pinank Jayant Shah (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 #	41,792,306	-	41,792,306
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	33,300	-	33,300
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission (as % of profit/others)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	41,825,606	-	41,825,606
	Ceiling as per the Act	₹ 13.21 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)		

*Excludes value of perquisites on exercise of stock options

Excludes retirement benefits

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Amount in (Rs.)					
		Mrs. Vijayalakshmi Rajaram Iyer	Mr. Shyam Lal Bansal	Mr. Alok Kumar Misra	Mr. Abhaya Prasad Hota#	Brig. Labh Singh Sitara (Retd.)*	Total Amount
1	Independent Directors						
	(a) Fee for attending board/committee meetings	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
2	Other Non -Executive Directors	Mr. Sameer Gehlaut	Mr. Gagan Banga				
	(a) Fee for attending board/committee meetings	-	-	-			
	(b) Commission	-	-	-			
	(c) Others, please specify.	-	-	-			
	Total (2)	-	-	-			
	Total (B)=(1+2)	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
	Total Managerial Remuneration	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
	Overall Ceiling as per the Act.	Rs. 1.32 crores (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)					

Appointed as director w.e.f. August 25, 2018

* In compliance with the applicable SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which has come into force w.e.f. April 1, 2019, regarding age limit to 75 years for Independent Directors, he has resigned from the directorship of the Company w.e.f. March 31, 2019, having attained the age of over 75 years.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel other than MD/MANAGER/WTD		Amount (Rs.)
		Mr. Rajeev Lochan Agrawal, Chief Financial Officer	Mr. Lalit Sharma, Company Secretary	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3,001,134	1,169,843	4,170,977
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	28,800	-	28,800
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others	-	-	-
	Total	3,029,934	1,169,843	4,199,777

*Excludes value of perquisites on exercise of stock options

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

During the year under review, the Company, its directors or any of its officers were not liable for any penalty, punishment or any compounding of offences under the Companies Act, 2013

For and on behalf of the Board of Directors

Date: July 31, 2019
Place: Mumbai

Divyesh B. Shah
Whole-time Director & CEO
DIN: 00010933

Pinank Jayant Shah
Executive Director
DIN: 07859798

ANNEXURE 5

Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under –

Ratio of the remuneration of each director to the median employees' remuneration, for FY 2018-19.

Designation	Ratio of remuneration to the median employees' remuneration
Chief Executive Officer & Whole time Director	108.28:1

No remuneration was paid to other Director(s) during the Financial Year 2018-19 and hence, not forming part of this clause.

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in FY 2018-19.

Designation	Increase in Remuneration (%)
Chief Executive Officer & Whole time Director	0
Chief Financial Officer	15
Company Secretary	15.39

No remuneration was paid to other Director(s) during the Financial Year 2017-18 and FY 2018-19 hence not forming part of this clause.

The percentage increase in the median remuneration of employees in the FY 2018-19.

There has been an increase of 7.53% in the median remuneration of all the employees (including KMPs).

Number of permanent employees on the rolls of Company.

The Company had 962 employees on its permanent rolls, as on March 31, 2019

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2018-19 is around 7.22%, while the average increase in the remuneration of key managerial personnel is around 14.87%.

The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

There were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company.

It is hereby affirmed that the aforesaid remuneration paid by the Company, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company.

Management Discussion and Analysis

ABOUT COMPANY

Indiabulls Consumer Finance Limited (ICFL), a 100% subsidiary of Indiabulls Ventures Ltd. (IVL), is a Non-banking Financial Services Company (NBFC) classified by the RBI as Non Deposit Taking, Systemically Important (NBFC-ND-SI). ICFL extends consumer and business loans through digitally enabled loan fulfillment solutions. As digitization continues to transform the banking and financial services sector, the company is well on its course to take its lending business to the next level of growth.

GLOBAL MACROECONOMIC OVERVIEW

Global economic activity slowed particularly in the second half of fiscal year 2019, reflecting a series of factors affecting major economies. The US Federal Reserve, in response to rising global risks, stopped the interest rate increases and signaled no increases for the rest of the year. China's growth subdued following increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Global economic growth in 2020 is projected to return to 3.6 percent. *(Source: IMF data, April 2019)*

DOMESTIC OVERVIEW

India's GDP growth remained slightly lower than earlier projections, at 6.8% in FY 2019 (7.2% in FY 2018) mainly on account of slowdown seen in the agriculture, industry and manufacturing sectors, declining growth in private consumption, slow pace of fixed investment and muted exports. The Fiscal deficit declined from 3.5% of GDP in FY 2018 to 3.4% in FY 2019, majorly remained within target of Government. Headline inflation based on CPI-C remained below 4.0% in the last two years, driven by the sustained fall in food inflation and fuel prices. The Indian Rupee depreciated to a range of 70-74 in 2018-19 due to negative contribution from net exports for all quarters of FY 2019 and sharp movements in oil prices. Gross NPA ratio of banking sector reduced to 9.3% at end March 2019 from 11.5% at end March 2018. Due to tightened liquidity in the NBFC sector, credit growth YOY of the NBFC's declined from 30% in March 2018 to 9% in March 2019. *(Source: Economic Survey 2018-19, RBI Financial Stability Report'Jun'19, Transunion CIBIL Report Q4 2018)*

OUTLOOK

India's economic growth is expected to remain ~6.9% as per recent RBI estimates. Mainly, the growth will come from domestic demand due to improved financial conditions, fiscal and quasi-fiscal stimulus, including new income support measures for rural farmers, and recent structural reforms. Lower oil prices and the recent appreciation of the rupee will reduce pressures on inflation and the current account. Consumer sentiment will remain strong, and private sector investment will likely grow at a stable pace. Net exports are expected to drag less on growth as lower oil and commodity prices restrain import growth and a more competitive exchange rate helps exports.

The political stability at the center will help in boosting confidence of FPI's and institutional investors. Over the past five years, the government took myriad steps and implemented several groundbreaking reforms, such as implementing the landmark tax reform GST, allowing foreign investment in restricted sectors, and reforming the bankruptcy law. The new government's budget has set the tone for its policy response, with the focus on investment, jobs, and infrastructure. However, trade wars between major economies and India's political relations with neighbor countries may impact the macro-economic environment.

In a nutshell, Indian economy has potential to grow at decent rate as compared to its peers developing countries and the company is expected to take benefit from this growth momentum

NBFCs, A CRITICAL COG IN THE CREDIT SYSTEM

NBFCs have played a major role in meeting financing requirement in step with the economic growth, complementing banks and other financial institutions. NBFCs provide a broad range of financial services and cater to customer and geographic segments at the grass roots level, making them a critical cog in credit delivery and furthering the cause

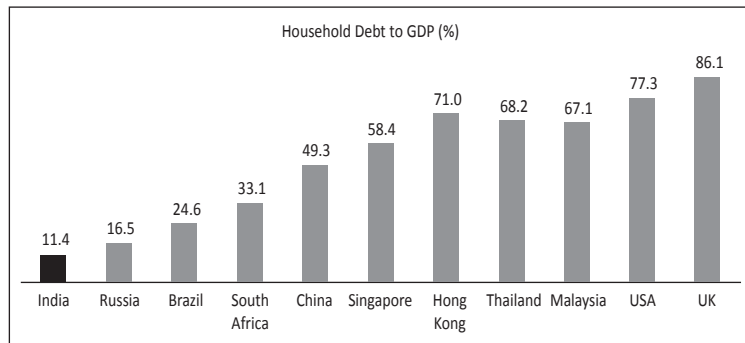
Management Discussion and Analysis (Contd.)

of financial inclusion. NBFC's share in credit was at 26.6% of the aggregate domestic sources in FY 2019. The balance sheet size of the NBFC sector grew by 20.6% (17.9% FY 2018) to ₹ 28.8 Tn during FY 2019 (₹ 24.5 Tn FY 2018). The NBFC sector's net profits were increased by 15.3% in FY 2019 (27.5% in FY 2018). GNPA's of the NBFC sector increased to 6.6% in FY 2019 (5.8% in FY 2018). The net NPA ratio declined marginally from 3.8% in FY 2018 to 3.7% in FY 2019. As on March 2019, the CRAR of the NBFC sector moderated at 19.3% (22.8% in March 2018). [Source: RBI financial Stability Report, June 2019]

The recent liquidity crisis in the NBFC sector rigorously tested NBFC's operating and business model. During and post crisis period, NBFC's lost market share both in terms of disbursements and capitalization. Certain immediate steps taken by RBI and Government stabilized the liquidity position post default crisis. RBI took major steps like multiple rate cuts, infusion of liquidity through open market operations and USD-INR swap auctions, to augment systemic liquidity. RBI is more concerned about systematic risk and inter-connectedness of banking & financial services with Indian economy. Going forward, NBFCs may face tighter regulatory environment & more stringent compliance norms which are steps in the right direction for the future growth of the critical NBFC sector.

THE LENDING OPPORTUNITY

Consumer Lending: Personal loan is one of the fastest growing segments of the retail lending market. The trend continued in the first three quarters of 2018 with growth moderating to robust levels of around 31%-34%. Growth has increasingly being driven by higher volumes of new loan accounts opened. The robust increase was seen in emerging segment of smaller ticket sizes loans. (Source: Transunion CIBIL)



As depicted by above chart, India's Household Debt to GDP stood at 11.4% - the lowest among all the G20 nations and less than 1/4th of China's 49.3.

SME Lending: According to SIDBI [Small Industries Development Bank of India] report on MSME, out of total credit exposure stood at ~111.1 Lakh Crores as of Dec'18, the MSME segment (business lending to both corporate entities and individuals) has a share of 23%. The Indian MSME sector is a made up of more than 51 Mn enterprises. The Micro (exposure less than ~1 Crore) and SME (~1 Crore – ~25 Crores) segments constitute ~14.8 Lakh Crores credit exposure (23.7% of commercial credit exposure) scaling YOY growth of 19.2% and 15.9% respectively. SME lending to GDP ratio for India lags behind developed and other developing economies, which provides additional headroom for NBFC's to increase their share.

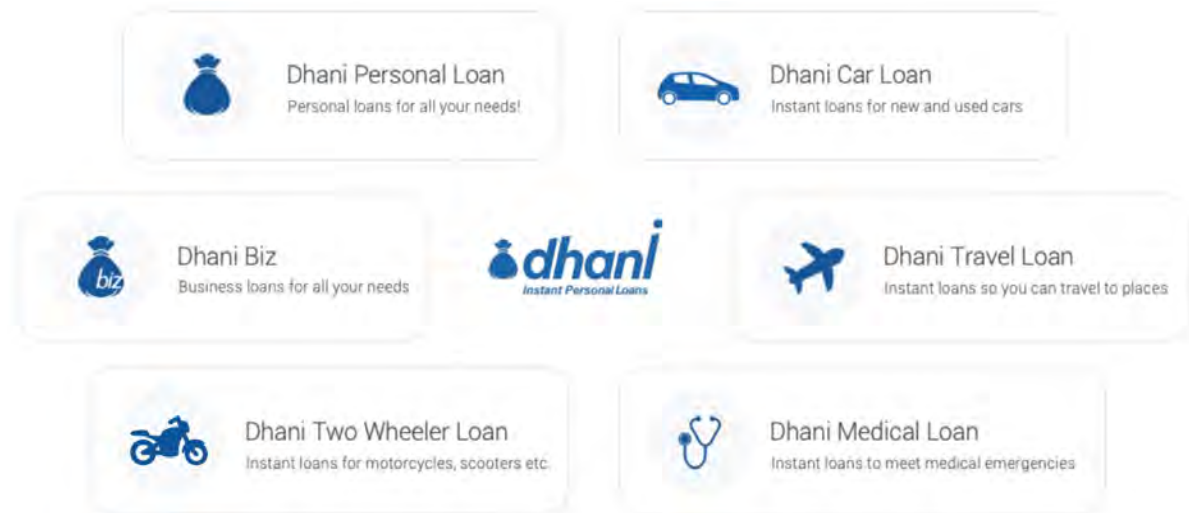
NBFC's are increasing their share in MSME segment and that is quite evident by the fact that the market share of PSBs in MSME lending has reduced from 58% to 39% in 5 years period from Dec'13-Dec'18.

While the MSME sector contributes to 37.5% (USD 1 Tn) of the country's GDP, it is allocated only 4% of financial systems' credit. This is indicative of a large opportunity for growth. Implementation of GST has helped tax compliant MSMEs to gain easier access to funds due to increased transparency and ready availability of reliable data for credit underwriting. Pro MSME government policies and schemes, assisted by Central and State Institutions have helped in this significant growth of MSMEs in India.

Management Discussion and Analysis (Contd.)

LENDING BUSINESS

The company provides full spectrum of lending products and payment solutions, which result in more powerful platform effects by leveraging cutting edge technology, data and analytics. The types of products offered are:



a) Personal Loans

ICFL's lending app "Dhani" is the India's first end-to-end personal loan fulfilment mobile app. A loan applicant can get a personal loan credited into his bank account instantly in near real time. Reduced turnaround time results in a better customer experience and the digital platform results in reduced cost and higher process efficiency. The USPs of 'Dhani' app will truly empower end-customers who are highly sensitive to service levels. The data gathered is being used to make better decisions regarding customer's repayment capability and hence will help build portfolio of high credit quality.

In a short span, Dhani has positioned itself amongst the top 10 fintech apps in the world in 2018, with a total of over 30 million downloads across the Google play store and Apple app store, demonstrating its increasing popularity. Total number of customers served is more than 1.1 Mn as of March 31, 2019. In the current financial year, the company disbursed ₹ 40.6 Bn of loans supported by a robust digital lending platform.

The company expects that the growth impetus in consumer lending will continue to outperform and contribute to the company's future growth.

b) SME Loans

The SME oriented lending product, "Dhani Biz" and "Dhani Minibiz" helps us reach out to a large spectrum of SME's to meet their working capital and other business financing requirements. Technology-enabled loan solutions with risk based pricing will help substantially reduce the turn-around time for loans to SMEs, which currently stands at ~ 26 days. (Source: MSME Pulse September 2018, Transunion).

We have established a robust underwriting process covering all aspects of verification including financial analysis, business due diligence, personal discussion and reference checks. The company had disbursed a total disbursement of ₹ 65.3 Bn during the year.

c) Dhani Pay Transaction Products

The company has become first non-bank to launch a Rupay Card in India which allows Dhani Pay customers to spend and earn rewards at over 3.5 Mn merchants across India. Prepaid Cards can be used for day to day shopping, bill payments & more. This will help us deepen our engagement with users, learn more about their needs while expanding credit lines to them.

Management Discussion and Analysis (Contd.)



Dhani pay mobile wallet



Dhani pay Rupay cards for individuals and in the family pack



Phone recharge, Bill Payments, Gift cards & more.

d) Superior Customer Acquisition Model

The Company has built multiple channels to offer loans to customers. In addition to an active digital marketing platform the company has a series of programs helping build scale

Dhani Partners

Over 1.6 million partners helping us reach new customer segments across 230 locations.

Yaarii

A program that helps friends vouch for each other thereby enabling the company offer the friends the best loan terms

Dhani Club

A referral program for Dhani Customers, who can introduce their friends to Dhani Loans and avail a host of benefits.

Top Up Loans

The Company enables qualifying customers to seamlessly avail Top up loans as and when required. A majority of qualifying customers avail Top-up loans from the Company for their personal consumption.

e) New Products

Dhani Dukaan

The Company is launching “Dhani Dukaan”, which enables shop owners to offer credit facility to their customers for spending in their shops. The Company will provide the funds to the shop owner immediately, equivalent to the amount of credit extended by the Shop owner to the end customer. This will enable the shop owner meet the working capital requirement to scale business. The Company will also get an insight into the individual customers’ repayment behavior on basis which the Company could offer additional loans to the individual.

Dhani Points

The Company is launching Dhani Points, which customers can earn across their interactions within the Dhani App. This will help engage with our customers and who could earn points for their lending and transaction requirements.

Lifestyle products

The Company will soon enable Dhani customers to book bus tickets, hotels and airline tickets from within the Dhani App. Customer’s will earn Dhani Points on all their transactions and will have the option to convert the same into easy EMIs. Lifestyle products will help us cater to a larger set of customer requirements helping us build a deeper relationship.

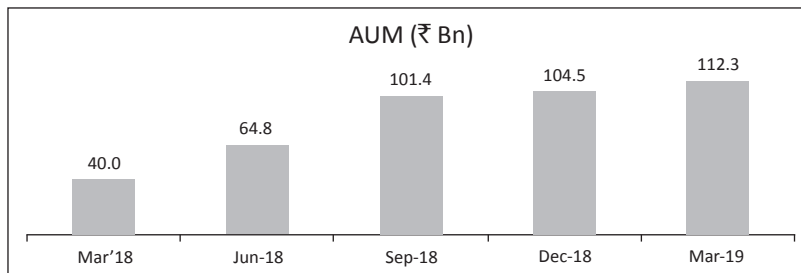
Management Discussion and Analysis (Contd.)

PERFORMANCE HIGHLIGHTS: FY 2019

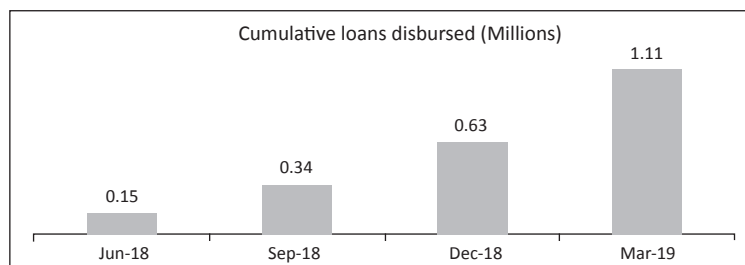
- Consolidated Revenue of ₹ 19.9 Bn
- Consolidated Profit After Tax of ₹ 4.6 Bn
- AUM of ₹ 112 Bn
- Total Disbursements for the year of ₹ 106 Bn
- Net Interest Income of ₹ 9.9 Bn
- CRAR as of 31st March, 2019 was at 37.7%
- Gross NPA as of March 31, 2019 was 0.75% of Assets under Management

The company has expanded its business operations to 230 locations (64 locations in FY 18) across the country.

In its second year of operations, the company's total Loan Assets has reached to ₹ 112 Bn from ₹ 40 Bn. Quarter-on-Quarter snapshot of Asset under Management (AUM) is given below for comparison.



The company's has served 1.11 million customers as of March 31, 2019. Quarter-on-Quarter snapshot of Loan Assets is given below:



CREDIT RATINGS

ICFL has maintained its high long-term and short-term credit ratings from leading credit rating agencies. This is the result of your company's strong management team, high corporate governance standards and its robust technology driven lending business model which represents many firsts in the Indian consumer lending space. ICFL enjoys the following credit ratings:

Rating Agency	Long Term Credit Rating
Brickworks Ratings	AA+
CARE Ratings	AA

Management Discussion and Analysis (Contd.)

Rating Agency	Short Term Credit Rating
CRISIL [a Standard & Poor's Company]	A1+
ICRA [a Moody's Investor Service Company]	A1+
CARE Ratings	A1+
Brickwork Ratings	A1+

ANALYTICS

In today's data-driven world, data analytics play a crucial role in informed decision making to drive organizations forward, improve efficiency, increase returns, and in turn achieve business goals. In the Financial Services sector, through data analytics, institutions can monitor and assess large amounts of customer data and create personalized/customized products and services specific to individual consumers. It also helps organisations to envisage risk of loan delinquency and recommend proactive maintenance strategies by segmenting delinquent borrowers and identifying self-cure customers. The AI based data analysis can predict risk of churn for individual customers and recommend proactive retention strategies to improve customer loyalty.

ICFL has set up its lending business to individuals and businesses primarily driven by analytics driven digital lending platform, which enable delivery of customized offering to loan applicants. The company has made sizable investments in technology which enables quick app based disbursements reducing the operating costs for the company and containing risk. Artificial intelligence based models and decision trees are deployed on state-of-the-art technologies like decision engines with real time processing capabilities. ICFL's robust credit underwriting model processes the same information as required in any traditional underwriting process including credit history, income and demographic details etc.

The company has developed robust analytical lending models and scorecards which allows prudent underwriting of customers. We believe, our investments in analytics in today's digital era will provide us with a competitive edge over traditional players which are dependent on a branch-based model to acquire and service customers.

RISK MANAGEMENT IN LENDING

ICFL is exposed to a variety of risks such as credit, interest rate, liquidity, operational, business, regulatory risks among others. The Company has a robust framework which involves risk identification, assessment, monitoring, reporting and mitigation planning. The company's analytics driven lending platform and conservative underwriting approach has enabled the company to contain credit risk. Further, our strong risk management team ensures effective credit control. In order to mitigate liquidity risk, we endeavor that the short-term and long-term fund resources are favorably matched with deployment. The Company also maintains adequate liquid assets and reserves and has access to funding to hedge against unexpected requirements. Regular internal audits provide a check on any contingent deviation from operational efficiency. Equipped with a deep understanding of the financial services domain and check upon all the changing business environment, enthusiastic sales force, range of products and innovative products, customer centric approach, the Company is efficiently withstanding business and competition risks.

SELL DOWN AS A BUSINESS MODEL

Sell down transactions are an efficient means of raising liquidity, ensure high capitalization & increasing operating leverage they move the loan off the balance sheet while retaining the spread. They have the twin benefits of reducing capital requirements, making them capital-efficient and adding to margins, making them RoE accretive. The company has also raised ₹ 10.38 Bn through various sell down transactions in FY 2019, which also proved an effective tool to support liquidity

The company has adopted sell down as a business model, where the company is engaged in sell down of all of its products either under Direct Assignment (DA) or pass through certificate (PTC) structure depending upon the nature of the product and the purchaser's requirement. This mode of raising funds is in sync with the company's objective of building a strong fee based income with no need of any additional equity capital for funding future growth.

Management Discussion and Analysis (Contd.)

BORROWINGS

The company has raised funds through term loans as well as capital market instruments. During the year FY 2018-19, the company had issued Non-convertible debentures of ₹ 6.85 Bn.

Total borrowings of the ICFL grew to ₹ 71.67 Bn at the end of FY 2019 from ₹ 31.30 Bn at the end of FY 2017-18. The net gearing ratio of the company stood at 1.58 times as of March 31, 2019 (1.40 times as of March 31, 2018).

CAPITAL ADEQUACY RATIO

ICFL is required to maintain capital adequacy of 15% on its risk weighted assets as per RBI regulations. ICFL has maintained higher levels of capital adequacy since inception. The capital adequacy ratio for the current financial year, was 37.7%, as compared to 33.5% of that of the previous year, which is comparatively much higher than NBFC sector of 19.3% as of March 2019 (22.8% in March 2018).

This higher capital adequacy ratio is providing greater support to the company to expand its business operations and asset under management.

ASSET QUALITY

GNPAs of the NBFC sector as a percentage of total advances increased from 5.8% in FY 2018 to 6.6% in FY 2019. However, the net NPA ratio declined marginally from 3.8% in FY 2018 to 3.7% in FY 2019.

Risk assessment of customers is made at the time of initial appraisals for pricing and granting loans. The Company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism. An experienced underwriting team and the in-house sourcing and collection teams ensure control over loan sourcing, credit appraisal and portfolio quality.

Gross non-performing loans (GNPA) of the ICFL as at March 31, 2019 amounted to 0.84 bn, which is equivalent to 0.75% of the AUM. Net non-performing loans (NNPA) as at March 31, 2019 amounted to 0.26 bn, which is equivalent to 0.24% of the AUM. The company has created an Expected Credit Loss (ECL) provision of ₹0.58 bn, which covers 69% of the total GNPA.

REGULATORY GUIDELINES / AMENDMENTS

Reserve Bank of India (RBI) is the regulator for Non-banking finance companies. Also, the Company has to comply with Reserve Bank of India norms. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

During FY 2019, the Company has migrated from Indian Generally Accepted Accounting Principles (I-GAAP) to Indian Accounting Standard (Ind-AS) that was applicable to NBFC's from April 01, 2018. This transition has effected significant change in the Company's policies and processes relating to financial reporting to be in line with Ind-AS requirements. The impact of migration to new accounting standard is discussed in detail under "Notes to Accounts" segment of financial statement.

RETAIL EQUITY AND BROKING BUSINESS

Indiabulls Ventures Limited provides securities, commodities and derivatives broking services. The company offers automated online investing and trading facilities as well as broker assisted trade execution to its customers. Investors have full access to personalized portfolio tracking and real time market commentary with real time quotes. The company has a dedicated helpdesk to attend to customer queries.

IVL has pioneered new products to provide an evolved trading experience. Technology has always been the central pillar which has driven innovation and digitization across our organization. With wider penetration of technology & Internet and with younger Indians' investing in Equity and Mutual Funds, the demand for self-servicing online module has increased. Due to this the broking business model is changing and discount brokerage is gaining popularity. Most of the top brokers in India are now offering discount broking to their clients.

Keeping up with the changing times, Indiabulls too has launched Shubh which offers discount brokerage to their clients. The clients can also avail Margin funding facility from IVL.

Management Discussion and Analysis (Contd.)

Technology has always been the central pillar which has driven innovation and digitization across our organization. The customers get to place orders through Shubh Android and Apple App, Shubh web platform as well as Power Indiabulls desktop application. These platforms are built with the idea of helping every trader and investor with effective information to make wise decisions.

Shubh products are continuously evolving and are now are at par with some of the best trading products available for investors in India.

INDIABULLS ASSET RECONSTRUCTION COMPANY LIMITED

Indiabulls Asset Reconstruction Company (IARCL) has been sponsored by Indiabulls Ventures Limited (IVL) and owns 100% of its equity capital. IARCL is positioned to exploit the opportunities in both the real estate and non – real estate segment and to act as the key distressed assets value-enabler. IARCL seeks to increase the value proposition of such assets for various financial entities, through a mix of innovative financial structures and investment solutions designed to enhance their value and thereby maximize the returns to all stakeholders.

During the year, the Company acquired a mix of corporate accounts and retail mortgage pools worth ₹ 1720 Crore, at an acquisition cost of ₹ 425 Crore. As a part of restructuring activity, additional funding of ~ ₹ 391 Crore was also sanctioned. The Company's focus continued to be acquisition of well collateralised accounts and portfolios which have potential for early resolution. Recovery actions involving restructuring, enforcement of security under SARFAESI Act, one time settlement, etc., were pursued aggressively that led to a recovery of ₹ 314.53 Crore. The Company's AUM at the end of the financial year was ₹ 431.36 Crore.

In the current fiscal year, requisite changes to the regulatory and legal framework enabling early detection and timely revival and resolution of stressed accounts were introduced. Also, 'Project Sashakt' and amendments to Insolvency and Bankruptcy Code (IBC) were the key changes which have provided a required push to recovery activities for banks/ financial institutions and ARCs.

In view of the already high level of NPAs, increased provisions, the expected slippages from a slowing economy, focus of the regulator and government in solving the NPA menace; ample opportunities are expected to be available for investments to ARCs.

TRAINING AND HUMAN RESOURCES MANAGEMENT

Your Organisation's vision is to create a cohesive work environment that encourages employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness.

In an endeavour to augment the right talent in a timely manner, the recruitment process was strengthened. We strongly believe that our employees play a pivotal role in the success of our company and its initiatives. They are representatives of the company for the customers and it is of utmost importance that our employees are skilled and well trained to attend to customer's needs in the best way possible. During the year, we have endeavoured to up-skill our employees through various training programmes. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new learning avenues that are technology driven. The company also undertook various health-care and general initiatives promoting well-being to enhance employee engagement.

The key focus is to find a right fit between the organization and the individual. Our constant endeavor is to select people who are able to match personal aspiration with the organization's growth plans. Agility is one of the key traits that we look for, as it is required to quickly adapt to the changing needs of the dynamic external environment.

As a new company, the focus is to build a robust team which is not only geared to face today's challenges but to also be prepared for the opportunities of tomorrow. There is constant up-skilling done through training intervention on new products and processes. The company provides fast track growth for key performers in every department. The Human Resource team works closely with the businesses to ensure that right talent is on-boarded for all roles. The leadership is engaged with all key performers and ensures that they have a defined career path within the organization. We have a competitive reward policy to keep the team motivated and engaged to achieve every milestone we set our eyes upon.

Management Discussion and Analysis (Contd.)

IT SECURITY AND CUSTOMER PRIVACY

Information is a valuable asset and information pertaining to customers is also a great responsibility. Safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority and this is done through effective monitoring and implementation of risk mitigation measures.

Our Information Technology Policy, Information Security Management System Framework and Cyber Security Policy include detailed directions to ensure the protection of business information at all levels. Our Business Continuity and Disaster Recovery Plan ensure that critical business functions are available to customers even if one hub is completely compromised. Backup and restore policy has been implemented to safeguard critical data. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures.

Your Company's "Privacy Policy" ensures the protection of customers' personal information. The company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

INTERNAL CONTROL SYSTEMS

IVL has adequate internal control systems, based on policies and guidelines, which ensure timely and accurate execution of responsibilities. Internal Control Systems evaluate operations, financial reporting, strategic investments and regulatory compliances to protect interests of the investors. The effectiveness and reliability of Internal Control Systems is reviewed periodically by the Audit Committee and the Board of Directors which gives its recommendations regarding improvements over existing control systems.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In compliance with the requirements of Schedule V of the SEBI LODR Amendment Regulations, 2018, significant changes (change of 25% or more from FY 2017-18 to FY 2018-19) in the key financial ratios applicable to the Company, are as under:

Debt Equity Ratio:

The debt equity ratio of the Company on a consolidated basis has reduced from 2.60 for FY 2017-18 to 1.28 for FY 2018-19. The Company has raised equity capital of ₹ 27.66 Bn and compulsory convertible debentures ("CCD") of ₹ 15.39 Bn during the FY 2018-19. The increased equity has reduced the proportion of debt in the Company which resulted in improvement in the Company's consolidated debt equity ratio.

Return on Average Equity (Net worth) :

The Return on Equity of the Company on a consolidated basis, as on March 31, 2019 stood at 10.86% as against 18.06% as on March 31, 2018. The said reduction in the Company's return on equity ratio (despite significant increase in its consolidated profits after taxes) is on account of fresh equity capital & CCD raised by the Company in the FY 2018-19.

There has been no significant change in the other key financial ratios, as applicable to the Company.

CAUTIONARY STATEMENT

The statements that are not historical facts presented in the Annual Report about Company are forward looking statements. These statements reflect the assumptions, views and expectations based on current market dynamics and future outlook. There might be deviations in expectations from those expressed in the Annual Report. It should not be assumed that the statements will be changed if there is new information or subsequent developments.

Business Responsibility Report

(Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Indiabulls Ventures Limited (IVL or the Company), as an incorporated legal entity, came into existence on June 9, 1995, under the Companies Act, 1956.

Indiabulls Ventures Limited is a financial services company engaged in providing securities and derivative broking services, in addition to the lending business carried out by its subsidiary Indiabulls Consumer Finance Limited (“ICFL”). Our Company’s longstanding presence in financial services has enabled us to establish “Indiabulls” as a recognized brand in the financial services sector. The Company’s equity shares are listed on The National Stock Exchange of India Limited and BSE Limited and its Global Depository Receipts are listed on the Luxembourg Stock Exchange.

Our primary business verticals include our Lending, brokerage services business and other advisory services. We have also commenced operations of our asset reconstruction business through our wholly-owned subsidiary Indiabulls Asset Reconstruction Company Limited. Over the last two decades we have diversified our business to include lending, online and offline brokerage services, commodities trading, financing services, asset reconstruction services, and real estate brokerage services. We believe that the “Indiabulls” name has developed significant brand equity, particularly in the financial services sector in India, and has contributed to the growth of our business. Our Company has been rated “BQ1” by CRISIL for our broking activities, which reflects the Company’s strong risk management systems, robust system framework, adequate compliance track record, and healthy credit risk profile.

IVL’s key subsidiaries include Indiabulls Consumer Finance Limited (earlier IVL Finance Limited), Indiabulls Asset Reconstruction Company Limited, Indiabulls Securities Limited (earlier Indiabulls Commodities Limited), Indiabulls Investment Advisors Limited, Auxesia Soft Solutions Limited, Indiabulls Distribution Services Limited, Pushpanjali Finsolutions Limited, Devata Tradelink Limited, Arbutus Constructions Limited, Gyansagar Buildtech Limited, Pushpanjali Fincon Limited, Indiabulls Alternate Investments Limited, Indiabulls Consumer Products Limited and Indiabulls Infra Resources Limited

The Company has developed this Business Responsibility Report based on the “National Voluntary Guidelines on Socio-Economic and Environmental Responsibilities of Business” published by the Ministry of Corporate Affairs, Government of India in 2011, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the circulars issued by SEBI in this regard.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74999DL1995PLC069631
2.	Name of the Company	Indiabulls Ventures Limited (hereinafter referred to as “IVL” or “the Company”)
3.	Registered office address	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001
4.	Corporate office address	(a) ‘Indiabulls House’, Plot No. 448-451, Udyog Vihar, Phase - V, Gurugram – 122 016, Haryana (b) “Indiabulls House”, Indiabulls Finance Centre, Senapati Bapat Marg, Mumbai - 400 013
5.	Website	http://www.indiabullsventures.com
6.	E-mail id	helpdesk@indiabulls.com
7.	Financial Year Reported	April 1, 2018 to March 31, 2019
8.	Sector(s) that the Company is engaged in	Financial Sector

Business Responsibility Report (Contd.)

9.	List three key products/services that the Company provides	Lending, Securities, commodities and derivatives broking service
10.	Total number of locations where business activity is undertaken by the Company	21 locations across India
11.	Markets served by the Company – Local/ State/National/International	India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 113.49 Crore
2.	Total Networth (INR)	₹ 5,805.08 Crore
3.	Total Revenue (INR)	₹ 317.11 Crore
4.	Total profit after taxes (INR)	₹ 105.45 Crore
5.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
6.	List of activities in which expenditure in 5 above has been incurred:-	Please refer <i>Annexure-3: Annual Report on CSR Activities</i> , to Board's Report for details on CSR initiatives undertaken by the Company.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

The Company had 14 subsidiaries, 5 business trusts and 1 associate company as on financial year ended March 31, 2019. The details of the subsidiaries are well detailed in *Annexure 4* to Board's Report i.e. *Form MGT-9: Extract of Annual Return*.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries of the Company are separate legal entities and follow BR initiatives as per rules and regulations as may be applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No. The Company has not mandated any supplier, distributor etc. to participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director(s) responsible for implementation of the BR policy

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director & CEO

Business Responsibility Report (Contd.)

b) Details of the BR head

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director & CEO
4	Telephone No.	+91- 022 - 61891805
5	E-mail ID	helpdesk@indiabulls.com

2. Principle-wise as per NVGs BR Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

1. Businesses should conduct and govern themselves with ethics, transparency and accountability
2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3. Businesses should promote the well-being of all employees
4. Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
5. Businesses should respect and promote human rights
6. Businesses should respect, protect and make efforts to restore the environment
7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8. Businesses should support inclusive growth and equitable development
9. Businesses should engage with and provide value to their customers and consumers in a responsible manner

Details of compliance (Reply in Y/N) :

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	-	Refer Note 1	Refer Note 1
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	-	Refer Note 1	Refer Note 1
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y

Business Responsibility Report (Contd.)

6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 2	Refer Note 2	Refer Note 3	Refer Note 2	Refer Note 3	Refer Note 3	-	Refer Note 2	Refer Note 3
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4		Refer Note 4	Refer Note 4

Note 1: The policies have been developed based on the best practices or as per the regulatory requirements and through appropriate consultation with relevant stakeholders.

Note 2: May include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the Company's website at www.indiabullsvventures.com

Note 3: The policies of the Company are internal documents.

Note 4: The policies are internally evaluated by various department heads, business heads and the management.

Note 5: Details on each of the principles are provided in Section E under-mentioned.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The BR performance of the Company is periodically assessed by the BR Head during the year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time), the Company publishes a Business Responsibility Report as an Annexure to the Board's Report on an annual basis.

Business Responsibility Report of the Company is available on the website of the company viz. www.indiabullsvventures.com.

Business Responsibility Report (Contd.)

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability

Ethics, Transparency, Accountability

IVL upholds the highest standard of integrity and ethical behaviour. Effective corporate governance and ethics are the fundamental principles followed across all functions and practices at the company. Additionally, transparency and accountability is critical for achieving long-term business growth and creating value for stakeholders. The company has zero-tolerance for bribery and corruption and strives to build and maintain relationships with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner.

The Company believes in strict adherence to all applicable governmental and regulatory guidelines and to ensure complete transparency and accountability in all business practices. Any or all breaches of the Company guidelines are viewed very seriously by Management, who ensures that appropriate disciplinary actions are taken.

The Company has constituted various committees such as: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Management Committee, Allotment Committee, Securities Issuance Committee, Restructuring Committee and Risk Management Committee. These committees meet periodically to supervise, review and advice on the relevant/respective matters.

Code of Conduct

With the objective of having high standards of governance, the Company has formulated and adopted Code of Conduct & Ethics for its Board Members and is applicable to all its employees. The Code articulates the ethical principles and acceptable behaviour that the Company's employees are expected to demonstrate to uphold the Company's values. The Code covers aspects related, but not limited, to ethics, accountability, conflict of interest, bribery and corruption.

The Company lays utmost importance on integrity while recruiting employees. The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company.

All employees are handed over a copy of the Employee Code of Conduct on their first day of joining the Company, as a part of the employee joining kit. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session during the employee induction training programme.

The Company has also formulated and adopted various other codes and policies including Fair Practices Code, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, policy on Protection of Women Against Sexual Harassment at Workplace, Code of Conduct for Prevention of Insider Trading, Know Your Customer policy and Investment policy, in terms of laws applicable to its business, which are applicable to all its employees / directors for enforcement of ethical conduct from a governance, regulatory and risk management perspective.

Stakeholder Complaints

The Company has established various channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns. The central operations team along with the call centre records and redresses grievances and feedback from customers. Complaints and grievances are addressed in a time-bound manner. Regular analysis of customer issues is conducted and where required corrective measures are taken in the Company's processes.

Designated senior personnel at individual branches are responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are centrally monitored at the Head Office by the Operations team.

Business Responsibility Report (Contd.)

The Company has in-built Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head Customer Care and National Head Operation/Principal Officer, Compliance Officer. During the financial year 2018-19, the Company had received 205 complaints from its shareholders and all got resolved.

Further, the Company had received 128 complaints from Depositories and Stock Exchanges and out of these, 9 complaints, received from exchanges, were pending at the end of the year. Also the Company has created dedicated email id i.e. grievances_ibsl@indiabulls.com to receive complaints from its clients. This email id is mentioned on various documents like contract notes, ledgers statement, member's website and various other communications that are delivered by the company to its clients. During the financial year 2018-19, the Company had received total 1463 communication from client which includes complaints as well as queries and out of these, response to 13 communications were pending for response to client at the end of the year. All the pending complaints/queries as on March 31, 2019 were redressed/replied/resolved in the timely manner and nothing is pending as on the date of this Report.

The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Customer Grievance Committee and Stakeholders Relationship Committee.

Code of Conduct and Grievance redressal procedure are available on the Company website for the benefit of its customers and stakeholders.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Given the nature of the Company's business activities, which is providing financial products and services, it consumes resources primarily for running its operations. Through varied initiatives, the company works towards reducing its resource consumption, mainly paper and grid electricity. In addition, the digitization of its internal processes has aided its efforts.

Focus on Technology: Shubh

The Company has launched 'Shubh' – next generation trading platform to help customers take charge of their financial future. It provide customers seamless internet trading experience through various features such as streaming stock quotes, online payment gateways, portfolio tracker, research reports, IPO, live market news and real time market statistics.

Environmental Standards

The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources. The Company works at minimizing its carbon foot print and there is particular focus on reduced resource usage. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

The Company continues to explore collaboration with partners that ensure conservation of energy and resources. On this front, the Company recognizes the need to work with real estate developers that promote the use of innovative technologies such as green buildings and other energy efficient measures for construction of their projects.

Resource Savings

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralised waste collection, etc. At most of its offices across India, the CFL light fitting have been replaced by LED light fittings to conserve energy.

The Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and other similar purposes. The Company also encourages the use of electronic mode of payment to and from all its stakeholders.

Business Responsibility Report (Contd.)

Principle 3: Businesses should promote the well-being of all employees

The Company respects its human capital and has ongoing programmes to instil a sense of pride within employees. The Company encourages employee engagement and undertakes various initiatives towards their training and development, health and safety, and employee volunteering.

Equitable Employment

The Company's employee strength as on March 31, 2019 was 962, out of which 163 were women. As at March 31, 2019, the male female ratio was 5:1. The Company has always advocated a business environment that favours the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not employ child labour directly or indirectly in any of its offices.

Enabling a Gender Friendly & safe Workplace

For IVL, safety of its employees is of paramount importance and as a good corporate citizen; it is committed to ensuring safety of all its employees at the work place. The Company has formulated and adopted a Gender Sensitization and has constituted an Ethical Cell and Complaint Committee. The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

Policies for Employee Grievances

The Company believes in smooth and effective communication to ensure better flow of information and understanding amongst its employees. Any employee, irrespective of hierarchy, has free access to the members of senior management for sharing creative ideas, suggestions or even personal grievances.

The Company has strengthened its vigil mechanism by adopting the Whistle Blower Policy which is applicable to its directors, employees and other stakeholders. The said policy which has been uploaded on Company's website and also communicated to all its employees aims to promote good governance, in still faith and empower all stakeholders to fearlessly voice their concerns.

Gender Inclusion

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, the awareness for the same is spread through special workshops and seminars. Wherever required, women employees have been provided with laptops with the view that they can work from home in case of an emergency and also for the reason that they do not work late. On various occasions and specifically on International Women's Day, health check-up camps and self-defence training sessions for all women employees are organized.

Work-Life Balance

The Company's policies are structured around promoting work life balance which ensures improved employee productivity at work. We promote an open-door policy by giving our employees the option of flexible working hours through our Flexi-time policy to enable them to have work-life balance.

Employee Engagement

The Company firmly believes that highly engaged employees are high on productivity and therefore, in order to keep the motivation and the employee engagement levels high, it is necessary to constantly engage them in activities that motivate them. In sync with this philosophy, the Company encourages its employees to regularly participate in sports, picnics, outings, get-togethers and team building programmes. The Company has a specific budgetary allocation for this purpose.

Business Responsibility Report (Contd.)

Development of Employees

The Company has institutionalised learning and development processes to ensure that employees remain agile, possess relevant skillsets and fulfil their potential. The Company believes in the all-round development of its employees. Job specific knowledge gaps, skills and attitudes are identified during the performance appraisal process. Through constant learning and development, the Company ensures that its employees are adequately trained in functional and behavioural skills to sustain high standards of service. The Company nominates its employees for self-development and leadership programmes for further enhancing their competencies and skill sets.

Learning and development needs are also identified on the basis of internal audit reports as well as customer feedback. On-the-job training, job rotation or training through various programmes – internal, external are offered to employees to upgrade their competencies.

During the year, a total of 408 employees were imparted training, which is 42.41% of the Company's total employees, out of which 98 women employees were imparted training during the year, which is 60% of the Company's total women employees.

Mentoring Program

The mentoring programme formulated by the Company ensures that all new employees integrate into its working culture and value systems. Such a programme helps new entrants understand and blend with its existing employees in a seamless manner.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Corporate Social Responsibility

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The Company has endeavoured to choose projects keeping in mind the Human Development Index norms which address human resource development in areas of Sanitation, Health Education, Nutrition, Renewable Energy, Promotion of Arts & Culture. The details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities.

Employee Welfare & Participation

To encourage employees to maintain and lead a healthy life, employees' family get-togethers, sports events and medical check-ups were organised across various branches.

Principle 5: Businesses should respect and promote human rights

Human Rights

The Company respects and upholds the dignity and rights of all its employees, customers, and business partners regardless of race, colour, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability. The company has a well-established Fair Practice Code, which ensures that there is no violation of human rights in its conduct - externally or internally. The company does not employ child labour.

The Company has put in place an internal culture of work ethics where delinquent customers are treated with fairness. Customers who have difficulty in making regular payments are counselled patiently and given sufficient opportunities to recover from difficulties. Even as the Company takes legal action, care is taken to treat customers and their family with dignity and respect. Employee training programmes lay emphasis on this aspect. Any complaints and grievances pertaining to behavioural issues are attended to personally by senior officers.

Business Responsibility Report (Contd.)

Principle 6: Businesses should respect, protect and make efforts to restore the environment

Green Initiatives

The Company promotes ecological sustainability and green initiatives, adopts energy saving mechanisms, by encouraging its employees, customers and all its other stakeholders to use electronic medium of communication and to reduce usage of papers as far as possible.

We have also started an initiative where we are planning to reduce the use of plastic in our offices to reduce our carbon footprint. We want to make our office environments plastic-free and we're confident of achieving this.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is committed in providing innovative financial product offerings to multiple customer segments. The Company puts forwards its views on setting new industry standards or regulatory developments and tries to maintain balance interest of its stakeholders. The Company continues to make various recommendations/ representations before various regulators, forums and associations.

Principle 8: Businesses should support inclusive growth and equitable development

As a committed corporate citizen, the Company has promoted and undertaken various social welfare initiatives for promoting Sanitation, Health, Education, Nutrition, Renewable Energy, Arts & Culture. Details of CSR activities undertaken by the Company are provided in the Annual Report.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Customer Relationship Enhancement and Managing System

The Company operates in a highly customer-focused sector, product-related transparency and communications are of highest priority, The Company is committed to providing effective and prompt service to all its stakeholders. It has in place, a central operation team to record and redresses the grievances/feedback from its customers which helps in ensuring standard operating procedure and maintaining service standards.

The Company has identified senior personnel at all its branches and made them responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are monitored at the Head Office by its Operations team.

The Company has an in-built Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head Customer Care and National Head Operation/Principal Officer, Compliance. Complaints forwarded by regulatory and supervisory authorities are tracked separately.

The company aims to reduce the number of grievances, attain the operational excellence and ensures continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

Transparent Communication

The Company strives to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and the information displayed on the digital platforms owned by the Company. The Company encourages responsible and responsive communication towards all its stakeholders be it customers, media, investors, analysts, regulatory authorities, vendors and other stakeholders.

The Company is a strong proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti-competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has formulated the Fair Practices Code. A copy of the said code is available on the Company's website and at all its offices. The Company has complied with all the advertising norms applicable to the Company.

The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework.

The performance and financials of the Company are disclosed to BSE and NSE for information to all its stakeholders and is also uploaded on its website.

Report on Corporate Governance

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Indiabulls Ventures Limited ("the Company") believes that Corporate Governance is the practice of consistently creating and enhancing long-term sustainable value for its stakeholders through ethically driven business processes, transparency, accountability and integrity of the management. The Company also believes that Corporate Governance has been a continuous journey; therefore it keeps its governance practices under continuous review. The Company is committed towards achieving and adhering to the highest standards of Corporate Governance and constantly benchmarks itself with the best.

The Company focuses on implementing the robust, resilient and best corporate practices in every facet of its operations and in all the spheres of its activities for generating significantly greater returns and maximising shareholders' value. The Company and its Directors understand and respect their fiduciary role and responsibility towards its stakeholders and strive hard to meet their expectations at all times. Therefore, the practices of the Company extend beyond legal provisions and voluntarily adherence to a set of strong governance principles.

The Company engages itself in a credible and transparent manner with all its stakeholders which help them to understand its long term strategies. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. Its transparency and robust business practices have helped in building strong relationship with the investors, customers, employees, shareholders, lenders, developers and other stakeholders.

The Company is in compliance with all the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR].

2. BOARD OF DIRECTORS (BOARD)

(A) Composition and size of the Board

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, Listing Agreement executed by the Company with the Stock Exchanges and SEBI LODR and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth.

The Board consists of eight directors, of which two are Executive Director and two are Non-executive directors including the Chairman. The remaining four directors are Non-Executive Independent Directors (one of them is a Woman Director). The Chairman being a Non-executive Director and promoter, the number of Independent Non-Executive Directors on the Board is 50% of the Board strength at any point of time. No Director is related to any other Director on the Board.

The Board of Directors have identified skills and domain expertise required by the Directors of the Company which includes Banking & Finance, Business Strategy, Corporate Governance, Corporate Social Responsibility, Foreign Exchange, Human Resources, Information Technology, Legal, Marketing, Operations and Process Optimization, Policy Making, Recovery, Regulatory Compliances, Risk Management, Stakeholder Management, Taxation, Treasury and Value Creation. The Directors of the Company have mapped their skills based on the board skill matrix.

Details of Directors, directorship in listed companies, number of directorships held by them in other companies and also the number of their memberships and chairmanships on various Board constituted Committees, including skill sets/ expertise/ competencies/practical knowledge, as on March 31, 2019, are as under:

Report on Corporate Governance (Contd.)

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies*	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
1	Mr. Sameer Gehlaut (DIN: 00060783)	Founder and Non-Executive Chairman	Policy Making, Banking & Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation	Indiabulls Real Estate Limited Indiabulls Housing Finance Limited	Non - Executive Chairman Executive Chairman	2	18	Nil	Nil
2	Mr. Divyesh B. Shah (DIN: 00010933)	Whole-time Director & CEO	Policy Making, Business Strategy, Risk Management Corporate Governance, Value Creation	SORIL Infra Resources Limited	Non - Executive Director	1	6	1	Nil
3	Mr. Gagan Banga (DIN: 00010894)	Non-Executive Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Foreign Exchange, Recovery, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Indiabulls Housing Finance Limited Indiabulls ***Consumer Finance Limited (Formerly known as IVL Finance Limited)	Executive Director Non-Executive Director	2	2	Nil	Nil
4	Mr. Pinank Jayant Shah (DIN: 07859798)	Executive Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Indiabulls ***Consumer Finance Limited (Formerly known as IVL Finance Limited)	Executive Director	1	1	1	Nil
5	Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960)	Non-Executive Independent Director	Banking and Finance, Public Policy, Risk Management, Corporate Governance, Operations and Process Optimization	Arihant Super structures Limited Aditya Birla Capital Limited Religare Enterprises Limited ICICI Securities Limited Magma Fincorp Limited	Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director	5	4	8	4
6	Mr. Shyam Lal Bansal (DIN: 02910086)	Non-Executive Independent Director	Banking and Finance, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A.	Nil	1	1	Nil

Report on Corporate Governance (Contd.)

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies*	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
7	Mr. Alok Kumar Misra (DIN: 00163959)	Non-Executive Independent Director	Banking and Finance, Risk Management, Corporate Governance, Operations and Process Optimization	Monte Carlo Fashions Limited The Investment Trust of India Ltd.Indiabulls ***Consumer Finance Limited (Formerly known as IVL Finance Limited)Dewan Housing Finance Corporation Limited	Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director	4	6	6	2
8	Abhaya Prasad Hota (DIN: 02593219)	Non-Executive Independent Director	Risk Management, Corporate Governance, Operations and Process Optimization	The Federal Bank Ltd	Non-Executive-Independent Director	1	4	3	Nil

* Includes directorship(s) held in foreign companies & private limited companies and Companies under section 8 of the Companies Act, 2013.

** Only memberships / chairmanships of the Audit Committee and Stakeholders' Relationship Committee in various public limited companies are considered, as per Regulation 26 of the SEBI LODR.

***Only debt security of this company is listed on NSE & BSE.

The Board of Directors of the Company do hereby confirms that all the present Independent Directors of the Company fulfil the conditions specified in the SEBI LODR and are independent of the management of the Company.

The Board of Directors of the Company had accepted all recommendation of the Committees of the Board which are mandatorily required, during the financial year 2018-19.

As on March 31, 2019, the shareholding of Non-Executive Directors of the Company was as under:

Mr. Sameer Gehlaut was holding 4,14,89,078 Fully paid up Equity Shares & 9,408,927 partly paid up Equity Shares, Mr. Gagan Banga was holding 5,47,040 Fully paid up Equity Shares & 144,382 partly paid up Equity Shares and Mr. Alok Kumar Misra was holding 1,000 Fully paid up Equity Shares & 235 partly paid up Equity Shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company: https://www.indiabullsventures.com/uploads/downloads/ivl_details-of-familiarization-programmes-imparted-to-independent-directors-0543584001535446257.pdf

In compliance with the applicable SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which came into effect from April 1, 2019, regarding age limit to 75 years for Independent Directors, Brig. Labh Singh Sitara (Retd.) (DIN: 01724648), Independent Director of the Company, having attained the age of over 75 years, has resigned from the directorship of the Company w.e.f. March 31, 2019. The ceased Independent Director has confirmed that there was no other material reason for his resignation other than as provided above.

Report on Corporate Governance (Contd.)

(B) Number and Dates of Board Meetings held, attendance record of Directors thereat and at the last AGM held.

Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes/ relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Senior management including the CFO was invited to attend the board meetings so as to provide additional inputs on the items being discussed by the Board. At the board meetings, the Executive Directors and senior management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

During the financial year 2018-19, the Board met 11 (Eleven) times. Meetings were held on April 23, 2018, May 4, 2018, July 19, 2018, July 23, 2018, August 14, 2018, September 4, 2018, October 10, 2018, October 24, 2018, October 31, 2018, December 19, 2018 and January 14, 2019. During the year, separate meeting of the Independent Directors was held on January 14, 2019, without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting except Mrs. Vijayalakshmi Rajaram Iyer and Mr. Shyam Lal Bansal, who could not attend the meeting as they were travelling/ health reasons.

The last Annual General Meeting of the Company was held on September 21, 2018.

Attendance of Directors at the Board Meetings held during the FY 2018-19 and at the last Annual General Meeting are as under:

Sr. No.	Name of the Director	No. of board meetings attended during tenure	Attendance at the last AGM
1	Mr. Sameer Gehlaut (DIN: 00060783)	11	No
2	Mr. Divyesh B. Shah (DIN: 00010933)	11	Yes
3	Mr. Gagan Banga # (DIN: 00010894)	10	No
4	Mr. Pinank Jayant Shah # (DIN: 07859798)	10	No
5	Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960)##	9	No
6	Mr. Shyam Lal Bansal @ (DIN: 02910086)	6	No
7	Mr. Alok Kumar Misra (DIN: 00163959)	11	Yes
8	Brig. Labh Singh Sitara (Retd.)* (DIN: 01724648)	11	Yes
9	Mr. Abhaya Prasad Hota** (DIN: 02593219)	4	No

Could not attend the meeting, held on July 19, 2018, as they were traveling.

Could not attend the meetings, held on April 23, 2018 and January 14, 2019, as she was traveling.

@ Could not attend the meetings held on October 10, 2018, October 24, 2018, October 31, 2018, December 19, 2018 and January 14, 2019, due to ill health.

* Having attained the age of over 75 years, resigned from the directorship of the Company w.e.f. March 31, 2019.

** Appointed as Independent Director of the Company w.e.f. August 25, 2018 and could not attend the meetings held on October 24, 2018 and October 31, 2018 as he was traveling.

The minutes of the board meetings of the unlisted subsidiary companies of the Company are placed in the board meetings of the Company on a quarterly basis.

Report on Corporate Governance (Contd.)

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. Some of these committees were re-constituted and terms of reference were revised to align with the provisions of Companies Act, 2013 and SEBI LODR.

The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under.

(A) Audit Committee

Composition

As on March 31, 2019, the Audit Committee comprised of three members, namely, Mr. Alok Kumar Misra as the Chairman and Mrs. Vijayalakshmi Rajaram Iyer and Mr. Divyesh B. Shah as members. Brig. Labh Singh Sitara (Retd.) ceased to be member of the Committee w.e.f. March 31, 2019. Two out of the three members comprising the Committee i.e. Mr. Alok Kumar Misra and Mrs. Vijayalakshmi Rajaram Iyer are Independent Directors while Mr. Divyesh B. Shah is an Executive Director. Mr. Lalit Sharma, is the Secretary to the Audit Committee.

Terms of reference

The terms of reference of Audit Committee, inter-alia, include:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the internal and statutory auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Examination of the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate.

Report on Corporate Governance (Contd.)

- Reviewing the utilization of loans and/or advances and/or investment by the Company to its subsidiary companies, exceeding rupees ₹ 100 Crore or 10% of the assets size of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 1, 2019.

Meetings and Attendance during the year

During the financial year ended March 31, 2019, the Committee met 4 (four) times i.e. on April 23, 2018, July 23, 2018, October 10, 2018 and January 14, 2019.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Brig. Labh Singh Sitara (Retd.)*	4
Mr. Alok Kumar Misra	4
Mr. Divyesh B Shah	4
Mrs. Vijayalakshmi Rajaram Iyer **	N.A.

*Having attained the age of over 75 years, resigned from the Directorship/Audit Committee of the Company w.e.f. March 31, 2019.

**Appointed as member of the Committee w.e.f. March 31, 2019. No meeting held after her appointment.

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings as invitees.

(B) Nomination & Remuneration Committee

Composition

As on March 31, 2019, the Nomination & Remuneration Committee of the Board comprised of three Independent Directors as its members, namely, Mr. Alok Kumar Misra as its Chairman and member, Mrs. Vijayalakshmi Rajaram Iyer and Mr. Shyam Lal Bansal as the other two members. Brig. Labh Singh Sitara (Retd.) ceased to be member of the Committee w.e.f. March 31, 2019.

Terms of reference

The terms of reference of Nomination & Remuneration Committee, inter-alia, include:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- to recommend to the Board all remuneration, in whatever form, payable to senior management.

Meetings and Attendance during the year

During the financial year ended March 31, 2019, the Committee met two times i.e. on August 25, 2018 and January 12, 2019.

Report on Corporate Governance (Contd.)

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meeting attended
Brig Labh Singh Sitara (Retd.)*	2
Mr. Alok Kumar Misra	2
Mr. Shyam Lal Bansal**	1
Mrs. Vijayalakshmi Rajaram Iyer***	N.A.

*Having attained the age of over 75 years, resigned from the Directorship/Nomination & Remuneration Committee of the Company w.e.f. March 31, 2019.

**Could not attend the meeting, held on January 12, 2019, due to ill health.

***Appointed as member of the Committee w.e.f. March 31, 2019. No meeting held after her appointment.

Policy for selection and appointment of Directors

The Nomination and Remuneration Committee (N&R Committee) has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- The incumbent for the positions of Executive Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in diverse fields.
- In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Executive Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company <https://www.indiabullsvventures.com/investor/policies-codes/>.

Evaluation of the Board and Directors

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s)/Chairman and confirms that the existing evaluation parameters are in compliance with the requirements as per SEBI guidance note dated January 5, 2017 on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/members participation, governance, independence, quality and content of agenda papers,

Report on Corporate Governance (Contd.)

team work, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on January 14, 2019. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman of the Company, on a periodic basis, has had one-to-one discussion with the directors for their views on the functioning of the Board and the Company, including discussions on level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders and implementation of the suggestions offered by Directors either individually or collectively during different board/committee meetings.

Policy on Board Diversity

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

Director's Remuneration:

(i) Remuneration of Executive Directors

Executive Director(s) are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors/Shareholders.

Details of remuneration paid to Executive Directors, during the Financial Year 2018-19 are provided below:

Particulars of Remuneration	Name of Executive Director		Total
	Mr. Divyesh B Shah (CEO & Whole-time Director)	Mr. Pinank Jayant Shah (Executive Director)	
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	41,792,306	-	41,792,306
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	33,300	-	33,300
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission (as % of profit/others)	-	-	-
Others, please specify	-	-	-
Total	41,825,606	-	41,825,606

*Exclude value of perquisites on exercise of stock options

Report on Corporate Governance (Contd.)

(ii) Remuneration of Non-Executive Directors

With changes in the corporate governance norms brought in by the Companies Act, 2013 as well as SEBI LODR, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company. The Company is making payment of fee/remuneration payable to its NEDs in accordance with the provisions of the Companies Act, 2013 and SEBI LODR. The Company has placed on its website, <https://www.indiabullsventures.com/uploads/downloads/ivl-criteria-for-making-payment-to-non-executive-directors-0079927001535446225.pdf>, criteria for making payment to Non- Executive Directors. During the Financial Year ended March 31, 2019, the Non- Executive Directors/Independent Directors have been paid, sitting fees for attending the Board meetings of the Company. The details of which are provided below:

Details of remuneration paid to Non-Executive Directors, during the FY 2018-19 are provided below:

Particulars of Remuneration	Name of the Non-Executive Directors					Amount in (Rs.)
	Mrs. Vijayalakshmi Rajaram Iyer	Mr. Shyam Lal Bansal	Mr. Alok Kumar Misra	Mr. Abhaya Prasad Hota*	Brig. Labh Singh Sitara (Retd.)**	Total Amount
(a) Fee for attending board/ committee meetings	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
(b) Commission	-	-	-	-	-	-
(c) Others, please specify	-	-	-	-	-	-
Total (1)	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
Other Non -Executive Directors	Mr. Sameer Gehlaut	Mr. Gagan Banga				
(a) Fee for attending board/ committee meetings	-	-				-
(b) Commission	-	-				-
(c) Others please specify.	-	-				-
Total (2)	-	-				-
Total (B)=(1+2)	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000
Total Managerial Remuneration	900,000	600,000	1,100,000	400,000	1,100,000	4,100,000

* Appointed as Director of the Company w.e.f. August 25, 2018

** Having attained the age of over 75 years, resigned from the Directorship of the Company w.e.f. March 31, 2019.

Report on Corporate Governance (Contd.)

(C) Stakeholders Relationship Committee

Composition

As on March 31, 2019, the Stakeholders Relationship Committee of the Board comprised of three Directors as its members, namely, Mr. Alok Kumar Misra as the Chairman and member, Mr. Abhaya Prasad Hota and Mr. Pinank Jayant Shah as the other two members. Two out of the three members of the Committee, namely, Mr. Alok Kumar Misra and Mr. Abhaya Prasad Hota are Independent Directors and Mr. Pinank Jayant Shah is an Executive Director. Brig. Labh Singh Sitara (Retd.) ceased to be member of the Committee w.e.f. March 31, 2019.

Terms of reference

- to approve requests for share transfers and transmissions.
- to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- to oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Meetings and Attendance during the year

During the financial year ended March 31, 2019, the Committee met 4 (Four) times i.e. on May 12, 2018, July 23, 2018, October 10, 2018 and January 14, 2019.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Brig. Labh Singh Sitara (Retd.)*	4
Mr. Pinank Jayant Shah	4
Mr. Alok Kumar Misra**	3
Mr. Abhaya Prasad Hota [#]	N.A.

*Having attained the age of over 75 years, resigned from the Directorship/ Stakeholders Relationship Committee of the Company w.e.f. March 31, 2019.

**Could not attend the meeting, held on May 12, 2018, as he was traveling.

[#]Appointed as member of the Committee w.e.f. March 31, 2019. No meeting held after his appointment.

Name and designation of Compliance Officer

Mr. Lalit Sharma, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI LODR.

Report on Corporate Governance (Contd.)

Details of queries / complaints received and resolved during the year 2018-19:

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	12	12	0
3	Non-receipt of dividend	0	122	122	0
4	Non-receipt of annual report	0	3	3	0
5	Non-credit/receipt of shares in demat account	0	7	7	0
6	Non receipt of securities after transfer	0	0	0	0
7	Non-receipt of Refund order	0	5	5	0
8	Non receipt of Rights Issue CAF	0	2	2	0
9	Non receipt of allotment/call notice and request for issue of the same	0	54	54	0
	Total	0	205	205	0

(D) Corporate Social Responsibility (CSR) Committee

Composition

As on March 31, 2019, the Corporate Social Responsibility Committee comprised of three members, namely, Mr. Divyesh B. Shah, as the Chairman and Mr. Abhaya Prasad Hota and Mr. Pinank Jayant Shah as the other two members. Brig. Labh Singh Sitara (Retd.) ceased to be member of the Committee w.e.f. March 31, 2019.

Terms of Reference

The Terms of reference of the CSR Committee inter-alia, include:

- To recommend to the Board, the CSR activities to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activities;
- To oversee and review the effective implementation of the CSR activities; and
- To ensure compliance of all related applicable regulatory requirements.

Meetings and Attendance during the year

During the financial year ended March 31, 2019, the Committee met 2 (Two) times i.e. on January 12, 2019 and March 30, 2019.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Brig. Labh Singh Sitara (Retd.)*	2
Mr. Divyesh B. Shah	2
Mr. Pinank Jayant Shah	2
Mr. Abhaya Prasad Hota [#]	N.A.

*Having attained the age of over 75 years, resigned from the Directorship/CSR Committee of the Company w.e.f. March 31, 2019.

[#]Appointed as member of the Committee w.e.f. March 31, 2019. No meeting held after his appointment.

Report on Corporate Governance (Contd.)

(E) Risk Management Committee

Composition

In compliance with the applicable amended SEBI LODR, Risk Management Committee of the Company was constituted on April 25, 2019, which comprised of five members, namely, Mr. Alok Kumar Misra, as the Chairman and Mr. Shyam Lal Bansal, Mr. Divyesh B. Shah, Mr. Rajeev Lochan Agrawal and Mr. Pankaj Sharma as members.

Terms of Reference

The Terms of reference of the Risk Management Committee inter-alia, include:

- To monitor and review the Risk Management Plan of the Company;
- To approve all functional policies of the Company;
- To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- Any other matter involving Risk to the asset / business of the Company.

Meetings and Attendance during the year

Not applicable as Risk Management Committee was constituted on April 25, 2019.

4. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	Number of special resolutions passed
2015-16	21 st	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 8, 2016	2.00 PM	0
2016-17	22 nd	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 29, 2017	2.00 PM	3
2017-18	23 rd	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 21, 2018	10:00 AM	2

Postal Ballot during the Financial Year 2018-19

During the financial year 2018-19, no resolution was passed by the Company through Postal Ballot. No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Company.

5. MEANS OF COMMUNICATION

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- (i) Publication of Financial Results: The quarterly/ annual results of the Company are normally published in the leading newspapers viz. Economic Times (English) and Nav Bharat Times (Hindi).
- (ii) News, Release, etc.: The Company has its own website <http://www.indiabullsventures.com/> and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. are regularly posted on the website.

Report on Corporate Governance (Contd.)

- (iii) Presentation to institutional investors or analysts: The presentations whenever made to the institutional investors or analysts, are uploaded on the website of the Company, and also sent to the Stock Exchange for dissemination.
- (iii) Management's Discussion and Analysis Report has been included in the Annual Report, which forms a part of the Annual Report.

6. GENERAL SHAREHOLDERS' INFORMATION

(A) Company Registration Details

The Company is registered in the National Capital Territory (NCT) of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999DL1995PLC069631.

(B) Date, Time and Venue of Annual General Meeting (AGM)

The 24th AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

(C) Financial year:

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March of the following calendar year.

(D) Dividend Payment Date

The interim dividend for the financial year 2018-19, at the rate of Re. 1/- per Fully Paid up Equity Share (face value of ₹ 2/- per share) and Re. 0.25/- per Partly Paid up Equity Share (face value of ₹ 2/- per share with paid up value of Re. 0.50/- per share), was paid on/from May 4, 2018.

(E) Date of Book Closure

The dates of book closure are as mentioned in the notice convening the 24th AGM of the Company.

(F) Listing on Stock Exchanges

The Company's fully paid up equity shares (FPS), partly paid up equity shares (PPS) and GDRs are listed at the following stock exchanges:

Equity Shares (FPS & PPS): BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Global Depository Receipts (GDRs): Luxembourg Stock Exchange Societe de la Boursede Luxembourg, Il av de la Porte – Neuve, L-2227, Luxembourg.
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	

The listing fees for the financial year 2019-20, have been paid to BSE and NSE.

(G) Stock Code

BSE Limited	-	FPS: 532960, PPS: 890145
National Stock Exchange of India Ltd.	-	FPS: IBVENTURES –EQ, PPS: IBVENTURES –E3
ISIN for Dematerialization	-	FPS: INE274G01010 PPS: IN9274G01034

Report on Corporate Governance (Contd.)

(H) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

- (a) The monthly high and low market prices of **fully paid up equity shares** of face value of ₹ 2/- each, at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2019 are as under:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-18	490.00	244.00	489.80	243.00
May-18	544.00	393.40	544.60	393.40
Jun-18	511.30	398.30	511.20	398.40
Jul-18	600.90	452.00	600.00	455.00
Aug-18	819.80	585.10	819.95	588.00
Sep-18	800.00	538.90	808.00	536.65
Oct-18	512.00	357.60	510.00	356.25
Nov-18	471.80	380.00	470.60	384.45
Dec-18	430.00	324.10	429.90	325.00
Jan-19	416.80	284.30	416.65	285.00
Feb-19	373.95	256.15	373.90	256.90
Mar-19	343.80	267.00	343.95	267.75

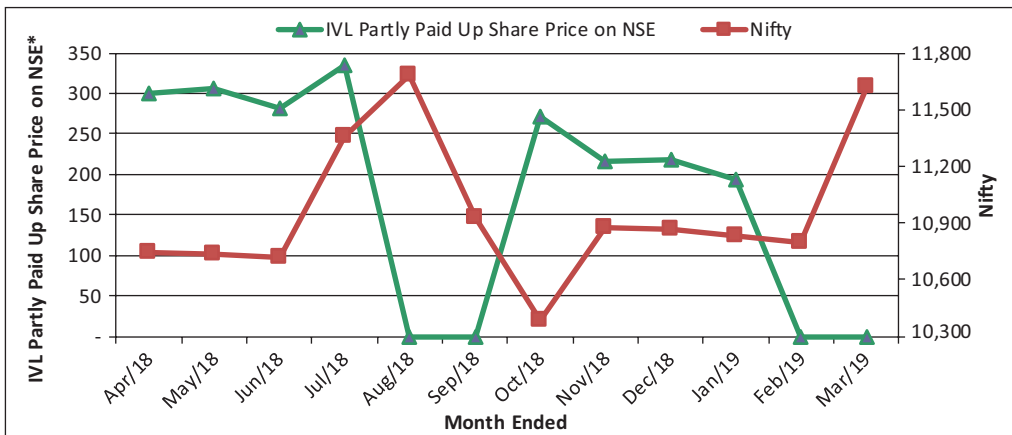
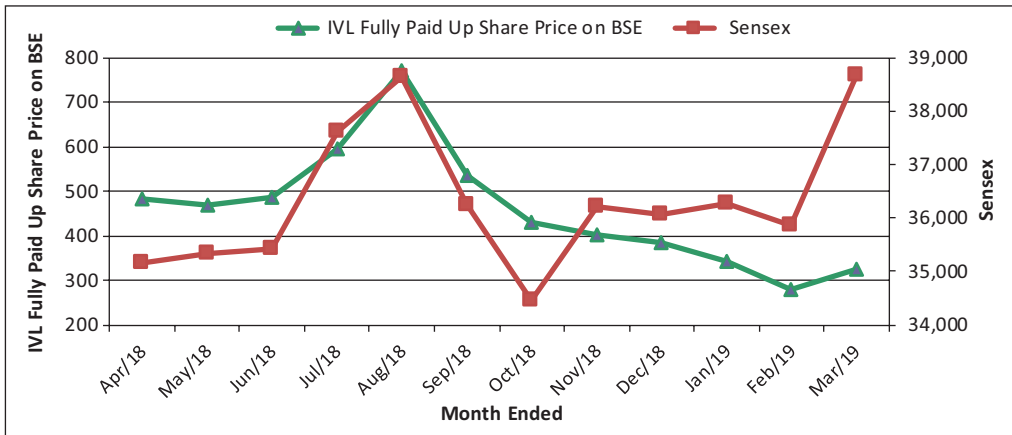
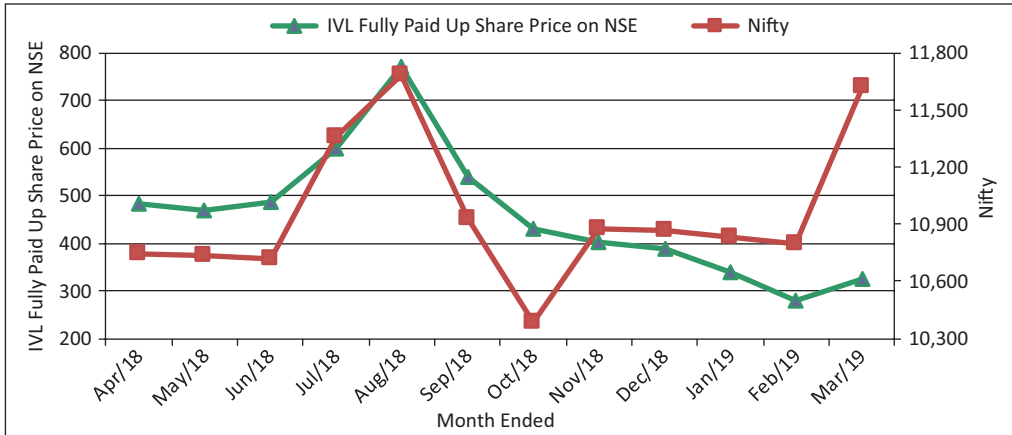
- (b) The high and low market prices of **partly paid up equity shares** of face value of ₹ 2 each, at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2019 are as under:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-18	300.05	78.20	299.20	84.40
May-18	370.00	210.00	370.15	211.20
Jun-18	329.85	224.55	329.00	222.15
Jul-18	352.40	248.00	351.00	248.00
Aug-18	Suspended*	Suspended*	Suspended*	Suspended*
Sep-18	Suspended*	Suspended*	Suspended*	Suspended*
Oct-18	303.65	218.95	303.65	218.75
Nov-18	285.00	205.00	285.00	202.25
Dec-18	233.90	177.45	230.95	178.00
Jan-19	249.00	187.00	245.00	186.00
Feb-19	Suspended*	Suspended*	Suspended*	Suspended*
Mar-19	Suspended*	Suspended*	Suspended*	Suspended*

*Trading in partly paid-up equity shares was suspended on NSE & BSE in view of the record dates for payment of First call during August 2018 and Second call during February 2019, respectively.

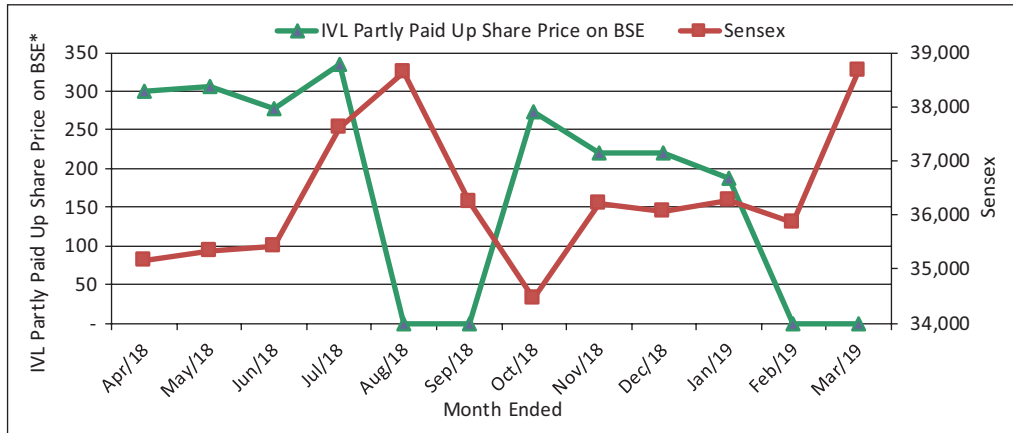
Report on Corporate Governance (Contd.)

(i) Performance of the Company in comparison to broad – based indices



*In terms of Letter of Offer dated February 1, 2018, trading in partly paid up equity shares was suspended from July 30, 2018 till Oct 11, 2018 on account of fixation of record date for payment of first call money and from January 23, 2019 till April 11, 2019 on account of fixation of record date for payment of second call money.

Report on Corporate Governance (Contd.)



*In terms of Letter of Offer dated February 1, 2018, trading in partly paid up equity shares was suspended from July 30, 2018 till Oct 11, 2018 on account of fixation of record date for payment of first call money and from January 23, 2019 till April 11, 2019 on account of fixation of record date for payment of second call money.

(J) Registrar and Transfer Agents

Karvy Fintech Private Limited is the Registrar and Transfer Agent (RTA) of the Company for handling the share related matters both in physical and dematerialized mode.

The contact details are as under:

Karvy Fintech Private Limited
 Unit: Indiabulls Ventures Limited
 Karvy Selenium, Tower B, Plot No.31-32, Gachihowli,
 Financial District, Nanakramguda, Hyderabad - 500032
 Contact Person: Ms. C Shobha Anand, DGM, Corporate Registry
 Tel: 040-6716 2222 - Fax: 040-23001153
 E-mail: einward.ris@karvy.com
 Website: <https://www.karvyfintech.com/>

(K) Share Transfer System

The Board has delegated the authority for share transfers, transmissions, remat/demat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. to the Board constituted Stakeholders' Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders' Relationship Committee.

Report on Corporate Governance (Contd.)

(L) (i) (a) Distribution of shareholding of fully paid up equity shares of face value of Rs. 2/- each, as on March 31, 2019:

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (face value) (Rs.)	% of Amount
1	1- 5000	73,604	96.76	14,609,732	29,219,464.00	2.80
2	5001- 10000	1,073	1.41	3,978,691	7,957,382.00	0.76
3	10001- 20000	607	0.80	4,482,520	8,965,040.00	0.86
4	20001- 30000	197	0.26	2,462,863	4,925,726.00	0.47
5	30001- 40000	100	0.13	1,824,458	3,648,916.00	0.35
6	40001- 50000	77	0.10	1,771,309	3,542,618.00	0.34
7	50001- 100000	164	0.22	5,830,484	11,660,968.00	1.12
8	100001 & Above	244	0.32	487,070,833	974,141,666.00	93.30
	Total:	76,066	100.00	522,030,890	1,044,061,780.00	100.00

(i)(b) Distribution of shareholding of partly paid up equity shares of face value of Rs. 2/- each with paid up value of Re. 1.10 each, as on March 31, 2019:

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (face value) (Rs.)	% of Amount
1	1- 5000	7,586	95.35	2,409,540	2,650,494.00	2.91
2	5001- 10000	150	1.89	1,092,193	1,201,412.30	1.32
3	10001- 20000	83	1.04	1,237,443	1,361,187.30	1.49
4	20001- 30000	42	0.53	1,041,700	1,145,870.00	1.26
5	30001- 40000	15	0.19	528,092	580,901.20	0.64
6	40001- 50000	8	0.10	352,029	387,231.90	0.42
7	50001- 100000	25	0.31	1,777,159	1,954,874.90	2.14
8	100001 & Above	47	0.59	74,495,486	81,945,034.60	89.83
	Total:	7,956	100.00	82,933,642	91,227,006.20	100.00

Report on Corporate Governance (Contd.)

(ii) Shareholding pattern as on March 31, 2019

Sr. No.	Category	No. of Shares			% holding
		Fully paid up equity shares of face value of Rs. 2 each	Partly Paid up equity shares of face value of Rs. 2 each with paid up value of Re. 1.10 each	Total No. of Shares	
1	Promoters	187,879,588	35,788,434	223,668,022	36.97
2	Banks/Mutual Funds/Indian Financial Institutions/Alternate Investment Funds	185,963	0	185,963	0.03
3	FII's/FPIs	144,687,623	11,552,315	156,239,938	25.83
4	Bodies Corporate	55,304,445	13,310,384	68,614,829	11.34
5	Indian Public (Employees/HUF/Public/Trusts/Directors)	61,408,825	11,160,292	72,569,117	12.00
6	NRIs	1,630,090	11,227	1,641,317	0.27
7	GD₹(Shares underlying)	58,977	0	58,977	0.01
8	Other foreign entities (Foreign companies)	64,463,000	11,103,288	75,566,288	12.49
9	NBFCs Registered with RBI	118,405	2,343	120,748	0.02
10	Others (Clearing Members/IEPF)	6,293,974	5,359	6,299,333	1.04
	Total	522,030,890	82,933,642	604,964,532	100.00

(M) Dematerialization of shares and liquidity

Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2019, 99.997% Equity shares of the Company representing 604,948,189 out of a total of 604,964,532 Equity shares were held in dematerialized form and the balance 16,343 Equity shares representing 0.003% of the total equity capital of the Company were held in physical form.

The Company obtains, from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI LODR and files a copy of the certificate with the Stock Exchanges within stipulated time.

(N) Outstanding GDRs/Convertible Instruments

As on 31st March, 2019, an aggregate of 28,501,616 Employees Stock options were in force. These options, upon exercise, are convertible into equal number of fully paid up Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

The number of outstanding GD₹ as on March 31, 2019 stood at 58,977. Each GDR represents one fully paid up equity share of ₹ 2/- each in the Company.

Report on Corporate Governance (Contd.)

(O) Commodity price risk or foreign exchange risk and hedging activities

During FY 2018-19, the Company doesn't have Commodity price risk. Further, the Company has not borrowed any loans in foreign currency. The working capital of the Company doesn't comprise of any amount in foreign currency. However, the Company has long term foreign currency amount receivable through loan notes and escrow account against long-term non-trade investment sold in previous years. The same has not been hedged.

(P) Plant Location: Not applicable

(Q) Address for Correspondence

(i) Registered Office:

M- 62 & 63, First Floor,
Connaught Place, New Delhi- 110 001
E-mail: helpdesk@indiabulls.com,
Tel: 0124-6681199, Fax: 0124-6681240
Website: <http://www.indiabullsventures.com/>

(ii) Corporate Office(s):

1. Indiabulls House, 448-451, Udyog Vihar, Phase V, Gurugram – 122 016.
2. Indiabulls House, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013.

(R) Profile of Directors seeking appointment/ re-appointment have been captured in the Notice convening the 24th Annual General Meeting of the Company.

(S) Details of utilization of fund raised through preferential allotment:

Pursuant to Regulation 32 of the SEBI LODR, detail of utilization of funds raised through Preferential Issues of the Company during Financial Year 2018-19 are mentioned hereunder:

	Amount (Rs. in Cr)		
	Preferential Issue of fully paid up equity shares	Conversion of Warrants issued earlier on preferential basis	Preferential Issue of Compulsorily Convertible Debentures
Amount raised during FY 2018-19	2,062.79	110.91	1,539.20
Less: Utilization of proceeds as per objects for which amount was raised	2,062.79	110.91	1,539.20
Unutilized amount	Nil	Nil	Nil
Deviation, if any	Nil	Nil	Nil

(T) Fees paid to Statutory Auditors

Total fees for all services paid to the statutory auditor M/s Walker Chandiook & Co LLP, by the Company and its subsidiaries, on a consolidated basis, and all entities in the network firm/network entity of which the statutory auditor is a party is ₹1.09 Cr. (including fee as auditors and reimbursement expenses).

Report on Corporate Governance (Contd.)

(U) Credit Ratings

Rating Agency	Rating assigned to Company	Instrument/Purpose
CRISIL	BQ1	Broker grading
Brickwork Ratings	BWR A1+	Commercial Paper
Infomerics Valuation and Rating	IVR A1+	Commercial Paper
Brickwork Ratings	BWR AA-	Long-term- Fund based- Sanctioned
Brickwork Ratings	BWR A1+	Short-term-Non-Fund based- Sanctioned Bank Guarantee
Brickwork Ratings	BWR A1+	Short-term- Proposed limits- Short Term Loans/ Bank Guarantee

7. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V of the SEBI LODR, is annexed to and forms a part of this Report.

8. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Number of complaints filed during the financial year 2018-19	Number of complaints disposed of during the financial year 2018-19	Number of complaints pending at the end of financial year 2018-19
3	1	2*

* resolved/disposed of during the current financial year 2019-20.

9. OTHER DISCLOSURES

(i) Subsidiary Companies

During the year under review, five subsidiary companies, namely, Astraea Constructions Limited, Silenus Buildtech Limited, Astilbe Builders Limited, Indiabulls Logistics Limited and India Ethanol and Sugar Limited have been struck off from the records of the Registrar of Companies, NCT of Delhi & Haryana. Indiabulls Consumer Finance Limited (formerly IVL Finance Limited) was material unlisted subsidiary of the Company during the financial year 2018-19. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI LODR, which is available on the website of the Company <https://www.indiabullsventures.com/investor/policies-codes/>.

(ii) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company <https://www.indiabullsventures.com/investor/policies-codes/>.

(iii) CEO / CFO Certification

(a) The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the Regulation 33(2)(a) of SEBI LODR, certifying that the financial results do not contain any false or

Report on Corporate Governance (Contd.)

- misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- (b) The CEO and CFO have also issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II of the SEBI LODR, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
- (iv) Codes of the Company**
- (a) Code of Conduct and Ethics**
- The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company <https://www.indiabullsvventures.com/investor/policies-codes/>. All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this Report.
- The Code seeks to ensure that the Board Members and Senior Management personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes along with business values and ethics.
- (b) Code of Conduct for Prevention of Insider Trading**
- The Company has laid down a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trading in Securities of the Company by its directors, designated persons and employees.
- (v) Whistle Blower Policy**
- The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company (<https://www.indiabullsvventures.com/investor/policies-codes/>).
- (vi) Strictures and Penalties**
- The Company has complied with the requirements of regulatory authorities. No penalty was imposed on the Company by Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital market during the last three years. Stock Exchanges, SEBI and other regulatory authority have conducted routine inspections of the books & records of the Company and the Company has made submissions on the observations made, if any and/or complied with the directions.
- (vii) Details of compliance with mandatory requirements and adoption of discretionary requirements pursuant to SEBI LODR**
- The Company has complied with all the mandatory requirements pursuant to SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given at the end of the Report.

Report on Corporate Governance (Contd.)

9. DISCRETIONARY REQUIREMENTS

(A) The Board

The Company has a non-executive Chairman. Hence, the requirement recommended with regard to non-executive Chairman under Regulation 27(1) of SEBI LODR has been adopted by the Company.

(B) Shareholders Rights

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information pertaining to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

(C) Unqualified Financial Statements

The Auditors' Report on the audited annual accounts of the Company does not contain any qualification from the Statutory Auditors and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

(D) Separate posts of Chairman and Chief Executive Officer

The Company has separate Non-Executive-Chairman and CEO.

(E) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO and has direct access to the Audit Committee.

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI LODR.

(F) Unclaimed Shares lying in Demat Suspense Account

The Company was not required to transfer any shares in Demat Suspense Account. Accordingly, the disclosure required to be made in terms of Regulation 34(3) read with Schedule V of the SEBI LODR, in respect of shares in the demat suspense account or unclaimed suspense account, is not applicable to the Company. This Corporate Governance Report of the Company for the financial year ended March 31, 2019 is in compliance with the requirements as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR, to the extent applicable to the Company.

Report on Corporate Governance (Contd.)

74

ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I confirm that for the year under review, directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

Date: April 25, 2019

Place: Mumbai

Sd/-

Divyesh B. Shah
Chief Executive Officer

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Indiabulls Ventures Limited

We have examined the compliance of conditions of Corporate Governance by Indiabulls Ventures Limited (“the Company”), for the year ended March 31, 2019, as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company’s management and our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We further state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **S. Khandelwal & Co.**

Company Secretaries

Sd/-

Sanjay Khandelwal

Proprietor

Membership No: FCS-5945

CP No.: 6128

Date: April 25, 2019

Place: New Delhi

Report on Corporate Governance (Contd.)

CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Indiabulls Ventures Limited

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
 - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: April 25, 2019
Place: Mumbai

Sd/-
Divyesh B. Shah
WTD & CEO

Sd/-
Rajeev Lochan Agrawal
CFO

Independent Auditor's Report

To the Members of Indiabulls Ventures Limited Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Indiabulls Ventures Limited ('the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the associate, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (contd.)

Key audit matter	How our audit addressed the key audit matter
1. Adoption of Indian Accounting Standards Framework	
<p>Refer Note 5 for significant accounting policies and Note 52 for reconciliation.</p> <p>The consolidated financial statements for the year ended 31 March 2019 are the first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under Section 133 of the Act. The Group has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. Note 60 in the consolidated financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition.</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the financial statements including presentation thereof, additional notes and disclosures. This evaluation required significant audit efforts.</p> <p>Considering the significance of the matter in the current year to the consolidated financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following:</p> <ul style="list-style-type: none"> (a) obtaining an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS; (b) reviewing the implementation of exemptions availed and options chosen by the Group in accordance with the Ind AS 101; (c) assessing the appropriateness of the adjustments made to the opening balance sheet as at 1 April 2017; (d) assessing the appropriateness of the adjustments recorded in the financial statements as of and for the year-ended 31 March 2018 which were prepared in the previous GAAP; (e) evaluating the appropriateness of accounting policies selected by the Holding Company on transition to Ind AS on the basis of our understanding of the Holding Company, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework; (f) evaluating the adequacy and appropriateness of the financial statements disclosures arising on adoption of the Ind AS to determine if these are in compliance with the requirements of the Ind AS; and (g) obtaining written representations from management and those charged with governance on whether the financial statements comply with the Ind AS in all respects.

Independent Auditor’s Report (contd.)

2. Use of information processing system for accounting and financial reporting	
<p>The Group relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Group. The Group has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Group is reliable. Among other things, the management also uses the information produced by the entity’s information processing systems for accounting and the preparation and presentation of the consolidated financial statements.</p> <p>Since our audit strategy included focus on entity’s information processing systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</p>	<p>Our key audit procedures on this matter included, but were not limited, to the following:</p> <ul style="list-style-type: none"> (a) obtaining an understanding of the Group’s information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) involving IT specialists (auditor’s expert) for performance of the following procedures: <ul style="list-style-type: none"> (i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes; and (ii) testing the automated controls like interfaces, configurations and information generated by the entity’s information processing systems for loans, interest income and other significant financial statement items. (iii) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.

Information other than the Consolidated Financial Statements and Auditor’s Report thereon

6. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including

Independent Auditor's Report (contd.)

its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associate are responsible for 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 judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associate (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern

Independent Auditor's Report (contd.)

basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 17 subsidiaries, whose financial statements reflects total assets of ₹ 162,701.73 lakh and net assets of ₹ (6,072.89) lakh as at 31 March 2019, total revenues of ₹ 14,958.61 lakh and net cash outflows amounting to ₹ 3,570.58 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
16. The consolidated financial statements also include the Group's share of loss (including other comprehensive income) of ₹ 2.84 lakh for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 1 associate, whose financial information has not been audited by us. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.
17. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind

Independent Auditor's Report (contd.)

AS included in these consolidated financial statements is based on the previously issued consolidated financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The consolidated financial statements for the year ended 31 March 2017 were audited by the predecessor auditor whose audit report dated 27 April 2017 expressed an unmodified opinion on those previously issued consolidated financial statements. The balance sheet as at 31 March 2017 has been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS. We have audited these adjustments made by the management.

18. Further, the Group had prepared separate set of consolidated financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These previously issued consolidated financial statements as of and for the year ended 31 March 2018 have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS. We have audited these adjustments made by the management.
19. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the matters stated in paragraphs 17 and 18 with respect to our reliance on the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries and associate, we report that the Holding Company, its subsidiary companies

and associate company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

21. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate company covered under the Act, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2019 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

Independent Auditor's Report (contd.)

- of the Holding Company, its subsidiary companies and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in Note 47 to the consolidated financial statements;
- (ii) the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
- (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company covered under the Act, during the year ended 31 March 2019; and
- (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for transactions done during the period from 8 November 2016 to 30 December 2016. Therefore, these disclosures are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

Annexure I to the Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited on the consolidated financial statements for the year ended 31 March 2019

Annexure I

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

1. In conjunction with our audit of the consolidated financial statements of Indiabulls Ventures Limited ('the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on IFCoFR criteria established by the Group considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Group's business, including adherence to the Group'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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on

Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies and its associate company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR include 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

Annexure I to the Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited on the consolidated financial statements for the year ended 31 March 2019 (contd.)

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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on IFCoFR criteria established by the Holding Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to 17 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 162,701.73 lakh and

net assets of ₹ (6,072.89) lakh as at 31 March 2019, total revenues of ₹ 14,958.61 lakh and net cash outflows amounting to ₹ 3570.58 lakh for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 2.84 lakh for the year ended 31 March 2019, in respect of one associate company, which is company covered under the Act, whose IFCoFR have not been audited by us. This IFCoFR in so far as it relates to such associate company, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Lalit Kumar

Partner

Place: Mumbai

Date: 25 April 2019

Membership No.: 095256

Consolidated Balance Sheet

as at 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

85

	Note No.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I. ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	6	194,717.37	192,376.58	73,148.09
(b) Bank balance other than cash and cash equivalents	7	39,674.07	32,848.91	17,568.96
(c) Receivables				
Trade receivables	8	27,336.19	26,370.85	29,676.30
Other receivables	9	11,073.74	12,217.47	257.53
(d) Loans	10	1,119,664.22	409,051.62	7,328.26
(e) Investments	11	60,272.12	49,887.09	16,890.58
(f) Other financial assets	12	98,615.28	27,386.25	51,300.07
		1,551,352.99	750,138.77	196,169.79
(2) Non-financial assets				
(a) Current tax assets (net)	13	6,071.31	4,608.22	4,523.81
(b) Deferred tax assets (net)	14	14,933.90	6,433.98	5,343.99
(c) Investment accounted for using the equity method	15	3,567.58	-	-
(d) Property, plant and equipment	16	4,617.26	2,803.64	7,680.81
(e) Intangible assets under development	17	901.20	544.30	3.71
(f) Goodwill	18	319.77	319.77	319.77
(g) Other intangible assets	19	6,894.97	3,435.36	572.89
(h) Other non-financial assets	20	12,889.28	7,472.84	3,517.01
		50,195.27	25,618.11	21,961.99
TOTAL ASSETS		1,601,548.26	775,756.88	218,131.78
II. LIABILITIES AND EQUITY				
Liabilities				
(1) Financial liabilities				
(a) Derivative financial instruments	21	209.42	679.80	-
(b) Payables				
Trade payables	22	-	12.45	-
(i) total outstanding dues of micro enterprises and small enterprises		-	12.45	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,430.98	3,517.09	545.19
Other payables	23	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,674.15	901.07	630.21
(c) Debt securities	24	203,505.46	110,000.00	50,000.00
(d) Borrowings (other than debt securities)	25	620,450.23	382,935.42	101,907.73
(e) Other financial liabilities	26	100,110.82	80,904.59	16,876.34
		933,381.06	578,950.42	169,959.47
(2) Non-financial Liabilities				
(a) Current tax liabilities (net)	27	753.48	879.26	1,130.43
(b) Provisions	28	4,256.87	2,622.65	2,118.86
(c) Other non-financial liabilities	29	5,644.06	3,485.00	2,682.26
		10,654.41	6,986.91	5,931.55
(3) Equity				
(a) Equity share capital	30	11,348.76	9,262.56	6,404.14
(b) Other equity	31	631,248.03	180,556.99	35,836.62
Equity attributable to the owners of the Holding Company		642,596.79	189,819.55	42,240.76
Non controlling interests		14,916.00	-	-
Total equity		657,512.79	189,819.55	42,240.76
TOTAL LIABILITIES AND EQUITY		1,601,548.26	775,756.88	218,131.78

The accompanying notes form an integral part of these consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Lalit Kumar

Partner

Membership No.: 095256

Place: Mumbai

Date: 25 April 2019

Divyesh B. Shah

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 April 2019

Pinank Shah

Whole Time Director

DIN: 07859798

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Revenue from operations			
Interest income	32	157,995.14	39,360.62
Dividend income	33	2,558.17	19,710.64
Fees and commission income	34	33,719.01	38,951.51
Net gain on fair value changes	35	1,634.83	-
Net gain on derecognition of financial instruments under amortised cost category	36	3,435.91	-
Total revenue from operations		199,343.06	98,022.77
II. Other income	37	384.94	1,455.52
III. Total income (I + II)		199,728.00	99,478.29
IV. Expenses			
Finance costs	38	58,741.38	22,344.05
Fees and commission expense	39	1,137.03	1,515.03
Net loss on fair value changes	35	-	14,499.81
Impairment on financial instruments	40	12,681.05	5,182.26
Employee benefits expenses	41	36,881.88	17,636.39
Depreciation and amortisation expense	42	2,697.75	1,204.67
Other expenses	43	24,658.29	9,012.78
Total expenses		136,797.38	71,394.99
V. Profit before share of loss of an associate and tax (III - IV)		62,930.62	28,083.30
VI. Share of loss in an associate		(2.84)	-
VII. Profit before tax (V + VI)		62,927.78	28,083.30
VIII. Tax expense	44		
Current tax		16,257.89	8,219.77
Deferred tax expense/(credit)		641.27	(1,089.58)
		16,899.16	7,130.19
IX. Net profit for the year (VII - VIII)		46,028.62	20,953.11
X. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans		(73.10)	(10.47)
Income tax effect on above		23.96	0.41
Equity instruments through other comprehensive income		(94.30)	(143.93)
Total other comprehensive income		(143.44)	(153.99)
XI. Total comprehensive income for the year (IX + X)		45,885.18	20,799.12
Net profit after tax attributable to -			
Owners of the Holding Company		45,909.69	20,953.11
Non controlling interests		118.93	-
		46,028.62	20,953.11
Other comprehensive income attributable to -			
Owners of the Holding Company		(143.44)	(153.99)
Non controlling interests		-	-
		(143.44)	(153.99)
Total comprehensive income attributable to -			
Owners of the Holding Company		45,766.25	20,799.12
Non controlling interests		118.93	-
		45,885.18	20,799.12
XII. Earnings per equity share:	45		
Basic (₹)		8.42	4.88
Diluted (₹)		8.01	4.41
Face value per equity share (₹)		2.00	2.00

The accompanying notes form an integral part of these consolidated financial statements
This is consolidated statement of profit and loss referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Mumbai

Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah

Whole Time Director &
Chief Executive Officer
DIN: 00010933

Place: Mumbai

Date: 25 April 2019

Pinank Shah

Whole Time Director
DIN: 07859798

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Profit before tax	62,927.78	28,083.30
Adjustments for:		
Depreciation and amortisation expense	2,697.75	1,204.67
Excess provisions written back	(105.70)	(205.55)
Net (gain)/loss on fair value changes	(1,634.83)	13,995.16
Net gain on ineffective portion of hedges	(196.13)	(25.59)
Profit on sale of property, plant and equipment (net)	(2.79)	(27.08)
Liabilities written back	(7.63)	(1,118.18)
Unrealised gain on foreign exchange fluctuations (net)	(53.38)	(31.97)
Gain on derecognition of financial assets	(277.95)	-
Gain on sale of loan portfolio through assignment	(3,157.96)	-
Provision for employee benefits	702.45	295.64
Impairment on financial instruments	12,681.05	5,182.26
Effective interest rate adjustment for financial instruments	(2,492.58)	(1,079.07)
Share based payments to employees	4,361.83	3,100.24
Operating profit before working capital changes	75,441.91	49,373.83
Adjustments for:		
(Increase)/decrease in trade receivables	(1,075.10)	3,285.27
Decrease/(increase) in other receivables	1,143.73	(11,959.94)
Increase in loans	(708,545.12)	(406,885.44)
Increase in bank balance other than cash and cash equivalents	(6,825.16)	(15,279.95)
(Increase)/decrease in other financial assets	(67,748.80)	23,915.50
Increase in other non-financial assets	(4,539.13)	(3,469.02)
(Decrease)/increase in derivative financial instruments	(1,098.85)	423.53
Increase in trade payables	2,778.75	4,102.53
Increase in other payables	1,878.78	476.41
Increase in other financial liabilities	19,110.79	72,371.93
Increase in provisions	858.67	197.68
Increase in other non-financial liabilities	2,076.24	802.74
Cash used in operating activities	(686,543.29)	(282,644.93)
Income taxes paid (net of refunds)	(17,846.76)	(8,556.14)
Net cash used in operating activities	(704,390.05)	(291,201.07)
B. Cash flows from investing activities		
Purchase of property, plant and equipments, intangible assets under development and intangible assets (including capital advances)	(8,770.52)	(6,943.25)
Proceeds from sale of property, plant and equipments	4.54	35.48
Purchase of investments in associate	(3,567.58)	-
Purchase of other investments (net)	(8,019.90)	(43,098.87)
Purchase of security receipts by subsidiary company in its trusts	-	(4,259.52)
Proceeds from disposal of subsidiary (net of cash and cash equivalent)	-	589.90
Net cash used in investing activities	(20,353.46)	(53,676.26)

Consolidated Cash Flow Statementfor the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

C. Cash flows from financing activities		
Proceeds from issue of fully paid-up equity shares (including securities premium) net of share issue expenses of ₹ 86.86 lakh (previous year ₹ 1,120.85 lakh)	215,057.74	74,549.20
Proceeds from issue of partly paid-up equity shares (including securities premium)	61,436.59	48,648.13
Money received against share warrants	-	2,035.41
Dividends paid (including dividend distribution tax)	(5,513.79)	(3,191.96)
Amount transferred to investor education and protection fund	-	(41.72)
Repayment of debt securities	(939,419.18)	(523,200.00)
Proceeds from debt securities	1,157,169.82	583,200.00
Repayment of borrowings (other than debt securities)	(894,454.73)	(742,473.95)
Proceeds from borrowings (other than debt securities)	1,111,938.91	1,007,781.02
Net cash flow from financing activities	706,215.36	447,306.13
D. Net decrease/increase in cash and cash equivalents (A+B+C)	(18,528.15)	102,428.80
E. Cash and cash equivalents at the beginning of the year	109,744.17	7,315.37
F. Cash and cash equivalents at the end of the year (D+E)	91,216.02	109,744.17

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. Cash and cash equivalents as at the end of the year include:

Cash and cash equivalents (as per note 6 to the financial statements)*	194,717.37	192,376.58
Less: Bank overdraft (as per note 25 to the financial statements)	(103,501.35)	(82,632.41)
	91,216.02	109,744.17

*Refer note 7(i) for restriction of cash and cash equivalents

3. For disclosures relating to change in liabilities arising from financing activities refer note-48.

The accompanying notes form an integral part of these consolidated financial statements
This is consolidated statement cash flows referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933

Place: Mumbai
Date: 25 April 2019

Pinank Shah
Whole Time Director
DIN: 07859798

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

89

A. Equity share capital

	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Equity share capital	6,404.14	2,858.42	9,262.56	2,086.20	11,348.76

B. Other equity

Particulars	Reserves and surplus										Total					
	Share application money pending allotment	Equity component of compulsorily convertible debentures	Statutory reserves	Capital reserve	Securities premium	Capital redemption reserve	Debt redemption reserve	Foreign currency monetary item translation difference account	General reserve	Share options outstanding account		Retained earnings	Equity instruments through other comprehensive income	Money received against share warrants	Total attributable to equity shareholders of the Holding Company	Non-controlling interests
Balance as at 1 April 2017	86.22	-	356.41	2,286.68	11,919.04	3,700.36	-	79.33	4,197.55	209.64	10,704.55	635.37	1,661.47	35,836.62	-	35,836.62
Profit for the year	-	-	-	-	-	-	-	-	-	-	20,953.11	-	-	20,953.11	-	20,953.11
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	(10.06)	(143.53)	-	(153.99)	-	(153.99)
Issue of equity shares	(86.22)	-	-	-	121,545.98	-	-	-	-	-	-	-	-	121,469.76	-	121,469.76
Expenses on issue of partly paid up shares	-	-	-	-	(1,120.85)	-	-	-	-	-	-	-	-	(1,120.85)	-	(1,120.85)
Transfer from retained earnings	-	-	3,830.42	-	-	-	-	-	-	-	(3,830.42)	-	-	-	-	-
Effect of change in foreign exchange rate	-	-	-	-	-	-	2.20	-	-	-	-	-	2,055.41	2,037.61	-	2,037.61
Amortised/ utilised during the year	-	-	-	-	-	-	-	(32.49)	-	-	-	-	-	(32.49)	-	(32.49)
Adjustment on sale of subsidiary (refer note 62)	-	-	-	(1,523.02)	-	-	-	-	-	-	-	-	-	(1,523.02)	-	(1,523.02)
Share based payment expense	-	-	-	-	-	-	-	-	-	3,100.24	-	-	-	3,100.24	-	3,100.24
Balance as at 31 March 2018	-	-	4,386.83	763.66	132,344.17	3,700.36	-	49.04	4,197.55	3,309.88	27,817.18	491.44	3,696.88	180,556.99	-	180,556.99
Profit for the year	-	-	-	-	-	-	-	-	-	-	45,909.69	(94.30)	-	45,909.69	1,18.93	46,028.62
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	(49.13)	(94.30)	-	(143.44)	-	(143.44)
Issue of equity shares	-	-	-	-	276,191.87	-	-	-	-	-	-	-	(3,596.88)	274,494.99	-	274,494.99
Expenses on issue of partly paid up shares	-	-	-	-	(86.86)	-	-	-	-	-	-	-	-	(86.86)	-	(86.86)
Issue of compulsorily convertible debentures	-	131,708.14	-	-	-	-	-	-	-	-	-	-	-	131,708.14	-	131,708.14

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

Particulars	Reserves and surplus										Equity instruments through other comprehensive income	Money received against share warrants	Total attributable to equity shareholders of the Holding Company	Non-controlling interests	Total	
	Share application money pending allotment	Equity component of compulsorily convertible debentures	Statutory reserves	Capital reserve	Securities premium	Capital redemption reserve	Debt redemption reserve	Foreign currency translation difference account	General reserve	Share options outstanding account						Retained earnings
Transfer from retained earnings	-	-	7,998.08	-	-	-	416.54	-	-	-	(8,414.62)	-	-	-	-	-
Acquisition of subsidiary entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,797.07	-
Adjustment on strike off of subsidiary (refer note 62)	-	-	-	(163.5)	-	-	-	-	-	-	55.35	-	-	-	39.00	-
Effect of change in foreign exchange rate	-	-	-	-	-	-	44.32	-	-	-	-	-	-	-	44.32	-
Amortised/ utilised during the year	-	-	-	-	-	-	(53.38)	-	-	-	-	-	-	-	(53.38)	-
Dividend paid including dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(5,583.25)	-	-	-	(5,583.25)	-
Share based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,361.83	-
Balance as at 31 March 2019	-	131,708.14	12,084.91	747.31	410,449.18	3,700.36	416.54	39.98	4,197.55	7,671.71	59,735.22	397.14	-	631,248.03	14,916.00	646,164.03

The accompanying notes form an integral part of these consolidated financial statements
This is consolidated statement of changes in equity referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah **Pinank Shah** **Rajeev Lochan Agrawal** **Lalit Sharma**
Whole Time Director & Chief Executive Officer Whole Time Director Chief Financial Officer Company Secretary
DIN: 00010933 DIN: 07859798

Place: Mumbai
Date: 25 April 2019

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

1 Group overview

Indiabulls Ventures Limited ('IBVL' or 'the Holding Company') along with its subsidiaries and associate, collectively referred to as 'the Group' in following notes. The Group's primary businesses are 'Broking and Related activities' and 'Financing and Related activities'. Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE), business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, business of cross selling of real estate and providing other ancillary services relating to broking activities. On 2 April 2008 the Equity shares of the Holding Company were listed on the NSE and the BSE after the demerger of the Holding Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement. The Holding Company is domiciled in India and its registered office is situated at M-62 & 63, first Floor, Connaught Place, New Delhi – 110001.

2 General information and statement of compliance with Ind AS

These consolidated financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in this consolidated financial statements.

These consolidated financial statements for the year ended 31 March 2019 are the first consolidated financial statements which has been prepared in accordance with Ind AS. For all periods up to and including the year ended 31 March 2018, the Group had prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS. For the purpose of comparatives, consolidated financial statements for the year ended 31 March 2018 and opening balance sheet as at 1 April 2017 are also prepared as per Ind AS.

As these are the Group's first consolidated financial statements prepared in accordance with Ind AS, the Group has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 57.

The consolidated financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 25 April 2019.

3 Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

4 Basis of consolidation

Subsidiaries

The consolidated financial statements comprise financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

other comprehensive income ('OCI') of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance [including other comprehensive income ('OCI')] is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interest in associates are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates.

Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Transition to Ind AS

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

5 Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

a. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	Over the period of lease

Property, plant and equipment individually costing up to INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit and loss, when the asset is derecognised.

Transition to Ind AS

The Group has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

b. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation)

Intangible assets consisting of membership rights of the BSE Limited and software are amortised on a straight line basis over a period of 5 and 4 years respectively from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Transition to Ind AS

The Group has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

c. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Group intends to and has sufficient resources to complete the project;
- The Group has the ability to use or sell the such intangible asset; and
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

d. Revenue recognition

Interest income on loans

Interest (including processing fee) income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue charges are recognised on realisation basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Interest on investments and deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Brokerage income

Brokerage income is accounted for on the trade date of the transaction. The Group considers the terms of the contract and its customary business practices to determine the transaction price.

Management fee

Management fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Recovery/incentive fee

Recovery/incentive fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

Commission income

Commission on mutual funds is recognised on accrual basis.

Depository and trading account maintenance income

Depository and trading account maintenance income is recognised at the time when the right to receive is established by the reporting date.

Dividend income

Dividend income on equity shares is recognised when the right to receive the dividend is unconditional as at the balance sheet date.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

e. Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the consolidated statement of profit and loss as incurred basis the effective interest rate method.

f. Taxation

Tax expense recognized in consolidated statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

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. Current income tax relating to items recognised outside consolidated profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax on temporary differences associated with investments in subsidiaries and associate is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity).

g. Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Defined contribution plans

The Group has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the consolidated statement of profit and loss.

Defined benefit plans

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Other long-term employee benefits

The Group also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to consolidated statement of profit and loss in the year in which such gains or losses are determined.

h. Share based payments

The Holding Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in consolidated statement of profit and loss, with a corresponding adjustment to equity.

i. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

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 consolidated statement of profit and loss. If at the reporting 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.

j. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- **Stage 1** (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- **Stage 2** (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- **Stage 3** (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses,

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

else at an amount equal to the lifetime expected credit losses. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in consolidated statement of profit and loss.

k. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

l. Provisions, contingent assets and contingent liabilities

Provisions are recognized 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 at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- 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 cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

m. Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to consolidated statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

n. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

- Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit and loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in consolidated statement of profit and loss.
- iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Convertible debentures

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Group also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the consolidated statement of profit and loss along with change in fair value of underlying asset.

o. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Segment reporting

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

q. Foreign currency

Functional and presentation currency

The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the consolidated statement of profit and loss in the year in which they arise.

Transition to Ind AS

The Group has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

r. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

s. Indian Accounting Standards issued but not yet effective

Amendment to Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

beginning on or after 1 April 2019. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 28, Investments in associates and joint ventures

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 28 “Investments in Associates and Joint Ventures” in relation to long-term interests in associates and joint ventures. The amendment clarifies that an entity applies Ind-AS 109 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. This amendment is effective for annual periods beginning on or after 1 April 2019. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 103, Business combinations

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 103, “Business Combinations”. The amendment clarifies that when an entity obtains control of a business that is a joint operation, it shall need to re-measure the previously held interests in that business. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Amendment to Ind AS 111, Joint arrangements

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 111, “Joint Arrangements”. The amendment clarifies that when an entity obtains joint control of a business that is a joint operation, the entity shall not re-measure previously held interests in that business. This amendment is effective for annual periods beginning on or after 1 April 2019. The Group is evaluating the requirements of the amendments and their impact on the consolidated financial statements.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 6	As at	As at	As at
Cash and cash equivalents	31 March 2019	31 March 2018	1 April 2017
Cash on hand	5.07	1.57	0.99
Balance with banks			
- in current accounts	96,230.16	63,919.38	8,134.28
- in fixed deposits with original maturity of less than 3 months (refer note 7(i))	98,482.14	128,455.63	65,012.82
	194,717.37	192,376.58	73,148.09
Note - 7	As at	As at	As at
Bank balance other than cash and cash equivalents	31 March 2019	31 March 2018	1 April 2017
Fixed deposits having original maturity of more than 3 months (refer (i) below)	39,372.08	32,616.38	14,102.75
Unpaid dividend accounts	301.99	232.53	3,466.21
	39,674.07	32,848.91	17,568.96
(i) Fixed deposits includes:			
a) Deposits pledged with the National Stock Exchange of India, BSE Limited, NSE Clearing Limited (formerly National Securities Clearing Corporation Limited), Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited for the purpose of base capital and additional base capital.	1,296.25	1,396.25	196.25
b) Deposits pledged with the banks against bank guarantees for base capital and additional base capital to the National Stock Exchange of India, BSE Limited, NSE Clearing Limited (formerly National Securities Clearing Corporation Limited), Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited.	15,536.85	16,637.50	9,387.50
c) Deposits pledged with banks for overdraft facilities availed by the Group.	101,244.13	134,380.59	69,367.00
d) Deposits pledged with bank against bank guarantees issued in favour of Unique Identification Authority of India.	50.00	50.00	-
e) Deposits pledged with bank against bank guarantees issued in favour of National Stock Exchange of India Limited for right issue of the Holding Company.	850.00	1,700.00	-
f) Deposits pledged for arbitration matters.	104.58	44.02	43.39
g) Deposits pledged with State Commission, New Delhi for appeal filed by the Holding Company in a consumer dispute matter.	0.25	0.25	0.25
h) Deposits pledged with Value added tax/ Sales tax authorities	2.90	2.90	2.90
i) Deposits pledged for securitisations	6,138.00	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 8	As at	As at	As at
Trade receivables	31 March 2019	31 March 2018	1 April 2017
Receivables considered good (unsecured)	27,336.19	26,370.85	29,676.30
Receivables which have significant increase in credit risk	3,071.71	2,850.13	4,609.13
	<u>30,407.90</u>	<u>29,220.98</u>	<u>34,285.43</u>
Less: Impairment loss allowance	<u>(3,071.71)</u>	<u>(2,850.13)</u>	<u>(4,609.13)</u>
	<u>27,336.19</u>	<u>26,370.85</u>	<u>29,676.30</u>
Note - 9	As at	As at	As at
Other receivables	31 March 2019	31 March 2018	1 April 2017
Receivables considered good (unsecured)	11,073.74	12,217.47	257.53
Receivables which have significant increase in credit risk	1,434.50	1,543.33	254.15
	<u>12,508.24</u>	<u>13,760.80</u>	<u>511.68</u>
Less: Impairment loss allowance	<u>(1,434.50)</u>	<u>(1,543.33)</u>	<u>(254.15)</u>
	<u>11,073.74</u>	<u>12,217.47</u>	<u>257.53</u>
Note - 10	As at	As at	As at
Loans	31 March 2019	31 March 2018	1 April 2017
At amortised cost			
(a) Loans			
- Secured	562,155.20	188,663.59	-
- Unsecured	567,217.23	213,089.16	7,317.09
(b) Margin funding loan receivables (secured, considered good)	6,025.40	10,717.29	266.43
Less: Margin received	<u>(1,017.13)</u>	<u>(1,916.87)</u>	<u>(40.42)</u>
Total gross	<u>1,134,380.70</u>	<u>410,553.17</u>	<u>7,543.10</u>
Less: Impairment loss allowance	<u>(14,716.48)</u>	<u>(1,501.55)</u>	<u>(214.84)</u>
Total net	<u>1,119,664.22</u>	<u>409,051.62</u>	<u>7,328.26</u>
(i) Secured by tangible assets	560,378.47	186,935.30	-
(ii) Secured by other assets	6,785.00	10,528.71	226.01
(iii) Unsecured	567,217.23	213,089.16	7,317.09
Total gross	<u>1,134,380.70</u>	<u>410,553.17</u>	<u>7,543.10</u>
Less: Impairment loss allowance	<u>(14,716.48)</u>	<u>(1,501.55)</u>	<u>(214.84)</u>
Total net	<u>1,119,664.22</u>	<u>409,051.62</u>	<u>7,328.26</u>
Loans in India			
(i) Public sector	-	-	-
(ii) Others	1,134,380.70	410,553.17	7,543.10
Total gross	<u>1,134,380.70</u>	<u>410,553.17</u>	<u>7,543.10</u>
Less: Impairment loss allowance	<u>(14,716.48)</u>	<u>(1,501.55)</u>	<u>(214.84)</u>
Total net	<u>1,119,664.22</u>	<u>409,051.62</u>	<u>7,328.26</u>

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 11 Investments	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Measured at amortised cost:			
Investment in government securities -			
6 Years National Saving Certificate VIII Issue	-	-	0.43
Sub total (A)	-	-	0.43
Measured at fair value through profit or loss:			
Investment in mutual funds -			
Indiabulls Liquid Fund - Growth Numbers of units: nil (31 March 2018: 589,508.14; 1 April 2017: 1,023,272.27) Net Asset Value ("NAV") per unit ₹ nil (31 March 2018: 1,698.25; 1 April 2017: ₹ 1588.50)	-	10,011.32	16,254.68
Indiabulls Short Term Fund - Direct Plan - Growth Numbers of units nil (31 March 2018: 141,599.71; 1 April 2017 : nil) NAV per unit ₹ nil (31 March 2018: ₹ 1,512.30; 1 April 2017 : ₹ nil)	-	2,141.41	-
Invesco India Treasury Advantage Fund- Direct Plan Growth Numbers of units nil (31 March 2018: 511,333.46; 1 April 2017: nil) NAV per unit ₹ nil (31 March 2018: ₹ 2,445.96; 1 April 2017: ₹ nil)	-	12,507.02	-
Invesco India Liquid Fund - Direct Plan Growth Numbers of units 194,585.50 (31 March 2018: nil; 1 April 2017: nil) NAV per unit ₹ 2,572.44 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	5,005.59	-	-
JM Equity Fund-Monthly Dividend Option Numbers of units nil (31 March 2018: 35,793,030.38; 1 April 2017: nil) NAV per unit ₹ nil (31 March 2018: ₹ 11.95; 1 April 2017: ₹ nil)	-	4,280.31	-
JM Balanced Fund - Direct - Annual Dividend Numbers of units nil (31 March 2018: 43,853,812.56; 1 April 2017: nil) NAV per unit ₹ nil (31 March 2018: ₹ 19.85; 1 April 2017: ₹ nil)	-	8,704.42	-
Indiabulls Income fund- Direct Plan - Growth Numbers of units 6,246,745.81 (31 March 2018: nil; 1 April 2017: nil) NAV per unit ₹ 16.35 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1,021.49	-	-
Indiabulls Income fund- Direct Plan - Growth Numbers of units 487,557.47 (31 March 2018: nil; 1 April 2017: nil) NAV per unit ₹ 1,043.53 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	5,087.83	-	-
Indiabulls Ultra Short term fund- Direct Plan- Growth Numbers of units 544,893.74 (31 March 2018: nil; 1 April 2017: nil) NAV per unit ₹ 1,866.21 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	10,168.86	-	-
UTI Liquid Cash Plan - Direct Growth Plan Numbers of units 81,778.44 (31 March 2018: nil; 1 April 2017: nil) NAV per unit ₹ 3,060.74 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	2,503.03	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 11	As at	As at	As at
Investments	31 March 2019	31 March 2018	1 April 2017
JM Large Cap Fund - Dividend option Numbers of units 116,117,193.26 (31 March 2018: nil; 1 April 2017: nil) NAV per unit ₹ 26.91 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	31,247.94	-	-
Axis Liquid Fund - Direct Growth Numbers of units 76.54 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 2,073.52 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
Aditya Birla Sun life liquid fund- Growth- Direct Plan Numbers of units 528.17 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 300.44 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
HDFC Liquid Fund - Direct Plan- Growth Numbers of units 43.14 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 3,678.29 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
ICICI Prudential Liquid Fund - Direct Growth Plan Numbers of units 574.05 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 276.42 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
Kotak Liquid Fund - Direct Plan Growth Numbers of units 41.92 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 3,784.33 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
Reliance Liquid Fund - Direct Growth Plan Numbers of units 34.78 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 4,561.89 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
SBI Liquid Fund - Direct Growth Numbers of units 54.19 (31 March 2018: nil; 1 April 2017 : nil) NAV per unit ₹ 2,928.57 (31 March 2018: ₹ nil; 1 April 2017: ₹ nil)	1.59	-	-
Indiabulls India Opportunities Fund	277.55	260.17	-
Investment in debt securities -			
25 (31 March 2018: Nil, 1 April 2017: Nil) Non convertible debentures of Housing Development Finance Corporation Limited	2,617.51	-	-
Investment in equity instruments -			
Nil (31 March 2018: 820,000, 1 April 2017: Nil) equity shares of ₹ 10 each, fully paid-up of Reliance Industries Limited	-	7,231.38	-
Investment in security receipts -			
Numbers of security receipts: Nil (31 March 2018: 229,500, 1 April 2017: nil), face value of ₹ Nil (31 March 2018: ₹ 422.21, 1 April 2017: NA) each of Indiabulls ARC- I Trust	-	968.97	-
Numbers of security receipts: 240,000 (31 March 2018: 240,000, 1 April 2017: nil), face value of ₹ 805.81 (31 March 2018: ₹ 1,000, 1 April 2017: NA) each of Indiabulls ARC- II Trust	1,933.94	2,400.00	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 11	As at	As at	As at
Investments	31 March 2019	31 March 2018	1 April 2017
Numbers of security receipts: 302,786 (31 March 2018: 89,055, 1 April 2017: nil), face value of ₹ 1,000 (31 March 2018: ₹ 1,000, 1 April 2017: NA) each of Indiabulls ARC- III Trust	-	890.55	-
Sub total (B)	59,874.87	49,395.55	16,254.68
Measured at fair value through other comprehensive income:			
Investment in equity instruments -			
65,000 (31 March 2018: 65,000, 1 April 2017: 65,000) equity shares of ₹2 each, fully paid-up of BSE Limited	397.25	491.54	635.47
Sub total (C)	397.25	491.54	635.47
Total (A+B+C)	60,272.12	49,887.09	16,890.58
Investments outside India	-	-	-
Investments in India	60,272.12	49,887.09	16,890.58
Total	60,272.12	49,887.09	16,890.58
Note - 12	As at	As at	As at
Other financial assets	31 March 2019	31 March 2018	1 April 2017
(a) Loan notes and escrow receivable *	646.16	554.68	595.57
(b) Loan to employees	353.68	98.71	4.24
(c) Security deposits			
Unsecured, considered good			
(i) Deposits (including margin money) with stock exchanges	3,458.96	1,776.31	4,375.00
(ii) Deposits for underwriting/distribution of real estate properties	89,965.43	23,576.11	45,858.51
(iii) Deposits with others	591.64	549.22	466.75
Unsecured, considered doubtful			
(i) Deposits with others	23.00	22.25	22.25
	94,039.03	25,923.89	50,722.51
Less: Impairment loss allowance	(23.00)	(22.25)	(22.25)
	94,016.03	25,901.64	50,700.26
(d) Interest spread on assigned assets	2,980.68	-	-
(e) Deposit for mark to market margin account	581.76	831.22	-
(f) Others	36.97	-	-
	98,615.28	27,386.25	51,300.07

* During the year ended 31 March 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 646.16 lakh (including foreign exchange gain) [31 March 2018: ₹ 554.68 lakh (including foreign exchange gain) and 1 April 2017: ₹ 595.57 lakh (including foreign

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

exchange gain)] is outstanding as at 31 March 2019 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account which will be due in FY 2020-21 and FY 2019-20 respectively.

Note - 13	As at	As at	As at
Current tax assets (net)	31 March 2019	31 March 2018	1 April 2017
Advance income tax (including tax deducted at source) (Net of provision for taxation)	6,071.31	4,608.22	4,523.81
	6,071.31	4,608.22	4,523.81
Note - 14	As at	As at	As at
Deferred tax assets (net)	31 March 2019	31 March 2018	1 April 2017
Deferred tax assets:			
Provision for contingencies	196.56	26.21	-
Impairment loss allowance	4,564.85	1,912.59	2,072.56
Disallowance under section 40A(7) of the Income-tax Act, 1961	378.58	226.58	181.05
Disallowance under section 43(B) of the Income-tax Act, 1961	271.82	173.17	141.67
Depreciation and amortisation	217.54	343.21	484.09
Carried forward losses	480.80	576.96	571.41
Lease equalisation reserve	109.90	39.97	-
Financial assets measured at amortised cost	131.89	1,182.97	730.80
Share based payments	2,575.35	1,102.49	73.65
Compulsorily convertible debentures	7,286.46	-	-
Minimum alternate tax credit entitlement*	2,513.00	1,307.78	1,222.33
Others	0.70	3.34	6.86
Deferred tax assets (A):	18,727.45	6,895.27	5,484.42
Deferred tax liabilities:			
Financial assets measured at fair value through profit and loss	8.02	2.96	1.62
Depreciation and amortisation	550.82	316.77	138.81
Derecognition of financial instruments measured at amortised cost category	1,041.57	-	-
Financial assets measured at amortised cost	1,163.99	-	-
Financial liabilities measured at amortised cost	1,029.15	141.56	-
Deferred tax liabilities (B):	3,793.55	461.29	140.43
Deferred tax assets (net) (C = A-B)	14,933.90	6,433.98	5,343.99

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Movement in deferred tax assets (net)	Balance as at 1 April 2018	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	Balance as at 31 March 2019
Deferred tax assets:					
Provision for contingencies	26.21	170.35	-	-	196.56
Impairment loss allowance	1,912.59	2,652.26	-	-	4,564.85
Disallowance under section 40A(7) of the Income Tax Act, 1961	226.58	152.00	-	-	378.58
Disallowance under section 43(B) of the Income Tax Act, 1961	173.17	74.69	23.96	-	271.82
Depreciation and amortisation	343.21	(125.67)	-	-	217.54
Carried forward losses	576.96	(96.16)	-	-	480.80
Lease equalisation reserve	39.97	69.93	-	-	109.90
Financial assets measured at amortised cost	1,182.97	(1,051.08)	-	-	131.89
Share based payments	1,102.49	1,472.86	-	-	2,575.35
Compulsorily convertible debentures	-	(1,830.77)	-	9,117.23	7,286.46
Minimum alternate tax credit entitlement*	1,307.78	1,205.22	-	-	2,513.00
Others	3.34	(2.64)	-	-	0.70
Deferred tax assets (A):	6,895.27	2,690.99	23.96	9,117.23	18,727.45
Deferred tax liabilities:					
Financial assets measured at fair value through profit and loss	2.96	5.06	-	-	8.02
Depreciation and amortisation	316.77	234.05	-	-	550.82
Derecognition of financial instruments measured at amortised cost category	-	1,041.57	-	-	1,041.57
Financial assets measured at amortised cost	-	1,163.99	-	-	1,163.99
Financial liabilities measured at amortised cost	141.56	887.59	-	-	1,029.15
Deferred tax liabilities (B):	461.29	3,332.26	-	-	3,793.55
Deferred tax assets (net) (C = A-B)	6,433.98	(641.27)	23.96	9,117.23	14,933.90

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Movement in deferred tax assets (net)	Balance as at 1 April 2017	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	Balance as at 31 March 2018
Deferred tax assets:					
Provision for contingencies	-	26.21	-	-	26.21
Impairment loss allowance	2,072.56	(159.97)	-	-	1,912.59
Disallowance under section 40A(7) of the Income-tax Act, 1961	181.05	45.53	-	-	226.58
Disallowance under section 43(B) of the Income-tax Act, 1961	141.67	31.09	0.41	-	173.17
Depreciation and amortisation	484.09	(140.88)	-	-	343.21
Carried forward losses	571.41	5.55	-	-	576.96
Lease equalisation reserve	-	39.97	-	-	39.97
Financial assets measured at amortised cost	730.80	452.17	-	-	1,182.97
Share based payments	73.65	1,028.84	-	-	1,102.49
Minimum alternate tax credit entitlement*	1,222.33	85.45	-	-	1,307.78
Others	6.86	(3.52)	-	-	3.34
Deferred tax assets (A):	5,484.42	1,410.44	0.41	-	6,895.27
Deferred tax liabilities:					
Financial assets measured at fair value through profit and loss	1.62	1.34	-	-	2.96
Depreciation and amortisation	138.81	177.96	-	-	316.77
Financial liabilities measured at amortised cost	-	141.56	-	-	141.56
Deferred tax liabilities (B):	140.43	320.86	-	-	461.29
Deferred tax assets (net)	5,343.99	1,089.58	0.41	-	6,433.98

* Expiry date of minimum alternative tax credit

Expiry financial year (as per Income-tax Act, 1961)	As at 31 March 2019	As at 31 March 2018*	As at 1 April 2017
1 April 2024 - 31 March 2025	45.11	45.11	46.18
1 April 2025 - 31 March 2026	154.63	154.63	168.12
1 April 2026 - 31 March 2027	442.62	442.62	1,008.03
1 April 2031 - 31 March 2032	531.58	531.58	-
1 April 2032 - 31 March 2033	133.84	133.84	-
1 April 2033 - 31 March 2034	1,205.22	-	-
	2,513.00	1,307.78	1,222.33

* From financial year ended 31 March 2018, section 115JAA has been amended to provide tax credit determined under this section can be carried forward up to the 15th assessment year, immediately succeeding the assessment years in which such tax credit becomes allowable.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Tax losses for which no deferred tax assets has been recognised#:

Expiry financial year (as per income-tax Act, 1961)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unused tax losses			
1 April 2018 - 31 March 2019	1.57	1.57	1.57
1 April 2019 - 31 March 2020	0.60	0.60	0.60
1 April 2021 - 31 March 2022	61.18	61.18	61.18
1 April 2022 - 31 March 2023	4,641.14	4,641.14	4,641.14
1 April 2023 - 31 March 2024	101.37	101.37	101.37
1 April 2024 - 31 March 2025	26.92	26.92	26.92
1 April 2025 - 31 March 2026	15,208.18	15,208.18	-
1 April 2026 - 31 March 2027	1,399.44	-	-
Unabsorbed depreciation for indefinite period	814.34	608.44	391.47
	22,254.74	20,649.40	5,224.25

#Deferred tax assets on unabsorbed depreciation / Brought forward losses is recognised only to the extent of probability of availability and certainty of future taxable profits with convincing evidence. The Group has not created deferred tax assets on brought forward tax losses of certain subsidiary companies as defined above.

Note - 15

Investment accounted for using equity method

Investment in associate (unquoted, at cost)

2,137,981 (31 March 2018: Nil, 1 April 2017: Nil) equity shares of ₹ 10 each of Transerv Private Limited

Less : Share of loss in associate (refer note 62)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	3,570.42	-	-
	(2.84)	-	-
	3,567.58	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 16

Property, plant and equipment

Particulars	Gross block (at cost) *				Accumulated depreciation				Net block	
	As at 1 April 2017	Additions during the year	Sales/ adjustment during the year	As at 31 March 2018	As at 1 April 2017	Depreciation during the year	Sales/ adjustment during the year	As at 31 March 2018	As at 1 April 2017	As at 31 March 2018
Furniture and fixtures	163.05	285.02	0.07	448.00	-	31.73	0.01	31.72	163.05	416.28
Vehicles#	306.95	184.25	3.66	487.54	-	74.86	0.55	74.31	306.95	413.23
Office equipment	76.03	263.56	0.24	339.35	-	44.73	0.19	44.54	76.03	294.81
Computers	208.06	1,622.65	1.31	1,829.40	-	303.67	0.67	303.00	208.06	1,526.40
Leasehold improvements	209.24	-	8.80	200.44	-	51.78	4.26	47.52	209.24	152.92
Freehold land	6,717.48	-	6,717.48	-	-	-	-	-	6,717.48	-
	7,680.81	2,355.48	6,731.56	3,304.73	-	506.77	5.68	501.09	7,680.81	2,803.64

Particulars	As at 1 April 2018	Additions during the year	Sales/ adjustment during the year	As at 31 March 2019	As at 1 April 2018	Depreciation during the year	Sales/ adjustment during the year	As at 31 March 2019	As at 1 April 2018	As at 31 March 2019
Furniture and fixtures	448.00	381.12	0.20	828.92	31.72	70.05	0.17	101.60	416.28	727.32
Vehicles#	487.54	106.73	4.57	589.70	74.31	90.57	3.84	161.04	413.23	428.66
Office equipment	339.35	378.26	2.91	714.70	44.54	108.91	2.66	150.79	294.81	563.91
Computers	1,829.40	1,973.54	0.75	3,802.19	303.00	724.12	0.76	1,026.36	1,526.40	2,775.83
Leasehold improvements	200.44	-	1.73	198.71	47.52	43.61	0.98	90.15	152.92	108.56
Freehold land	-	12.98	-	12.98	-	-	-	-	-	12.98
	3,304.73	2,852.63	10.16	6,147.20	501.09	1,037.26	8.41	1,529.94	2,803.64	4,617.26

*Deemed cost of property, plant and equipment as at 1 April 2017

Particulars	Gross block as at 1 April 2017	Accumulated depreciation as at 1 April 2017	Deemed cost as at 1 April 2017
Furniture and fixtures	365.94	202.89	163.05
Vehicles	769.07	462.12	306.95
Office equipment	1,462.46	1,386.43	76.03
Computers	3,921.34	3,713.28	208.06
Leasehold improvements	856.67	647.43	209.24
Freehold land	6,717.48	-	6,717.48
	14,092.96	6,412.15	7,680.81

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note:

Includes vehicles having carrying value of ₹ 192.80 lakh (31 March 2018 ₹ 219.29 lakh and 1 April 2017: ₹ 96.56 lakh) which are hypothecated to banks against the respective loans.

(a) Refer note 47, for disclosure of contractual commitments to be executed on capital account for property, plant and equipment.

Note - 17

Intangible assets under development

Particulars	As at 1 April 2017	Additions during the year	Capitalised during the year	As at 31 March 2018
Intangible assets under development	3.71	4,085.53	3,544.94	544.30
	<u>3.71</u>	<u>4,085.53</u>	<u>3,544.94</u>	<u>544.30</u>

Particulars	As at 1 April 2018	Additions during the year	Capitalised during the year	As at 31 March 2019
Intangible assets under development	544.30	2,830.46	2,473.56	901.20
	<u>544.30</u>	<u>2,830.46</u>	<u>2,473.56</u>	<u>901.20</u>

Note - 18

Goodwill on consolidation

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of the year	319.77	319.77	319.77
Add/(less): Adjustment on acquisition/disposal of subsidiary(ies)	-	-	-
Balance at the end of the year	319.77	319.77	319.77

Note - 19

Other intangible assets

Particulars	Gross block (at cost) *				Accumulated amortisation				Net block	
	As at 1 April 2017	Additions during the year	Sales/ adjustment during the year	As at 31 March 2018	As at 1 April 2017	Amortisation during the year	Sales/ adjustment during the year	As at 31 March 2018	As at 1 April 2017	As at 31 March 2018
Membership rights of BSE Limited	-	-	-	-	-	-	-	-	-	-
Software	572.89	3,560.37	-	4,133.26	-	697.90	-	697.90	572.89	3,435.36
Indiabulls.com website	-	-	-	-	-	-	-	-	-	-
	<u>572.89</u>	<u>3,560.37</u>	<u>-</u>	<u>4,133.26</u>	<u>-</u>	<u>697.90</u>	<u>-</u>	<u>697.90</u>	<u>572.89</u>	<u>3,435.36</u>

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	As at 1 April 2018	Additions during the year	Sales/ adjustment during the year	As at 31 March 2019	As at 1 April 2018	Amortisation during the year	Sales/ adjustment during the year	As at 31 March 2019	As at 1 April 2018	As at 31 March 2019
Membership rights of BSE Limited	-	-	-	-	-	-	-	-	-	-
Software	4,133.26	5,120.11	-	9,253.37	697.90	1,660.50	-	2,358.40	3,435.36	6,894.97
Indiabulls.com website	-	-	-	-	-	-	-	-	-	-
	4,133.26	5,120.11	-	9,253.37	697.90	1,660.50	-	2,358.40	3,435.36	6,894.97

*Deemed cost of other intangibles as at 1 April 2017

Particulars	Gross block as at 1 April 2017	Accumulated depreciation as at 1 April 2017	Deemed cost as at 1 April 2017
Membership rights of BSE Limited	70.05	70.05	-
Software	7,079.79	6,506.90	572.89
Indiabulls.com website	52.63	52.63	-
	7,202.47	6,629.58	572.89

Note - 20 Other non-financial assets	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital advances	1,823.68	1,382.79	895.98
Prepaid expenses	3,711.30	2,412.79	927.01
Balance with government authorities	3,882.32	1,511.03	233.14
Advances to suppliers	2,430.97	849.90	257.45
Others (net)	1,041.01	1,316.33	1,203.43
	12,889.28	7,472.84	3,517.01

Note - 21 Derivative financial instruments	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Part I			
Notional amounts			
Equity linked derivatives	-	7,356.54	-
Index linked derivatives	12,282.23	4,804.65	-
Total	12,282.23	12,161.19	-
Fair value			
Equity linked derivatives	-	444.61	-
Index linked derivatives	209.42	235.19	-
Total	209.42	679.80	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Part II

Included in above (Part I) are derivatives held for hedging and risk management purpose as follows:

Notional amounts

(i) Fair value hedging			
- Equity linked derivatives	-	7,356.54	-
(ii) Undesignated derivatives			
- Index linked derivatives	12,282.23	4,804.65	-
Total	12,282.23	12,161.19	-
Fair value			
(i) Fair value hedging			
- Equity linked derivatives	-	444.61	-
(ii) Undesignated derivatives			
- Index linked derivatives	209.42	235.19	-
Total	209.42	679.80	-

Note - 22

Trade payables	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Total outstanding due to micro enterprises and small enterprises ⁽ⁱ⁾	-	12.45	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	6,430.98	3,517.09	545.19
	6,430.98	3,529.54	545.19

(i) On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	12.45	-
Interest due thereon	-	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid as at end of the period / year	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

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

Note - 23	As at	As at	As at
Other payables	31 March 2019	31 March 2018	1 April 2017
(a) Total outstanding due to micro enterprises and small enterprises ⁽ⁱ⁾	-	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	2,674.15	901.07	630.21
	2,674.15	901.07	630.21

(i) On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-	-
Interest due thereon	-	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid as at end of the year	-	-	-

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

Note - 24	As at	As at	As at
Debt securities (at amortised cost)	31 March 2019	31 March 2018	1 April 2017
Secured			
Non-convertible debentures (refer note 'a' below)	78,486.16	10,000.00	-
Unsecured			
Liability component of compulsorily convertible debentures (refer note 'b' below)	30,019.30	-	-
Commercial papers (refer note 'c' below)	95,000.00	100,000.00	50,000.00
Total	203,505.46	110,000.00	50,000.00
Debt securities in India	203,505.46	110,000.00	50,000.00
Debt securities outside India	-	-	-
Total	203,505.46	110,000.00	50,000.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Notes:

- (a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) issued by subsidiary company (Indiabulls Consumer Finance Limited):

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
8.50% redeemable non-convertible debentures of face value ₹ 10 lakh each redeemable on 29 March 2019 in one instalment.	-	10,000.00	-
10.6% redeemable non-convertible debentures of face value ₹ 10 lakh each redeemable on 29 March 2021 and is repayable in four equated instalments falling due in year 2020-21.	16,911.86	-	-
10.75% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2021 in one instalment.	37,092.77	-	-
10.75% (effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2021 in one instalment.	2,438.97	-	-
10.40% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2022 in one instalment.	3,192.94	-	-
10.90% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2022 in one instalment.	7,421.52	-	-
10.90% (effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2022 in one instalment.	2,332.58	-	-
10.50% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 March 2024 in one instalment.	4,617.97	-	-
11.00% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 March 2024 in one instalment.	2,561.16	-	-
11.00% (effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 March 2024 in one instalment.	1,916.39	-	-

These debentures are secured by way of first ranking pari-passu charge on the current assets (including investments), both present and future; and on present and future loan assets, including all monies receivable for the principal amount and interest thereon.

- (b) During the year ended 31 March 2019, the Board of Directors had resolved to create, offer, issue and allot up to 2,79,85,452 compulsorily convertible debentures ("CCDs") of face value of ₹ 550 each, convertible into equivalent numbers of equity shares of ₹ 2 each at a conversion price of ₹ 550 per equity share (including premium of ₹ 448 per equity share) under the Non-Promoter Category by way of a preferential issue on a private placement basis to the certain foreign investors ("the CCD holders").

Terms of the issue:

- CCDs will be compulsorily converted into fully paid-up equity shares of face value of ₹ 2 each at a conversion price of ₹ 550 each on or before 18 months from the date of the allotment of the CCDs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- CCDs carry interest rate of 14.90% per annum, payable quarterly and interest is payable and calculated on the face value of CCDs, commencing from the date of its allotment and until the date of its conversion into the equity shares.

(c) Commercial papers includes:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Amount repayable in one instalment in May 2019	70,000.00	-	-
Amount repayable in one instalment in June 2019	25,000.00	-	-
Amount repayable in one instalment in April 2018	-	47,500.00	-
Amount repayable in one instalment in May 2018	-	27,500.00	-
Amount repayable in one instalment in June 2018	-	25,000.00	-
Amount repayable in one instalment in April 2017	-	-	37,500.00
Amount repayable in one instalment in May 2017	-	-	12,500.00
	<u>95,000.00</u>	<u>100,000.00</u>	<u>50,000.00</u>

Commercial paper carries interest in the range of 8.75 % to 9.50% per annum (31 March 2018: range of 8.35% to 9.00% per annum and 1 April 2017: 8.50% per annum)

Note - 25 Borrowings (other than debt securities) (at amortised cost)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Secured			
(i) from banks			
- Term loans (refer note 'a' below)	515,313.51	293,628.61	-
- Vehicle loans (refer note 'b' below)	135.37	174.40	75.01
(ii) Loans repayable on demand from banks			
- Bank overdraft (refer note 'c' below)	103,501.35	82,632.41	65,832.72
- Working capital loan (refer note 'd' below)	1,500.00	6,500.00	6,500.00
(b) Unsecured			
(i) from others (unsecured)			
- Inter corporate deposits (refer note 'e' below)	-	-	29,500.00
Total	<u>620,450.23</u>	<u>382,935.42</u>	<u>101,907.73</u>
Borrowings in India	620,450.23	382,935.42	101,907.73
Borrowings outside India	-	-	-
Total	<u>620,450.23</u>	<u>382,935.42</u>	<u>101,907.73</u>

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Notes:

(a) Term loan from banks includes

Terms of repayments	Balance as at 31 March 2019	Balance as at 31 March 2018	Nature of security and interest rate applicable
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	2,683.14	4,209.13	<p>a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts of Indiabulls Consumer Finance Limited.</p> <p>b. Interest rate varies from 8.00% to 10.75% per annum.</p>
This loan is repayable in 16 quarterly equated instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	8,743.67	9,989.82	
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2020-21.	9,404.88	14,764.35	
This loan is repayable in one instalment in April 2019.	14,999.58	14,985.47	
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	29,989.10	29,994.41	
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	29,981.83	29,975.77	
This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	49,982.12	49,976.07	
This loan is repayable in one instalment in September 2019.	99,918.47	99,754.98	
This loan is repayable in one instalment in September 2018.	-	24,983.74	

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Terms of repayments	Balance as at 31 March 2019	Balance as at 31 March 2018	Nature of security and interest rate applicable
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	14,954.67	-	<p>a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts of Indiabulls Consumer Finance Limited.</p> <p>b. Interest rate varies from 8.00% to 10.75% per annum.</p>
This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	7,671.26	-	
This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	16,419.73	-	
This loan is repayable in one instalment in September 2019.	30,000.00	-	
This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	99,184.41	-	
This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	42,500.00	-	
This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	36,400.00	-	
This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 2 years.	7,481.04	-	

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Terms of repayments	Balance as at 31 March 2019	Balance as at 31 March 2018	Nature of security and interest rate applicable
This loan is repayable in one instalment in April 2019.	14,999.61	14,994.87	<p>a. Secured against receivables and current assets (including cash and cash equivalents and investments) on pari-passu basis of Indiabulls Ventures Limited.</p> <p>b. The loan carries rate of interest of 10.50% per annum (31 March 2018: 9.42% per annum and 1 April 2017: NA) as on balance sheet date.</p>

- (b) Vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years and carries rate of interest ranges between of 7.75% per annum to 9.00% per annum
- (c) Bank overdraft facilities are secured against fixed deposits pledged with respective banks and are repayable on demand. Bank overdraft carries rate of interest ranging from 5.50% to 11.25% per annum (as at 31 March 2018: 5.00% to 8.40% per annum and as at 1 April 2017: 5.00% to 8.04% per annum).
- (d) Working capital loans are secured against book debts and loans and advances of the Holding Company on pari-passu basis and carries rate of interest of 9.00% to 9.50% per annum (31 March 2018: ranging from 9.00% to 9.30% per annum and 1 April 2017: ranging from 9.25% to 10.00% per annum) as at balance sheet date.
- (e) The unsecured loans from others have been taken for a term ranging from 12 months to 24 months and are repayable at the option of the respective entity, on or before the expiration of the tenure of the said loans. These loans carry interest rate ranging from 9% per annum to 12% per annum, which may be revised based upon mutual agreement of the parties.

Note - 26	As at	As at	As at
Other financial liabilities	31 March 2019	31 March 2018	1 April 2017
Interest accrued on debt securities	410.00	9.32	-
Interest accrued on borrowings other than debt securities	817.92	57.78	82.46
Unpaid dividends ⁽ⁱ⁾	301.99	232.53	3,466.21
Margin from customers	14,245.14	11,260.43	12,651.21
Temporary overdrawn bank balances as per books	40,987.28	68,194.57	115.74
Liability against securitised assets	40,828.55	-	-
Payable towards assignment transactions	1,089.03	-	-
Expenses payable	1,376.18	998.00	542.27
Other payable	54.73	151.96	18.45
	100,110.82	80,904.59	16,876.34

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- (i) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ Nil (31 March 2018: ₹ 41.72 lakh and 1 April 2017: ₹ 19.60 lakh) to the Investor Education and Protection Fund.

Note - 27	As at	As at	As at
Current tax liabilities (net)	31 March 2019	31 March 2018	1 April 2017
Provision for taxation	753.48	879.26	1,130.43
(Net of advance tax and tax deducted at source)			
	753.48	879.26	1,130.43
Note - 28	As at	As at	As at
Provisions	31 March 2019	31 March 2018	1 April 2017
For employee benefits			
Provision for gratuity (refer note 50 (ii))	1,538.01	975.59	744.56
Provision for compensated absences (refer note 50 (iii))	482.28	269.15	194.07
For others			
Provision for contingencies *	2,236.58	1,377.91	1,180.23
	4,256.87	2,622.65	2,118.86

* Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for contingencies
Balance as at 1 April 2017	1,180.23
Additional provision recognised	197.68
Amount used during the year	-
Balance as at 31 March 2018	1,377.91
Additional provision recognised	2,212.22
Amount used during the year	(1,353.55)
Balance as at 31 March 2019	2,236.58

Note - 29	As at	As at	As at
Other non-financial liabilities	31 March 2019	31 March 2018	1 April 2017
Revenue received in advance (refer note 'a' below)	683.50	135.18	112.79
Lease equalisation reserve	314.52	115.48	-
Advance from customers (refer note 'b' below)	1,078.18	-	-
Statutory dues payables	3,567.86	3,234.34	1,571.60
Amount received from depository for GDR	-	-	997.87
	5,644.06	3,485.00	2,682.26

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

	Amount
(a) Reconciliation of revenue received in advance	
Balance as at 1 April 2018	135.18
Add: Advances received during the year	1,334.31
Less: Revenue recognised during the year	(785.99)
Balance as at 31 March 2019	683.50
(b) Reconciliation of advance from customers	
Balance as at 1 April 2018	-
Add: Advances received during the year	1,078.18
Less: Revenue recognised during the year	-
Balance as at 31 March 2019	1,078.18

Note - 30 Equity share capital	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(i) Authorised						
Equity shares of face value of ₹ 2 each	1,000,000,000	20,000.00	1,000,000,000	20,000.00	500,000,000	10,000.00
Preference shares of face value of ₹ 4.61 each	-	-	-	-	25,000,000	1,152.50
	1,000,000,000	20,000.00	1,000,000,000	20,000.00	525,000,000	11,152.50

During the year ended 31 March 2018, the authorised capital of the Holding Company was reclassified and increased from ₹ 11,152.50 lakh divided into 500,000,000 equity shares of ₹ 2 each and 25,000,000 preference shares of ₹ 4.61 each to ₹ 20,000.00 lakh divided into 1,000,000,000 equity shares of ₹ 2 each ranking pari passu with the existing shares.

(ii) Issued, subscribed and paid up

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid up:						
Equity shares of face value of ₹ 2 each fully paid up	522,030,890	10,440.62	442,391,002	8,847.82	320,206,920	6,404.14
Issued, subscribed, called up and partly paid up:						
Equity shares of face value of ₹ 2 each, called up value of ₹ 1.10 each	82,909,118	912.00	-	-	-	-
Less: Calls in arrear	-	(4.05)	-	-	-	-
Equity shares of face value of ₹ 2 each, called up and paid up value of ₹ 0.50	-	-	82,948,313	414.74	-	-
Share forfeiture account	-	0.19	-	-	-	-
	604,940,008	11,348.76	525,339,315	9,262.56	320,206,920	6,404.14

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

Equity shares, fully paid-up	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	442,391,002	8,847.82	320,206,920	6,404.14
Add: Shares issued by exercise of employee stock option plan (ESOP)	-	-	2,278,500	45.57
Add: Shares issued by exercise of warrants	33,800,000	676.00	33,650,000	673.00
Add: Share issued through preferential allotment	45,839,888	916.80	86,255,582	1,725.11
Balance at the end of the year	522,030,890	10,440.62	442,391,002	8,847.82
Equity shares, partly paid-up	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	82,948,313	414.74	-	-
Add: Shares issued on rights basis at the called up and paid up value of ₹ 0.50 per share	-	-	82,948,313	414.74
Add: Amount received on first call at ₹ 0.30 per share	-	248.72	-	-
Add: Amount received on second call at ₹ 0.30 per share	-	244.68	-	-
Less: Shares forfeited on non payment of first call	(39,195)	(0.19)	-	-
Balance at the end of the year	82,909,118	907.95	82,948,313	414.74

(iv) Rights, preferences and restrictions attached to the equity shares

- The Holding Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Holders of Global Depository Receipts ('GD $\text{\text{₹}}$ ') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GD $\text{\text{₹}}$ don't have voting rights with respect to the deposited shares. The GD $\text{\text{₹}}$ can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

(v) Shares held by shareholders each holding more than 5% shares:

Equity shares of ₹ 2 each, fully paid up

	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sameer Gehlaut	41,489,078	7.95%	40,158,292	9.08%
Orthia Properties Private Limited	39,981,305	7.66%	39,981,305	9.04%
Orthia Constructions Private Limited	39,701,671	7.61%	39,701,671	8.97%
Zelkova Builders Private Limited	32,907,534	6.30%	32,907,534	7.44%
Tupelo Consultancy LLP	18,440,813	3.53%	25,115,371	5.68%
Cinnamon Capital Limited	-	-	38,865,582	8.79%
Tamarind Capital Pte Ltd	62,213,000	11.92%	47,390,000	10.71%
Steadview Capital Mauritius Limited	34,907,801	6.69%	-	-
Jasmine Capital Investments Pte Ltd	52,545,147	10.07%	-	-
	322,186,349	61.73%	264,119,755	59.71%

Equity shares of ₹ 2 each, partly paid up

	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sameer Gehlaut	9,408,927	11.35%	9,408,927	11.34%
Orthia Properties Private Limited	9,367,460	11.30%	9,367,460	11.29%
Orthia Constructions Private Limited	9,301,943	11.22%	9,301,943	11.21%
Zelkova Builders Private Limited	7,710,104	9.30%	7,710,104	9.30%
Tupelo Consultancy LLP	4,709,132	5.68%	4,709,132	5.68%
Cinnamon Capital Limited	-	-	7,287,296	8.79%
Tamarind Capital Pte Ltd	11,103,288	13.39%	11,103,288	13.39%
Jasmine Capital Investments Pte Ltd	7,287,296	8.79%	-	-
	58,888,150	71.03%	58,888,150	71.00%

(vi) Shares reserved for issue under options:

- 28,501,616 equity shares (As at 31 March 2018: 30,300,366 equity shares and as at 1 April 2017: 20,829,316 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Holding Company (refer note 51).
- Nil (as at 31 March 2018: 33,800,000 and as at 1 April 2017: 33,650,000 equity shares) of face value of ₹ 2 each are reserved towards share warrants of the Holding Company (refer note 31 (b)).

(vii) The Holding Company has not issued any bonus shares during the current year and five years immediately preceding current year.

(viii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 31 Other equity	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Share application money pending allotment (refer note (a) below)	-	-	86.22
Equity component of compulsorily convertible debentures	131,708.14	-	-
Statutory reserves	12,184.91	4,186.83	356.41
Capital reserve	747.31	763.66	2,286.68
Securities premium	410,449.18	132,344.17	11,919.04
Capital redemption reserve	3,700.36	3,700.36	3,700.36
Debenture redemption reserve	416.54	-	-
Foreign currency monetary item translation difference account	39.98	49.04	79.33
General reserve	4,197.55	4,197.55	4,197.55
Share options outstanding account	7,671.71	3,309.88	209.64
Retained earnings	59,735.22	27,817.18	10,704.55
Equity instruments through other comprehensive income	397.14	491.44	635.37
Money received against share warrants (refer note (b) below)	-	3,696.88	1,661.47
Total attributable to equity shareholders of the Holding Company	631,248.04	180,556.99	35,836.62
Non- controlling interests	14,916.00	-	-
Total	646,164.04	180,556.99	35,836.62

- (a) As at 1 April 2017, the Holding Company had sufficient authorised share capital to cover the allotment of these shares. During the year ended 31 March 2018, the Holding company had issued and allotted equity shares to the concerned employees.
- (b) (i) During the year ended 31 March 2017, the Board of Directors had resolved to create, offer, issue and allot up to 58,300,000 warrants, convertible into 58,300,000 equity shares of ₹ 2 each on a preferential allotment basis at a conversion price of ₹ 19.75 per equity share to the certain promoter entities and to an executive director ("the warrant holders").

Terms of the issue:

- 25% application money is payable upfront at the time of allotment.
- Warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before 9 February 2018.
- In the event the warrants are not converted into equity shares within the said period, the Holding Company is eligible to forfeit the amounts received towards the warrants.

During the year ended 31 March 2017, the Holding Company had allotted 24,650,000 equity shares on conversion of equivalent number of warrants in accordance with the terms of the issue. Further, during the year ended 31 March 2018, the Holding Company has allotted 33,650,000 equity shares on conversion of equivalent number of warrants in accordance with the terms of the issue.

- (ii) During the year ended 31 March 2018, the Board of Directors had resolved to create, offer, issue and allot up to 33,800,000 warrants, convertible into 33,800,000 equity shares of ₹ 2 each on a preferential allotment basis at a conversion price of ₹ 43.75 per equity share of the Company to the certain promoter entities ("the warrant holders").

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Terms of the issue:

- a. 25% application money is payable upfront at the time of allotment.
- b. Warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before 28 October 2018.
- c. In the event the warrants are not converted into equity shares within the said period, the Holding Company is eligible to forfeit the amounts received towards the warrants.

During the year ended 31 March 2019, the Holding Company had allotted 33,800,000 equity shares on conversion of equivalent number of warrants in accordance with the terms of the issue.

Nature and purpose of other reserves:

Equity component of compulsorily convertible debentures

Compulsorily convertible debentures issued by the Holding Company have been classified as compound financial instruments and recognized at amortised cost. The difference between transaction value and amortised cost has been recognised as a separate component in other equity.

Statutory reserves

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

Capital reserve

Capital reserve represents reserves created pursuant to the business combination upto year end.

Securities premium

Securities premium represents premium received on issue of shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Capital redemption reserve

The same had been created in accordance with provision of the Companies Act on account of redemption of preference shares and account can be utilised in accordance with the provisions of the Companies Act 2013.

Debenture redemption reserve

The Companies Act 2013 requires Companies that issue debentures to create as debenture redemption reserve from annual profits until such debentures are redeemed. The Group is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amount credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

Foreign currency monetary item translation difference account (FCMITDA)

FCMITDA represents exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements.

General reserve

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for dividend payout.

Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees under Holding Company's employee stock option plan.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Note - 32	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
On financial assets measured at amortised cost -		
Interest on loans		
- Interest from financing activities	148,165.82	33,872.65
- Interest on margin funding/delayed payments	2,412.70	1,646.19
- Interest on inter-corporate loans	982.64	-
Interest on deposits with banks		
- Interest on fixed deposit	3,115.41	2,269.76
Other interest income		
- Unwinding of interest income	1,605.76	1,126.65
- Interest on income tax refund	351.72	145.77
- Interest on earnest money deposit	229.99	-
On financial assets measured at fair value through profit or loss -		
Interest income from investments		
- Interest on bonds	856.06	236.95
- Interest on commercial paper	174.24	62.65
- Interest on commercial deposits	100.80	-
Total	157,995.14	39,360.62
Note - 33	For the year ended	For the year ended
Dividend income	31 March 2019	31 March 2018
Dividend income on mutual funds	2,534.77	19,692.44
Dividend income on equity shares	23.40	18.20
Total	2,558.17	19,710.64
Note - 34	For the year ended	For the year ended
Fees and commission income	31 March 2019	31 March 2018
Brokerage and other related income	31,761.59	37,731.48
Management fee	1,094.01	359.68
Income from depository services	653.94	625.69
Recovery incentive	209.47	234.66
Total	33,719.01	38,951.51

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 35	For the year ended	For the year ended
Net gain / (loss) on fair value changes	31 March 2019	31 March 2018
On financial instruments at fair value through profit and loss:-		
- Gain/(loss) on sale of investment / mutual funds	1,733.20	(14,243.54)
- Derivatives	(628.47)	(256.27)
- Gain on redemption of security receipts	530.10	-
Total net gain/(loss) on fair value changes	1,634.83	(14,499.81)
Fair value changes		
- Realised	1,560.59	(5,549.40)
- Unrealised	74.24	(8,950.41)
Total net gain/(loss) on fair value changes	1,634.83	(14,499.81)
Note - 36	For the year ended	For the year ended
Net gain on derecognition of financial instruments under amortised cost category	31 March 2019	31 March 2018
Gain on sale of loan portfolio through assignment	3,157.96	-
Gain on derecognition of financial assets	277.95	-
	3,435.91	-
Note - 37	For the year ended	For the year ended
Other income	31 March 2019	31 March 2018
Net gain on ineffective portion of hedges	196.13	25.59
Excess provisions written back	105.70	205.55
Profit on sale of property, plant and equipment (net)	2.79	27.08
Liabilities written back	7.63	1,118.18
Gain on foreign exchange fluctuations	53.38	31.97
Miscellaneous income	19.31	47.15
Total	384.94	1,455.52
Note - 38	For the year ended	For the year ended
Finance costs	31 March 2019	31 March 2018
On financial liabilities measured at amortised cost -		
Interest on borrowings		
- Term loans	37,270.53	13,456.05
- Inter-corporate loans	2,508.14	3,101.95
- Bank overdraft	992.94	251.07
- Working capital loan	80.53	390.12
- Vehicle loan	13.34	12.43

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Interest on debt securities		
- Commercial papers	12,659.26	4,813.56
- Liability component of compulsorily convertible debenture	1,105.57	-
- Non-convertible debentures	1,335.56	9.32
Other interest expense		
- Liability against securitised assets	990.87	-
- Taxes	39.73	116.53
Other borrowing costs	1,744.91	193.02
Total	58,741.38	22,344.05
Note - 39	For the year ended	For the year ended
Fees and commission expense	31 March 2019	31 March 2018
Transaction charges	425.71	518.74
Management and collection fee	356.36	-
Commission expense	249.13	840.17
Membership, depository and stock exchange fee	105.83	156.12
Total	1,137.03	1,515.03
Note - 40	For the year ended	For the year ended
Impairment on financial instruments	31 March 2019	31 March 2018
Measured at amortised cost		
Impairment allowances on loans	12,530.49	1,286.71
Impairment allowances on trade receivables and others	109.76	20.18
Loans, trade receivables and other assets written off	1.80	3,875.37
Measured at cost		
Investments written off	39.00	-
Total	12,681.05	5,182.26
Note - 41	For the year ended	For the year ended
Employee benefits expense	31 March 2019	31 March 2018
Salaries and wages	30,883.66	13,786.53
Contribution to provident fund and other funds*	428.66	129.26
Provision for employee benefits (refer note 50)	622.89	366.11
Share-based payments to employees	4,361.83	3,100.24
Staff welfare expenses	584.84	254.25
Total	36,881.88	17,636.39

*There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February 2019 on Provident Fund. The group is examining these issues to identify the potential effects, if any, on compliance with the Provident fund Act, 1952.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 42	For the year ended	For the year ended
Depreciation and amortisation expense	31 March 2019	31 March 2018
Depreciation on property, plant and equipment (Refer note 16)	1,037.25	506.77
Amortisation of other intangible assets (Refer note 19)	1,660.50	697.90
Total	2,697.75	1,204.67
Note - 43	For the year ended	For the year ended
Other expenses	31 March 2019	31 March 2018
Lease rent (refer note 46)	3,769.76	1,737.52
Rates and taxes	125.10	272.63
Office maintenance	1,119.99	555.33
Repairs and maintenance - others	280.43	214.24
Travelling and conveyance	635.43	236.79
Communication costs	1,701.33	417.71
Printing and stationery	376.58	133.75
Software expenses	1,417.21	182.86
Electricity expenses	374.62	200.91
Director's sitting fee	48.50	18.00
Payment to statutory auditors *	120.36	72.01
Legal and professional charges	12,141.71	2,598.42
Bank charges	363.20	7.67
Insurance	10.78	12.38
Stamp duty	76.00	83.81
Web hosting expenses	94.03	87.13
Leased line expenses	158.39	91.15
Content expenses	5.00	9.02
Recruitment expenses	70.70	91.88
Manpower hiring charges	33.17	8.94
Business promotion expenses	1,310.01	1,867.10
Corporate social responsibility expenses (refer note 49)	375.95	94.98
Donation	-	1.50
Miscellaneous expenses	50.04	17.05
Total	24,658.29	9,012.78
* Payment to statutory auditors comprises of:		
For statutory audit fee	117.42	70.26
For taxation matters	0.60	-
For company law matters	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 43	For the year ended	For the year ended
Other expenses	31 March 2019	31 March 2018
For other services	0.45	1.75
For reimbursement of expenses	1.89	-
	120.36	72.01

Note - 44	For the year ended	For the year ended
Tax expense	31 March 2019	31 March 2018
Current tax (including earlier years)	16,257.89	8,219.77
Deferred tax expense/(credit)	641.27	(1,089.58)
Income tax expense reported in the statement of profit and loss	16,899.16	7,130.19

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 29.12% (31 March 2018: 34.61%) and the reported tax expense in profit or loss are as follows:

	For the year ended	For the year ended
	31 March 2019	31 March 2018
Reconciliation of effective tax rate		
Accounting profit before tax expense	62,930.62	28,083.30
Income tax rate	29.12%	34.61%
Expected tax expense	18,325.40	9,719.07
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax impact on items exempt under income tax	(1,366.94)	(5,735.88)
Tax impact on deductions allowed under income tax	124.55	(766.57)
Tax impact of expenses which will never be allowed	71.07	137.72
Income chargeable under capital gain (difference of tax rates)	(1,459.94)	4,311.49
Earlier years tax adjustments (net)	(69.19)	31.16
Tax impact of minimum alternate tax credit entitlement	0.78	(36.16)
Tax losses for which no deferred tax was recognised	482.28	870.26
Tax impact of difference in tax rate on certain items	633.64	(1,161.18)
Others	158.33	(239.72)
Income tax expense	16,899.98	7,130.19

Changes in tax rate

The reduction of the Indian corporate tax rate from 30% to 25% is effective from 1 April 2018. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to reverse in the year to 31 March 2019 has been measured using the effective rate that will apply in India for the period (25%).

The impact of the change in tax rate has been recognised in tax expense of statement of profit or loss, except to the extent that it relates to items previously recognised outside the statement of profit or loss.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 45

Earnings per share

Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share':

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsorily convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit available for equity shareholders	45,909.69	20,953.11
Basic/diluted earnings per equity share:		
Weighted average number of equity shares used for computing basic earnings per equity share	545,045,534	429,300,268
Effect of dilution:		
Add: Potential number of equity shares that could arise on exercise of employee stock options	22,467,617	18,509,284
Add: Potential number of equity shares that could arise on exercise of warrants	5,934,875	26,900,554
Weighted average number of equity shares used in computing diluted earnings per equity share	573,448,026	474,710,106
Face value of equity share (₹)	2.00	2.00
Earnings per equity share -		
- Basic (₹)	8.42	4.88
- Diluted (₹)	8.01	4.41

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 46

Leases

The Group has taken office premises on operating lease at various locations in India and lease rent in respect of the same amounting to ₹ 3,769.76 lakh (31 March 2018: ₹ 1,737.52 lakh) has been charged to the statement of profit and loss. The agreements are executed for a period ranging from 11 months to 10 years (including lock in period in certain cases) with a renewable clause and in many cases, it also provides for termination at will by either party giving a prior notice period between 30 to 90 days. The non-cancellable minimum lease rental outstanding are as under :

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Future minimum lease payments -			
- Not later than one year	4,226.26	2,253.61	683.13
- Later than one year and not later than five years	13,845.77	7,151.57	821.99
- Later than five years	8,584.64	3,135.12	146.67
Total	26,656.67	12,540.30	1,651.79

Note - 47

A. Contingent liabilities not provided for in respect of:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Claims against the group not acknowledged as debts in respect of -			
- Penalty for synchronised trading under SEBI regulations (refer note i below)	-	-	15.00
- Cases under Arbitration and Conciliation Act, 1996 (refer note ii below)	33.30	33.30	28.04
- Cases under Income-tax Act, 1961 (refer note iii below)	315.05	-	-
Total	348.35	33.30	43.04

- (i) During the year ended 31 March 2011, the Securities Appellate Tribunal ("SAT") had passed an order dated 26 October 2010 in favour of the Company setting aside the penalty imposed by SEBI. However, during the year ended 31 March 2012, SEBI had preferred an appeal against the judgment of the SAT before the Honourable Supreme Court of India. During the year ended 31 March 2018, the Honourable Supreme Court of India has passed order in favour of the Holding Company.
- (ii) The Holding Company is involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. In respect of these claims, the Holding Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements/ position.
- (iii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-
- For ₹ 90.97 lakh with respect to FY 2010-11 (Previous year ₹ Nil) against disallowances u/s 69C and 32 (1) of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 33.02 lakh with respect to FY 2011-12 (Previous year ₹ Nil) against disallowances u/s 69C and 32 (1) of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- c. For ₹ 21.58 lakh with respect to FY 2012-13 (Previous year ₹ Nil) against disallowances u/s 69C and 32 (1) of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- d. For ₹ 43.33 lakh with respect to FY 2013-14 (Previous year ₹ Nil) against disallowances u/s 69C, 32 (1) and employee stock option plan expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- e. For ₹ 40.66 lakh with respect to FY 2014-15 (Previous year ₹ Nil) against disallowances u/s 69C, 32 (1) and employee stock option plan expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- f. For ₹ 18.32 lakh with respect to FY 2015-16 (Previous year ₹ Nil) against disallowances u/s 69C, 32 (1) and employee stock option plan expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- g. For ₹ 67.17 lakh with respect to FY 2016-17 (Previous year ₹ Nil) against disallowances u/s 69C, 32 (1) and employee stock option plan expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).

B. Commitments:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital commitments for purchase of property, plant and equipment (net of capital advances paid)	1,165.51	22,953.46	21,141.31

Note- 48

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings other than debt securities	Total
Balance as at 1 April 2017	50,000.00	101,907.73	151,907.73
Cash flows:			
- Repayment	(523,200.00)	(742,473.95)	(1,265,673.95)
- Proceeds	583,200.00	1,024,580.71	1,607,780.71
Non cash:			
- Amortisation of upfront fees	-	(1,079.07)	(1,079.07)
Balance as at 31 March 2018	110,000.00	382,935.42	492,935.42
Cash flows:			
- Repayment	(939,419.18)	(894,454.73)	(1,833,873.91)
- Proceeds	1,158,459.70 *	1,132,807.85	2,291,267.55
- Interest paid	(2,395.45)	-	(2,395.45)
- Interest expensed	1105.57	-	1105.57
Non cash:			
- Amortisation of upfront fees	(1,634.38)	(838.31)	(2,472.69)
Balance as at 31 March 2019	326,116.26	620,450.23	946,566.10

* This includes gross amount received on issue of CCDs by the Holding Company.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note- 49

Corporate social responsibility expenses

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company (where CSR provisions are applicable) had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Group was to spend a sum of ₹ 375.95 lakh (31 March 2018: ₹ 94.98 lakh) towards CSR activities during the year ended 31 March 2019. The details of amount actually spent by the Group are as follow:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Gross amount required to be spent by the Group	375.95	94.98
(b) Amount spent on -		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above*	375.95	94.98
- Yet to be paid	-	-
Total	375.95	94.98

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

Note - 50

Employee benefits

(i) Defined contribution plans:

During the year, the Group has recognized the following amounts in the statement of profit and loss in respect of defined contribution plans:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contribution made to employees' provident fund organisation	108.63	60.37
Contribution made to employees' state insurance corporation	274.33	34.41
Contribution to labour welfare fund	3.74	1.47
Contribution to employees' national pension scheme	41.96	33.01
Total	428.66	129.26

(ii) Defined benefit plans:

The Group operates unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Withdrawals Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Group's financial statements as at balance sheet date:

a) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation	1,538.01	975.59	744.56
Fair value of plan assets	-	-	-
Net obligation recognised in balance sheet as provision	1,538.01	975.59	744.56

b) Reconciliation of present value of defined benefit obligation:

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	975.59	744.56
Current service cost	374.25	153.05
Interest cost	67.10	56.04
Past service cost	-	83.14
Actuarial loss recognised in other comprehensive income :		
- Demographic assumptions	-	-
- Financial assumptions	49.66	(61.59)
- Experience adjustment	23.44	72.06
Benefits paid	(77.36)	(95.25)
Acquisition adjustments	125.33	23.58
Balance at the end of the year	1,538.01	975.59

c) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	374.25	153.05
Interest cost	67.10	56.04
Past service cost	-	83.14
Total	441.35	292.23

d) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial loss on defined benefit obligations	73.10	10.47
Total	73.10	10.47

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

e) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting dates:

Particulars	As at	As at
	31 March 2019	31 March 2018
Discount rate	7.65%	7.80%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
Weighted average duration (years)	20.16	20.28

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(110.52)	122.13	(68.32)	75.24
Salary escalation rate (0.5% movement)	124.75	(113.68)	76.96	(70.37)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

g) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at	As at
	31 March 2019	31 March 2018
Less than 1 year	35.60	24.89
Between 1-2 years	21.27	18.96
Between 2-5 years	68.24	49.17
Over 5 years	1,412.90	882.57
Total	1,538.01	975.59

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

(iii) Other long term employee benefit plans

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 181.55 lakh (31 March 2018: ₹ 71.70 lakh) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

Note - 51

Employee stock option schemes:

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
Exercise price (₹)	17.40	24.15	219.65	254.85
Expected volatility *	79.00%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
Option Life (Weighted Average) (in years)	11.00	6.00	6.00	6.00
Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value ₹ 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of ₹ 2 each in the Company, at an exercise price of ₹ 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 16 per equity share and ₹ 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IBVL ESOP - 2009						
	10,000,000 options	2,050,000 options	10,000,000 options regranted & surrendered	9,500,000 options regranted	1,000,000 options regranted & surrendered	10,000,000 options regranted	669,400 options regranted
Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
Fair value of the options (₹)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The Company has recognised employee stock compensation expense of ₹ 4,354.84 lakh (31 March 2018: ₹ 3,100.24 lakh) in the statement of profit and loss for the year ended 31 March 2019.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

The other disclosures in respect of the above stock option schemes are as under:

Total options under the scheme (Nos.)	IBVL ESOP - 2008			
	20,000,000			
Options granted (Nos.)	20,000,000	9,700,000 (regrant)	500,000 (regrant)	880,600 (regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	25th January each year, commencing 25 January 2010	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercise price (₹)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding as at 31 March 2018 (Nos.)	1,277,866	9,700,000	500,000	880,600
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
Outstanding as at 31 March 2019 (Nos.)	870,916	9,700,000	500,000	693,600
Vested and exercisable at the end of the year (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	49	63	77	84

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: ₹ 59.77).

Total options under the Scheme (Nos.)	IBVL ESOP - 2009						
	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (regrant & surrendered)	9,500,000 (regrant)	10,000,000 (regrant & surrendered)	10,000,000 (regrant)	669,400 (regrant)
Vesting period and percentage	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	2nd December each year, commencing 2 December 2010	13th April each year, commencing 13 April 2011	26th August each year, commencing 26 August 2016	13th May each year, commencing 13 May 2017	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Total options under the Scheme (Nos.)	IBVL ESOP - 2009						669,400 (regrant)
	20,000,000						
	10,000,000	2,050,000	10,000,000 (regrant & surrendered)	9,500,000 (regrant)	10,000,000 (regrant & surrendered)	10,000,000 (regrant)	
Options granted (Nos.)							
Outstanding as at 1 April 2017 (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding as at 31 March 2018 (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
Outstanding as at 31 March 2019 (Nos.)	-	150,000	-	6,487,700	-	9,880,000	219,400
Vested and exercisable at the end of the year (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Remaining contractual life (weighted months)	-	60	-	67	-	77	84

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: ₹ 121.14).

Note - 52

Segment reporting:

Segment information for the year ended 31 March 2019 as per Indian Accounting Standard 108 - 'Segment Reporting':

(A) Primary segment information (by business segments):

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	Broking and related activities	Financing and related activities	Other operations	Total	Broking and related activities	Financing and related activities	Other operations	Total
(i) Segment revenue	28,073.83	164,982.70	6,286.53	199,343.06	28,683.92	65,392.41	3,946.44	98,022.77
(ii) Segment results	9,440.09	58,130.79	2,285.00	69,855.88	12,623.93	22,230.29	63.20	34,917.42
Unallocated income net of other unallocated expenditure				171.74				2,475.88
Interest expenditure				(7,097.00)				(9,310.00)
Profit before share of loss of an associate and tax				62,930.62				28,083.30
Share of loss in an associate				(2.84)				-
Profit before tax				62,927.78				28,083.30
Tax expense				(16,899.16)				(7,130.19)
Profit after tax				46,028.62				20,953.11
Total other comprehensive income				(143.44)				(153.99)
Total comprehensive income for the year				45,885.18				20,799.12
(iii) Segment assets	264,003.56	1,241,664.26	36,704.05	1,542,371.87	202,680.32	548,751.89	10,585.61	762,017.82
Unallocated corporate assets				59,176.37				13,739.06
Total assets				1,601,548.24				775,756.88
(iv) Segment liabilities	159,362.58	782,055.07	1,510.68	942,928.33	202,473.80	382,131.05	85.74	584,690.59
Unallocated corporate liabilities				1,107.12				1,246.74
Total liabilities				944,035.46				585,937.33

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	Broking and related activities	Financing and related activities	Other operations	Total	Broking and related activities	Financing and related activities	Other operations	Total
(v) Capital expenditure including capital advances given (net)								
Unallocated capital expenditure including capital advances				8,770.52				6,943.25
Total capital expenditure including capital advances				8,770.52				6,943.25
(vi) Depreciation and amortisation	801.88	1,890.83	1.72	2,694.43	640.08	560.82	0.33	1,201.23
Unallocated depreciation and amortisation				3.33				3.44
Total depreciation and amortisation				2,697.76				1,204.67
(vii) Non cash expenditure other than depreciation								
Unallocated non cash expenditure other than depreciation				12,681.05				5,182.26
Non cash expenditure other than depreciation				12,681.05				5,182.26

(B) The Group operates solely in one Geographic segment namely “Within India” and hence no separate information for Geographic segment wise disclosure is required.

(C) The Group’s primary business segments are reflected based on principal business activities carried on by the Holding Company and its subsidiary companies. The Group’s primary businesses are ‘Broking and Related activities’ and ‘Financing and Related activities’. Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage on cross-selling of real estate, and other ancillary services relating to broking activities. Financing and related activities include business financing loans and other ancillary services.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- (D) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (E) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note 3.

Note - 53

Related party disclosures :

Nature of relationship	Name of the party
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(a) Detail of related parties :

Associate companies	Transerv Private Limited (from 29 March 2019)
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Key management personnel

Mr. Divyesh B. Shah, Whole Time Director and Chief Executive Officer
Mr. Amiteshwar Choudhary, Whole Time Director (till 28 August 2017)
Mr. Pinank Jayant Shah, Whole Time Director (from 28 August 2017)
Mr. Gagan Banga, Non-executive Director (from 28 August 2017)
Mr. Abhaya Prasad Hota, Independent Director (from 25 August 2018)
Mr. Alok Misra, Independent Director (from 28 August 2017)
Brig. (Retd.) Labh Singh Sitara, Independent Director
Mr. Shyam Lal Bansal, Independent Director (from 28 August 2017)
Ms. Vijayalakshmi Rajaram Iyer, Independent Director (from 28 August 2017)
Mr. Aishwarya Katoch, Independent Director (till 18 September 2017)
Mr. Prem Prakash Mirdha, Independent Director (till 23 September 2017)
Ms. Pia Johnson, Non-Executive Director (till 28 August 2017)
Mr. Ajit Kumar Mittal, Non-Executive Director (from 23 September 2017 and till 28 September 2017)

Person exercising significant influence

Mr. Sameer Gehlaut (Non executive chairman and Promoter)
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Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

(b) Transactions with related parties :

Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Income						
(i) Brokerage income	0.47	0.03	0.06	-	0.53	0.03
(ii) Interest on margin funding / delayed payments	-	1.68	-	-	-	1.68
Expenses						
(i) Compensation to key management personnel's						
- Short term employee benefits	448.65	424.47	-	-	448.65	424.47
- Post employment benefits - gratuity	0.55	7.22	-	-	0.55	7.22
- Other long-term employee benefits - compensated absences	0.75	(0.36)	-	-	0.75	(0.36)
- Share based expenses	876.78	712.15	-	-	876.78	712.15
Finance						
(i) Money received against conversion of share warrants	-	592.50	-	-	-	592.50
(ii) Money received against ESOP	-	41.28	-	-	-	41.28
(iii) Equity shares issued	-	1,275.78	-	5,645.36	-	6,921.14
(iv) Call money received against right issue	1,478.96	-	6,774.43	-	8,253.39	-

(c) Balance outstanding at the end of the year :

Nature of transactions	Key management personnel			Person exercising significant influence			Total		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Money from customers	131.72	-	-	-	-	-	131.72	-	-
(ii) Money received against share warrants	-	-	197.50	-	-	-	-	-	197.50
(iii) Money received against ESOP	-	-	78.38	-	-	-	-	-	78.38
(iv) Calls in arrear	51.98	-	-	-	-	-	51.98	-	-

Note: Related party relationships as given above are as identified by the Group.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 54

Financial instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial assets measured at fair value				
Investments measured at -				
- Fair value through profit and loss	Note - 11	59,874.87	49,395.55	16,254.68
- Fair value through other comprehensive income	Note - 11	397.25	491.54	635.47
Financial assets measured at amortised cost				
Cash and cash equivalents	Note - 6	194,717.37	192,376.58	73,148.09
Bank balance other than cash and cash equivalents	Note - 7	39,674.07	32,848.91	17,568.96
Receivables -				
(i) Trade receivables	Note - 8	27,336.19	26,370.85	29,676.30
(ii) Other receivables	Note - 9	11,073.74	12,217.47	257.53
Loans	Note - 10	1,119,664.22	409,051.62	7,328.26
Investments	Note - 11	-	-	0.43
Security deposits	Note - 12	94,016.03	25,901.64	50,700.26
Other financial assets	Note - 12	4,599.25	1,484.61	599.81
Total		1,551,352.99	750,138.77	196,169.79
Financial liabilities measured at fair value				
Derivative financial instruments	Note - 21	209.42	679.80	-
Financial liabilities measured at amortised cost				
Trade payables	Note - 22	6,430.98	3,529.54	545.19
Other payables	Note - 23	2,674.15	901.07	630.21
Debt securities (including interest accrued)	Note - 24	203,915.46	110,009.32	50,000.00
Borrowings (other than debt securities) (including interest accrued)	Note - 25	621,268.15	382,993.20	101,990.19
Other financial liabilities	Note - 26	98,882.90	80,837.49	16,793.88
Total		933,381.06	578,950.42	169,959.47

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Debt securities	2,617.51	-	-	2,617.51
Mutual funds	55,323.42	-	-	55,323.42
Unquoted security receipts	-	-	1,933.94	1,933.94
Investments at fair value through other comprehensive income				
Quoted equity instruments	397.25	-	-	397.25
Financial liabilities at fair value through profit and loss				
Derivative liability	209.42	-	-	209.42

As at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	37,904.65	-	-	37,904.65
Quoted equity instruments	7,231.38	-	-	7,231.38
Unquoted security receipts	-	-	4,259.52	4,259.52
Investments at fair value through other comprehensive income				
Quoted equity instruments	491.54	-	-	491.54
Financial liabilities at fair value through profit and loss				
Derivative liability	679.80	-	-	679.80

As at 1 April 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	16,254.68	-	-	16,254.68
Investments at fair value through other comprehensive income				
Quoted equity instruments	635.47	-	-	635.47

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments and debt securities.
- the use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 57.
- for unquoted security receipts, adjusted discounted cash flow method (income approach) has been used.
- the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value			Significant unobservable inputs
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	
Unquoted security receipts	1,933.94	4,259.52	-	Estimated cash flows and discount rate

Sensitivity analysis

Description	For the year ended 31 March 2019	For the year ended 31 March 2018
Impact on fair value if change in internal rate of return		
- Impact due to increase of 0.5%	(6.95)	(53.76)
- Impact due to decrease of 0.5%	7.04	56.35

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	Unquoted security receipts
As at 1 April 2017	-
Add: Addition during the year	5,585.55
Less: Redeemed during the year	(1,326.03)
As at 31 March 2018	4,259.52
Add: Addition during the year	-
Less: Redeemed during the year	(2,325.58)
As at 31 March 2019	1,933.94

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	194,717.37	194,717.37	192,376.58	192,376.58	73,148.09	73,148.09
Bank balance other than cash and cash equivalents	39,674.07	39,674.07	32,848.91	32,848.91	17,568.96	17,568.96
Receivables -						
(i) Trade receivables	27,336.19	27,211.46	26,370.85	26,322.33	29,676.30	29,676.30

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
(ii) Other receivables	11,073.74	11,073.74	12,217.47	12,217.47	257.53	257.53
Loans	1,119,664.22	1,145,696.56	409,051.62	411,075.17	7,328.26	9,237.35
Investments	-	-	-	-	0.43	0.43
Security deposits	94,016.03	93,880.59	25,901.64	25,750.69	50,700.26	50,700.25
Other financial assets	4,599.25	4,611.14	1,484.61	1,474.20	599.81	599.81
Total	1,491,080.87	1,516,864.93	700,251.68	702,065.35	179,279.64	181,188.72
Financial liabilities						
Trade payables	6,430.98	6,430.98	3,529.54	3,529.54	545.19	545.19
Other payables	2,674.15	2,674.15	901.07	901.07	630.21	630.21
Debt securities	203,915.46	203,915.45	110,009.32	110,009.32	50,000.00	50,000.00
Borrowings (other than debt securities)	621,268.15	621,268.16	382,993.20	382,993.20	101,990.19	101,990.19
Other financial liabilities	98,882.90	100,035.17	80,837.49	80,837.49	16,793.88	16,793.88
Total	933,171.64	934,323.91	578,270.62	578,270.62	169,959.47	169,959.47

The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Group's fixed interest bearing loans are determined by applying discounted cash flows ('DCF') method. For variable rate interest-bearing loans, carrying value represent best estimate of their fair value.
- (ii) The fair values of the Group's non-interest bearing security deposits, trade receivables and other financial assets are determined by applying discounted cash flows ('DCF') method.
- (ii) The fair values of the Group fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Note - 55

Financial risk management

i. Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity and debt securities, mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables, security deposits and other financial assets	Life time expected credit loss or 12 month expected credit loss

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Moderate credit risk	Trade receivables, other receivables and loans	Life time expected credit loss
High credit risk	Loans and security deposits	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Low credit risk			
Cash and cash equivalents	194,717.37	192,376.58	73,148.09
Bank balance other than cash and cash equivalents	39,674.07	32,848.91	17,568.96
Trade receivables	27,336.19	26,370.85	29,676.30
Other receivables	11,073.74	12,217.47	257.53
Loans	1,118,629.26	409,097.63	2,887.85
Investments	397.25	491.54	635.90
Security deposits	94,016.03	25,901.64	50,700.26
Other financial assets	4,599.25	1,484.61	599.81
(ii) Moderate credit risk			
Trade receivables	3,071.71	2,850.13	4,609.13
Other receivables	1,434.50	1,543.33	254.15
Loans	7,338.51	1,247.57	4,655.25
(iii) High credit risk			
Loans	8,412.93	207.97	-
Security deposits	23.00	22.25	22.25

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade and other receivables

Credit risk related to trade and other receivables are managed by monitoring the recoverability of such amounts continuously.

Loans

The Group closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Group
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Group undertakes credit bureau checks for every client. The credit bureau check helps the Group in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per Industry trends 2. Supplemental external information that could affect the borrowers behaviour	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	3. Discount rate is based on internal rate of return on the loan	2. Management judgement is applied to determine the economic scenarios and the application of probability weights

* The Group has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure

i) Expected credit losses for financial assets

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	194,717.37	-	194,717.37
Bank balance other than cash and cash equivalents	39,674.07	-	39,674.07
Investments	397.25	-	397.25
Trade receivables	30,407.90	(3,071.71)	27,336.19
Other receivables	12,508.24	(1,434.50)	11,073.74
Margin funding loans	5,008.27	-	5,008.27
Security deposits	94,039.03	(23.00)	94,016.03
Other financial assets	4,599.25	-	4,599.25
As at 31 March 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	192,376.58	-	192,376.58
Bank balance other than cash and cash equivalents	32,848.91	-	32,848.91
Investments	491.54	-	491.54
Trade receivables	29,220.98	(2,850.13)	26,370.85
Other receivables	13,760.80	(1,543.33)	12,217.47
Margin funding loans	8,800.42	-	8,800.42
Security deposits	25,923.89	(22.25)	25,901.64
Other financial assets	1,484.61	-	1,484.61

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

As at 1 April 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	73,148.09	-	73,148.09
Bank balance other than cash and cash equivalents	17,568.96	-	17,568.96
Investments	635.90	-	635.90
Trade receivables	34,285.43	(4,609.13)	29,676.30
Other receivables	511.68	(254.15)	257.53
Margin funding loans	226.01	-	226.01
Security deposits	50,722.51	(22.25)	50,700.26
Other financial assets	599.81	-	599.81

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Other receivables	Security deposits
Loss allowance on 1 April 2017	4,609.13	254.15	22.25
Impairment loss recognised during the year	2,396.87	1,289.18	-
Loss allowance written back	(3,655.01)	-	-
Write - offs	(500.86)	-	-
Loss allowance on 31 March 2018	2,850.13	1,543.33	22.25
Impairment loss recognised during the year	1,202.74	168.05	5.00
Loss allowance written back	(981.16)	(276.88)	-
Write - offs	-	-	(4.25)
Loss allowance on 31 March 2019	3,071.71	1,434.50	23.00

Concentration of financial assets excluding loans

The Group carries on the business as stock broker on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"), depository participants, broking of underwriting/distribution of real estate projects on behalf of developers and renders other related ancillary services. The Group's outstanding receivables are for stock broking on stock exchange's, broking of underwriting/distribution of real estate projects and depository participants. Loans and other financial assets majorly represents margin funding loans and deposits given for business purposes.

ii) Expected credit losses for loans other than margin funding loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Changes in the gross carrying amount in relation to loans given from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2017	-	4,655.25	2,661.84
Assets originated	638,582.64	-	-
Net transfer between stages	(1,499.20)	1,275.78	223.41
Assets derecognised (excluding write offs)	(236,786.22)	(3,485.56)	(15.44)
Write - offs	-	(1,197.91)	(2,661.84)
Gross carrying amount as at 31 March 2018	400,297.22	1,247.56	207.97
Assets originated and acquired	1,018,635.29	-	31,998.59
Net transfer between stages	(18,592.38)	8,883.39	9,708.98
Assets derecognised (excluding write offs)	(318,717.71)	(2,792.46)	(1,504.02)
Gross carrying amount as at 31 March 2019	1,081,622.42	7,338.49	40,411.52

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2017	-	214.84	-
Increase of provision due to assets originated during the year	2,682.05	-	-
Impairment loss recognised during the year	(481.66)	314.10	167.56
Loss allowance written back	(991.22)	(403.64)	(0.48)
Loss allowance on 31 March 2018	1,209.17	125.30	167.08
Increase of provision due to assets originated and purchased during the year	4,135.16	-	-
Impairment loss recognised during the year	(8,133.84)	2,187.09	8,175.89
Loss allowance written back	7,197.24	(14.33)	(332.29)
Loss allowance on 31 March 2019	4,407.73	2,298.06	8,010.68

c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Corporate borrowers	388,247.92	195,922.23	3,954.43
Retail borrowers	741,124.51	205,830.52	700.82
Others	-	-	2,661.84
Total	1,129,372.43	401,752.75	7,317.09

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Loans secured against collateral

Group's secured portfolio has security base as follows:

Particulars	Value of loans		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured by tangible assets	560,378.47	186,935.30	-
Secured by other assets	6,785.00	10,528.71	226.01

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

i) Financing arrangements

The Group had access to the following funding facilities:

As at 31 March 2019	Total facility	Drawn	Undrawn
- Expiring within one year	215,009.00	120,067.02	94,941.98
- Expiring beyond one year	-	-	-
Total	215,009.00	120,067.02	94,941.98

As at 31 March 2018	Total facility	Drawn	Undrawn
- Expiring within one year	222,000.00	164,143.51	57,856.49
- Expiring beyond one year	15,000.00	15,000.00	-
Total	237,000.00	179,143.51	57,856.49

As at 1 April 2017	Total facility	Drawn	Undrawn
- Expiring within one year	132,750.00	122,332.72	10,417.28
- Expiring beyond one year	-	-	-
Total	132,750.00	122,332.72	10,417.28

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	194,763.21	-	-	194,763.21
Bank balances other than above	34,119.62	7,340.85	1.00	41,461.47
Trade receivables	11,372.28	19,035.62	-	30,407.90
Other receivable	179.95	10,792.71	1,535.57	12,508.23
Loans	481,432.74	706,731.44	279,351.16	1,467,515.34
Investments	59,335.38	588.00	674.80	60,598.18
Other financial assets	91,432.85	5,379.17	3,046.34	99,858.36
Total undiscounted financial assets	872,636.03	749,867.79	284,608.87	1,907,112.69
Non-derivatives				
Debt securities	125,574.77	79,170.25	24,160.97	228,905.99
Borrowings (other than debt securities)	369,752.08	197,945.49	88,902.95	656,600.52
Trade payables	6,430.98	-	-	6,430.98
Other payables	2,674.15	-	-	2,674.15
Other financial liabilities	80,039.52	19,011.22	68.87	99,119.61
Derivatives (net settled)				
Index linked derivatives	209.42	-	-	209.42
Total undiscounted financial liabilities	584,680.92	296,126.96	113,132.79	993,940.67
Net undiscounted financial assets	287,955.11	453,740.83	171,476.08	913,172.02
<hr/>				
As at 31 March 2018	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	192,406.16	-	-	192,406.16
Bank balances other than above	33,587.40	110.31	1.00	33,698.71
Trade receivables	23,524.18	5,696.80	-	29,220.98
Other receivable	432.56	13,328.24	-	13,760.80
Loans	176,170.77	227,696.57	117,398.91	521,266.25
Investments	46,311.86	3,008.00	1,101.71	50,421.57
Other financial assets	10,361.32	17,597.29	2,084.01	30,042.62
Total undiscounted financial assets	482,794.25	267,437.21	120,585.63	870,817.09

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

As at 31 March 2018	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Debt securities	111,295.58	-	-	111,295.58
Borrowings (other than debt securities)	149,777.03	175,350.20	123,939.75	449,066.98
Trade payables	3,529.53	-	-	3,529.53
Other payables	901.07	-	-	901.07
Other financial liabilities	80,687.49	150.00	-	80,837.49
Derivatives (net settled)				
Index linked derivatives	679.80	-	-	679.80
Total undiscounted financial liabilities	346,870.50	175,500.20	123,939.75	646,310.45
Net undiscounted financial assets/(liabilities)	135,923.75	91,937.01	(3,354.12)	224,506.64
<hr/>				
As at 1 April 2017	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	73,190.84	-	-	73,190.84
Bank balances other than above	17,988.06	1.02	1.00	17,990.08
Trade receivables	34,285.43	-	-	34,285.43
Other receivable	511.68	-	-	511.68
Loans	4,948.61	306.12	3,118.76	8,373.49
Investments	16,254.67	-	635.91	16,890.58
Other financial assets	41,170.25	11,023.57	1,450.71	53,644.53
Total undiscounted financial assets	188,349.54	11,330.71	5,206.38	204,886.63
Non-derivatives				
Debt securities	50,000.00	-	-	50,000.00
Borrowings (other than debt securities)	101,948.35	39.58	27.46	102,015.39
Trade payables	545.19	-	-	545.19
Other payables	630.21	-	-	630.21
Other financial liabilities	16,793.87	-	-	16,793.87
Total undiscounted financial liabilities	169,917.62	39.58	27.46	169,984.66
Net undiscounted financial assets	18,431.92	11,291.13	5,178.92	34,901.97

C) Market risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. The Group has not hedged its foreign currency receivables and payables.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

(i) Foreign currency risk exposure in USD:

Particulars	Currency	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial asset				
Loan notes and escrow receivable	USD	742.76	698.44	784.26

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
USD sensitivity		
INR/USD- increase by 8.38% (31 March 2018: 5.21%)*	62.24	36.39
INR/USD- decrease by 8.38% (31 March 2018: 5.21%)*	(62.24)	(36.39)

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2019, the Group is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Variable rate liabilities			
Debt securities	-	-	-
Borrowings (other than debt securities)	564,694.53	295,330.77	4,082.72
Fixed rate liabilities			
Debt securities	203,505.46	110,000.00	50,000.00
Borrowings (other than debt securities)	55,755.70	87,604.65	97,825.01

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest sensitivity on Borrowings (other than debt securities)*		
Interest rates – increase by 1.0%	2867.66	1475.90
Interest rates – decrease by 1.0%	(2867.66)	(1475.90)

* Holding all other variables constant

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity:

Impact on profit after tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Mutual funds		
Net assets value – increase by 5%	2,766.17	1,895.23
Net assets value – decrease by 5%	(2,766.17)	(1,895.23)
Quoted equity instruments		
Value per share – increase by 5%	-	361.57
Value per share – decrease by 5%	-	(361.57)
Quoted debt securities		
Market price – increase by 5%	130.88	-
Market price – decrease by 5%	(130.88)	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Impact on other comprehensive income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Quoted equity instruments		
Value per share – increase by 19% (31 March 2018: 22%)	75.48	108.14
Value per share – decrease by 19% (31 March 2018: 22%)	(75.48)	(108.14)

Note - 56

Capital Management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debt securities (including interest accrued)	203,915.46	110,009.32	50,000.00
Borrowings (other than debt securities) (including interest accrued)	621,268.15	382,993.20	101,990.19
Total debt	825,183.61	493,002.52	151,990.19
Less : Cash and cash equivalents	(194,717.37)	(192,376.58)	(73,148.09)
Net debt	630,466.24	300,625.94	78,842.10
Equity attributable to the owners of the parent	642,596.79	189,819.55	42,240.76
Net debt to equity ratio	0.98	1.58	1.87

Note - 57

Fair value hedges

A. Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Group uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Group guidelines and policies.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

B. Hedge relationship

The Group has done investment in shares of Reliance Industries Limited. The Group enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognized in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Group has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

C Other hedge related disclosures

The fair value of the Group's derivative positions recorded under derivative financial liabilities are as follows:

31 March 2019

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(2,633.92)	27 September 2018	2,830.05	1:1

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	-	-	196.13

31 March 2018

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(440.30)	24 April 2018	465.89	1:1

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	(440.30)	7,238.14	25.59

Note - 58

Transferred financial assets

In the course of its finance activity, the Group makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Group has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Group is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Gross carrying amount of securitised assets	42,197.00	-	-
Gross carrying amount of associated liabilities	40,828.55	-	-
Carrying value and fair value of securitised assets	43,111.96	-	-
Carrying value and fair value of associated liabilities	40,828.55	-	-
Net position	2,283.41	-	-

Note - 59

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

ASSETS	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial assets						
Cash and cash equivalents	194,717.37	-	192,376.58	-	73,148.09	-
Bank balance other than cash and cash equivalents	32,349.65	7,324.42	32,702.64	146.27	17,523.32	45.64
Receivables						
Trade receivables	10,280.70	17,055.49	21,244.94	5,125.91	29,676.30	-
Other receivables	179.95	10,893.79	173.41	12,044.06	257.53	-
Loans	471,937.83	647,726.39	103,144.45	305,907.17	7,328.26	-
Investments	59,443.96	828.16	46,312.05	3,575.04	16,255.11	635.47
Other financial assets	82,414.49	16,200.79	13,303.03	14,083.22	49,891.93	1,408.14
	851,323.95	700,029.04	409,257.10	340,881.67	194,080.54	2,089.25
Non-financial assets						
Current tax assets (net)	6,071.31	-	4,608.22	-	4,523.81	-
Deferred tax assets (net)	-	14,933.90	-	6,433.98	-	5,343.99
Investment accounted for using equity method	-	3,567.58	-	-	-	-
Property, plant and equipment	-	4,617.26	-	2,803.64	-	7,680.81
Intangible assets under development	-	901.20	-	544.30	-	3.71
Goodwill	-	319.77	-	319.77	-	319.77
Other intangible assets	-	6,894.97	-	3,435.36	-	572.89
Other non-financial assets	11,735.06	1,154.22	5,995.70	1,477.14	2,696.51	820.50
	17,806.37	32,388.90	10,603.92	15,014.19	7,220.32	14,741.67
TOTAL ASSETS (A)	869,130.32	732,417.94	419,861.02	355,895.86	201,300.86	16,830.92

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

LIABILITIES	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial liabilities						
Derivative Financial Instruments	209.42	-	679.80	-	-	-
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	12.45	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,430.98	-	3,517.09	-	545.19	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,674.15	-	901.07	-	630.21	-
Debt securities	93,475.93	110,029.53	110,000.00	-	50,000.00	-
Borrowings other than debt securities	334,050.88	286,399.35	121,971.98	260,963.44	99,127.20	2,780.53
Other financial liabilities	81,267.44	18,843.38	80,754.59	150.00	16,876.34	-
	518,108.80	415,272.26	317,836.98	261,113.44	167,178.94	2,780.53
Non-financial Liabilities						
Current tax liabilities (net)	753.48	-	879.26	-	1,130.43	-
Provisions	2,286.54	1,970.33	1,409.70	1,212.95	1,204.60	914.26
Other non-financial liabilities	5,388.79	255.27	3,450.93	34.07	2,682.26	-
	8,428.81	2,225.60	5,739.89	1,247.02	5,017.29	914.26
TOTAL LIABILITIES (B)	526,537.61	417,497.86	323,576.87	262,360.46	172,196.23	3,694.79
NET (A-B)	342,592.71	314,920.08	96,284.15	93,535.40	29,104.63	13,136.13

Note - 60

A. Explanation of transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ending 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the Group's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 31 March 2018

Particulars	Notes	As at 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		192,376.58	-	192,376.58
Bank balance other than cash and cash equivalents		32,848.91	-	32,848.91
Receivables				
Trade receivables	Note v.	28,986.60	(2,615.75)	26,370.85
Other receivables	Note iii.	13,760.80	(1,543.33)	12,217.47
Loans	Note iii. and v.	410,220.76	(1,169.14)	409,051.62
Investments	Note ii.	49,385.48	501.61	49,887.09
Other financial assets	Note iv.	30,041.34	(2,655.09)	27,386.25
Total financial assets		757,620.47	(7,481.70)	750,138.77
Non-financial assets				
Current tax assets (net)		4,608.22	-	4,608.22
Deferred tax assets (net)	Note x.	2,681.42	3,752.56	6,433.98
Property, plant and equipment		2,803.64	-	2,803.64
Intangible assets under development		544.30	-	544.30
Goodwill		319.77	-	319.77
Other intangible assets		3,435.36	-	3,435.36
Other non-financial assets	Note iv.	7,037.49	435.35	7,472.84
Total non-financial assets		21,430.20	4,187.91	25,618.11
TOTAL ASSETS (A)		779,050.67	(3,293.79)	775,756.88
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments		679.80	-	679.80
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		12.45	-	12.45
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,517.09	-	3,517.09
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		901.07	-	901.07

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	Notes	As at 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
Debt securities		110,000.00	-	110,000.00
Borrowings other than debt securities	Note i.	383,345.27	(409.85)	382,935.42
Other financial liabilities		80,904.59	-	80,904.59
Total financial liabilities		579,360.27	(409.85)	578,950.42
Non-financial Liabilities		-		
Current tax liabilities (net)		879.26	-	879.26
Provisions	Note ix.	1,319.74	1,302.91	2,622.65
Other non-financial liabilities	Note viii.	3,579.13	(94.13)	3,485.00
Total non-financial liabilities		5,778.13	1,208.78	6,986.91
Equity				
Equity share capital		9,262.56	-	9,262.56
Other equity		184,649.71	(4,092.72)	180,556.99
Total Equity attributable to the owners of the parent		193,912.27	(4,092.72)	189,819.55
TOTAL LIABILITIES AND EQUITY		779,050.67	(3,293.79)	775,756.88

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 1 April 2017

Particulars	Notes	As at 1 April 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		73,148.09	-	73,148.09
Bank balance other than cash and cash equivalents		17,568.96	-	17,568.96
Receivables				
Trade receivables	Note v.	33,698.53	(4,022.23)	29,676.30
Other receivables	Note iii.	511.68	(254.15)	257.53
Loans	Note iii. and v.	7,313.46	14.80	7,328.26
Investments	Note ii.	16,250.53	640.05	16,890.58
Other financial assets	Note iv.	53,646.07	(2,346.00)	51,300.07
Total financial assets		202,137.32	(5,967.53)	196,169.79

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	Notes	As at 1 April 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-financial assets				
Current tax assets (net)		4,523.81	-	4,523.81
Deferred tax assets (net)	Note x.	2,746.30	2,597.69	5,343.99
Property, plant and equipment		7,680.81	-	7,680.81
Intangible assets under development		3.71	-	3.71
Goodwill		319.77	-	319.77
Other intangible assets		572.89	-	572.89
Other non-financial assets	Note iv.	3,322.77	194.24	3,517.01
Total non-financial assets		19,170.06	2,791.93	21,961.99
TOTAL ASSETS (A)		221,307.38	(3,175.60)	218,131.78
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		545.19	-	545.19
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		630.21	-	630.21
Debt securities		50,000.00	-	50,000.00
Borrowings other than debt securities		101,907.73	-	101,907.73
Other financial liabilities		16,876.32	0.02	16,876.34
Total financial liabilities		169,959.45	0.02	169,959.47
Non-financial Liabilities				
Current tax liabilities (net)		1,130.43	-	1,130.43
Provisions	Note ix.	938.63	1,180.23	2,118.86
Other non-financial liabilities	Note viii.	2,721.36	(39.10)	2,682.26
Total non-financial liabilities		4,790.42	1,141.13	5,931.55
Equity				
Equity share capital		6,404.14	-	6,404.14
Other equity		40,153.37	(4,316.75)	35,836.62
Total Equity attributable to the owners of the parent		46,557.51	(4,316.75)	42,240.76
TOTAL LIABILITIES AND EQUITY		221,307.38	(3,175.60)	218,131.78

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2018

Particulars	Notes	For the year ended 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
Income				
Revenue from operations				
Interest income	Note iii. and v.	37,969.54	1,391.08	39,360.62
Dividend income		19,710.64	-	19,710.64
Fees and commission income	Note iii. and ix.	45,082.83	(6,131.32)	38,951.51
Net gain on derecognition of financial instruments under amortised cost category		-	-	-
Total revenue from operations		102,763.01	(4,740.24)	98,022.77
Other income	Note iv.	(453.66)	1,909.18	1,455.52
Total income		102,309.35	(2,831.06)	99,478.29
Expenses				
Finance costs	Note i.	22,753.89	(409.84)	22,344.05
Fees and commission expense	Note iii.	4,012.93	(2,497.90)	1,515.03
Net loss on fair value changes	Note ii.	14,505.30	(5.49)	14,499.81
Impairment on financial instruments	Note iii. and v.	3,529.65	1,652.61	5,182.26
Employee benefits expenses	Note iii., vii. and xi.	14,637.97	2,998.42	17,636.39
Depreciation and amortisation expense		1,204.67	-	1,204.67
Other expenses	Note iii., iv. and viii.	9,706.22	(693.44)	9,012.78
Total		70,350.63	1,044.36	71,394.99

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
Profit before tax		31,958.72	(3,875.42)	28,083.30
Tax expense:				
Current tax		8,219.77	-	8,219.77
Deferred tax	Note x.	63.59	(1,153.17)	(1,089.58)
Profit for the year		23,675.36	(2,722.25)	20,953.11
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement gain/(loss) on defined benefit plans	Note xi.	-	(10.47)	(10.47)
Income tax relating to items that will not be reclassified to profit and loss	Note x.	-	0.41	0.41
Equity instruments through other comprehensive income	Note ii.	-	(143.93)	(143.93)
Total other comprehensive income		-	(153.99)	(153.99)
Total comprehensive income		23,675.36	(2,876.24)	20,799.12

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

B. Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

3 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 1 April 2017. The Group has elected to apply this exemptions for such vested options.

4 Long term foreign currency monetary items

Ind AS 101 permits a first-time adopter to continue with the policy of the previous GAAP for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements on or before 1 April 2017.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

C. Ind AS mandatory exceptions

1 Estimates

An Group's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at FVTPL or FVOCI
- b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

D. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile total equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2018 and 1 April 2017

Particulars	Note	As at	As at
		31 March 2018	1 April 2017
Total equity as per previous GAAP		193,912.27	46,557.51
Effective interest rate adjustment on financial assets (loans)	Note iii.	(1,321.49)	-
Financial assets carried at amortised cost	Note iv.	(2,219.74)	(203.02)
Financial liabilities carried at amortised cost	Note i.	409.85	-
Allowance for expected credit loss	Note v. and vi.	(4,007.36)	(5,444.10)
Fair value gain on investments	Note ii.	501.61	640.05
Impact of variable consideration	Note ix.	(1,302.91)	(1,950.04)
Others	Note viii.	96.93	41.39
Tax impact on above	Note x.	3,750.39	2,598.97
Total equity as per Ind AS		189,819.55	42,240.76

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

2 Reconciliation of total comprehensive income for the year

Particulars	Note	For the year ended 31 March 2018
Profit after tax as per previous GAAP		23,675.35
Adjustments:		
Effective interest rate adjustment on financial assets (loans)	Note iii.	(1,321.49)
Financial assets carried at amortised cost	Note iv.	(66.58)
Financial liabilities carried at amortised cost	Note i.	409.85
Allowance for expected credit losses	Note v. and vi.	256.40
Measurement of employee share based payments at fair value	Note vii.	(3,100.24)
Remeasurement gain on defined benefit plan	Note xi.	10.47
Others	Note viii.	(65.37)
Tax impact on above	Note x.	1,154.72
Total adjustments		(2,722.24)
Profit after tax as per Ind AS		20,953.11
Remeasurement gain on defined benefit plan	Note xi.	(10.47)
Equity instruments through other comprehensive income	Note ii.	(143.93)
Tax impact on above	Note x.	0.41
Total comprehensive income as per Ind AS		20,799.12

3 Impact of Ind AS adoption on statement of cash flows for the year ended on 31 March 2018:

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash used in operating activity	(2,91,201.07)	-	(291,201.07)
Net cash used in investing activity	(53,676.26)	-	(53,676.26)
Net cash flow from financing activity	447,306.13	-	447,306.13
Net increase in cash and cash equivalent	102,428.80	-	102,428.80
Cash and cash equivalent as at 1 April 2017	7,315.37	-	7,315.37
Cash and cash equivalent as at 31 March 2018	109,744.17	-	109,744.17

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Notes to first time adoption

i. Borrowings (including debt securities)

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

ii. Financial instruments carried at fair value through profit and loss or through other comprehensive income

Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried either at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI).

Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit and loss (FVTPL).

iii. Loan assets

Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss on straight-line basis over the period of loan. Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

iv. Security deposits paid and loan notes and escrow account

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such security deposits are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it qualifies for recognition as some other type of asset.

Under previous GAAP, loan notes and escrow account were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such loan notes and escrow account are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it qualifies for recognition as some other type of asset.

v. Impairment allowance on trade and other receivables

Under previous GAAP, provision for trade receivables is recognised on specific identification method based on management assessment of recoverability of trade and other receivables. As per Ind AS 109, the Group is required to apply expected credit loss model (provision matrix approach) for recognising the allowance for doubtful receivables.

vi. Impairment of loan assets

Under previous GAAP, the Group has created impairment allowance on loan assets basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model.

vii. Share based payment

Under the previous GAAP, the Group had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date.

viii. Lease equalisation reserve

Under the previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. However, straight line impact is charged only to the extent of rent free period. Hence, lease equalization reserve pertaining to operating lease agreements has been reversed and credited to equity as on transition date except for the impact on account of rent free period.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

ix. Variable consideration

Under Ind AS, provision against sale with right of return is recognized as Group transfers control of a product to a customer and also grants the customer the right to return the product for various reasons (such as dissatisfaction with the product).

x. Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

xi. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.

Note - 61

Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the entity	As at 31 March 2019							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company								
Indiabulls Ventures Limited	11.70%	76,930.68	(8.73%)	(4,020.44)	56.90%	(81.62)	(8.94%)	(4,102.05)
Subsidiaries (Indian)								
Indiabulls Consumer Finance Limited (Formerly known as IVL Finance Limited)	69.98%	460,148.40	96.65%	44,487.61	20.22%	(28.99)	96.89%	44,458.60
Indiabulls Investment Advisors Limited	3.36%	22,088.70	4.49%	2,062.26	(12.05%)	17.28	4.53%	2,079.54
Indiabulls Distribution Services Limited	3.16%	20,734.46	4.33%	1,990.56	37.60%	(53.94)	4.22%	1,936.62
Indiabulls Securities Limited (Formerly known as Indiabulls Commodities Limited)	0.37%	2,423.26	(0.62%)	(287.44)	(2.82%)	4.05	(0.62%)	(283.38)
Devata Tradelink Limited	0.01%	31.13	0.00%	(0.76)	0.00%	-	(0.00%)	(0.76)
Indiabulls Alternate Investments Limited	0.10%	674.34	(0.12%)	(54.49)	0.00%	-	(0.12%)	(54.49)
Indiabulls Consumer Products Limited	0.00%	14.49	(0.02%)	(8.14)	0.00%	-	(0.02%)	(8.14)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Name of the entity	As at 31 March 2019							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Indiabulls Asset Reconstruction Company Limited	5.90%	38,761.63	1.99%	914.52	0.15%	(0.22)	1.99%	914.30
Indiabulls Infra Resources Limited	0.05%	333.74	(0.02%)	(7.34)	0.00%	-	(0.02%)	(7.34)
Auxesia Soft Solutions Limited	0.00%	7.31	(0.01%)	(5.30)	0.00%	-	(0.01%)	(5.30)
Pushpanjali Finsolutions Limited	0.10%	665.20	(0.04%)	(18.40)	0.00%	-	(0.04%)	(18.40)
Arbutus Constructions Limited	0.02%	98.69	0.00%	(0.91)	0.00%	-	(0.00%)	(0.91)
Gyansagar Buildtech Limited	0.05%	351.39	0.00%	(0.44)	0.00%	-	(0.00%)	(0.44)
Pushpanjali Fincon Limited	0.03%	217.87	0.53%	245.27	0.00%	-	0.53%	245.27
Indiabulls ARC Trust - III	0.00%	22.06	0.53%	244.35	0.00%	-	0.53%	244.35
Indiabulls ARC Trust - IV	0.00%	0.52	0.75%	346.45	0.00%	-	0.76%	346.45
Indiabulls ARC Trust - V	0.00%	0.52	0.05%	25.16	0.00%	-	0.05%	25.16
Indiabulls ARC Trust - VI	0.00%	-	0.00%	1.67	0.00%	-	0.00%	1.67
Indiabulls ARC Trust - VII	0.00%	-	0.00%	2.29	0.00%	-	0.00%	2.29
Astraea Constructions Limited	0.00%	-	(0.01%)	(3.15)	0.00%	-	(0.01%)	(3.15)
Silenus Buildtech Limited	0.00%	-	0.00%	0.10	0.00%	-	0.00%	0.10
India Ethanol and Sugar Limited	0.00%	-	0.00%	(0.96)	0.00%	-	(0.00%)	(0.96)
Astilbe Builders Limited	0.00%	-	0.00%	0.09	0.00%	-	0.00%	0.09
Indiabulls Logistics Limited	0.00%	-	0.00%	(0.03)	0.00%	-	(0.00%)	(0.03)
Minority interest in all subsidiaries	4.63%	30,440.82	0.26%	118.93	0.00%	-	0.26%	118.93
Associates (Indian)								
Investment as per equity method	0.54%	3,567.58	(0.01%)	(2.84)	0.00%	-	(0.01%)	(2.84)
Total	100.00%	657,512.79	100.00%	46,028.62	100.00%	(143.44)	100.00%	45,885.18

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 62

Group information

A. Information about subsidiary companies

Name of subsidiaries	Statutory Auditor (For the financial year 2018-19 and 2017-18)	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary		
			As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Indiabulls Consumer Finance Limited (Formerly known as IVL Finance Limited)	Walker Chandio & Co LLP	India	100.00%	100.00%	100.00%
Indiabulls Investment Advisors Limited	A Sardana & Co.	India	100.00%	100.00%	100.00%
Indiabulls Distribution Services Limited	A Sardana & Co.	India	100.00%	100.00%	100.00%
Indiabulls Securities Limited (Formerly known as Indiabulls Commodities Limited)	A Sardana & Co.	India	100.00%	100.00%	100.00%
Devata Tradelink Limited	Sumit Mohit & Company	India	100.00%	100.00%	100.00%
Indiabulls Alternate Investments Limited (Subsidiary of Indiabulls Distribution Services Limited)	MRKS and Associates	India	100.00%	100.00%	100.00%
Indiabulls Consumer Products Limited	A Sardana & Co.	India	100.00%	100.00%	100.00%
Indiabulls Asset Reconstruction Company Limited	Walker Chandio & Co LLP	India	100.00%	100.00%	100.00%
Indiabulls Infra Resources Limited	MRKS and Associates	India	100.00%	100.00%	100.00%
Auxesia Soft Solutions Limited(Subsidiary of Indiabulls Distribution Services Limited)	Sumit Mohit & Company	India	100.00%	100.00%	100.00%
Pushpanjali Finsolutions Limited(Subsidiary of Indiabulls Distribution Services Limited)	S A S & Co.	India	100.00%	100.00%	100.00%
Arbutus Constructions Limited (Subsidiary of Devata Tradelink Limited)	S A S & Co.	India	100.00%	100.00%	100.00%
Gyansagar Buildtech Limited (Subsidiary of Devata Tradelink Limited)	S A S & Co.	India	100.00%	100.00%	100.00%
Pushpanjali Fincon Limited(50% held by Arbutus Constructions Limited and 50% held by Gyansagar Buildtech Limited)	S A S & Co.	India	100.00%	100.00%	100.00%
Positive Housings Private Limited (Subsidiary of Indiabulls Securities Limited upto 30 March 2018)	Sumit Mohit & Company	India	Not applicable	100.00%	100.00%
Indiabulls ARC Trust - III (Subsidiary of Indiabulls Asset Reconstruction Company Limited)	Walker Chandio & Co LLP	India	51.00%	15.00%	Not applicable

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Name of subsidiaries	Statutory Auditor (For the financial year 2018-19 and 2017-18)	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary		
			As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Indiabulls ARC Trust - IV (Subsidiary of Indiabulls Asset Reconstruction Company Limited)	Walker Chandiook & Co LLP	India	51.00%	Not applicable	Not applicable
Indiabulls ARC Trust - V (Subsidiary of Indiabulls Asset Reconstruction Company Limited)	Walker Chandiook & Co LLP	India	51.00%	Not applicable	Not applicable
Indiabulls ARC Trust - VI (Subsidiary of Indiabulls Asset Reconstruction Company Limited)	Walker Chandiook & Co LLP	India	51.00%	Not applicable	Not applicable
Indiabulls ARC Trust - VII (Subsidiary of Indiabulls Asset Reconstruction Company Limited)	Walker Chandiook & Co LLP	India	51.00%	Not applicable	Not applicable
Astraea Constructions Limited (Subsidiary of Indiabulls Distribution Services Limited) (strike off from 8 March 2019)	S A S & Co.	India	100.00%	100.00%	100.00%
Silenus Buildtech Limited (Subsidiary of Indiabulls Distribution Services Limited) (strike off from 8 March 2019)	S A S & Co.	India	100.00%	100.00%	100.00%
India Ethanol and Sugar Limited (Subsidiary of Indiabulls Securities Limited) (strike off from 8 March 2019)	A Sardana & Co.	India	100.00%	100.00%	100.00%
Astilbe Builders Limited (Subsidiary of Indiabulls Distribution Services Limited) (strike off from 8 March 2019)	S A S & Co.	India	100.00%	100.00%	100.00%
Indiabulls Logistics Limited (strike off from 8 March 2019)	MRKS and Associates	India	100.00%	100.00%	100.00%

Subsidiary with material non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Name of entity	Principal activities	Proportion of ownership interests and voting rights held by NCI		
		As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Indiabulls ARC Trust - III	Securitisation and asset reconstruction	49.00%	85.00%	Not applicable
Indiabulls ARC Trust - IV		49.00%	Not applicable	Not applicable
Indiabulls ARC Trust - V		49.00%	Not applicable	Not applicable
Indiabulls ARC Trust - VI		49.00%	Not applicable	Not applicable
Indiabulls ARC Trust - VII		49.00%	Not applicable	Not applicable

Summarised financial information for Indiabulls ARC Trust - III is set out below:

Particulars	As at 31 March 2019
Financial assets	6,574.48
Non-financial assets	34.73
Total assets	6,609.21
Financial liabilities	202.70
Non-financial Liabilities	33.66
Total liabilities	236.36
Equity attributable to the owners of the holding company	3,250.15
Non-controlling interests	3,122.70

Particulars	For the year ended 31 March 2019
Total revenue	562.91
Total comprehensive income attributable to the owners of the holding company	244.36
Total comprehensive income attributable to non-controlling interest	234.76
Total comprehensive income	479.12

Summarised cash flow	For the year ended 31 March 2019
Cash flows from operating activities	4.06
Cash flows from investing activities	-
Cash flows from financing activities	-
Net increase in cash and cash equivalents	4.06

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Summarised financial information for Indiabulls ARC Trust - IV is set out below:

Particulars	As at 31 March 2019
Financial assets	12,409.51
Non-financial assets	829.41
Total assets	13,238.92
Financial liabilities	114.71
Non-financial Liabilities	132.19
Total liabilities	246.90
Equity attributable to the owners of the holding company	6,625.93
Non-controlling interests	6,366.09

Particulars	For the year ended 31 March 2019
Total revenue	2,781.83
Total comprehensive income attributable to the owners of the holding company	(146.57)
Total comprehensive income attributable to non-controlling interest	(140.81)
Total comprehensive income	(287.38)

Summarised cash flow	For the year ended 31 March 2019
Cash used in operating activities	(13,005.52)
Cash flows from investing activities	-
Cash flows from financing activities	13,280.41
Net increase in cash and cash equivalents	274.89

Summarised financial information for Indiabulls ARC Trust - V is set out below:

Particulars	As at 31 March 2019
Financial assets	1,045.39
Non-financial assets	26.51
Total assets	1,071.90
Financial liabilities	0.53
Non-financial Liabilities	3.19
Total liabilities	3.72
Equity attributable to the owners of the holding company	544.77
Non-controlling interests	523.41

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	For the year ended 31 March 2019
Total revenue	31.37
Total comprehensive income attributable to the owners of the holding company	22.03
Total comprehensive income attributable to non-controlling interest	21.17
Total comprehensive income	43.20

Summarised cash flow	For the year ended 31 March 2019
Cash used in operating activities	(1,013.43)
Cash flows from investing activities	-
Cash flows from financing activities	1,026.00
Net increase in cash and cash equivalents	12.57

Summarised financial information for Indiabulls ARC Trust - VI is set out below:

Particulars	As at 31 March 2019
Financial assets	4,203.52
Non-financial assets	-
Total assets	4,203.52
Financial liabilities	0.25
Non-financial Liabilities	-
Total liabilities	0.25
Equity attributable to the owners of the holding company	2,143.67
Non-controlling interests	2,059.60

Particulars	For the year ended 31 March 2019
Total revenue	3.52
Total comprehensive income attributable to the owners of the holding company	1.67
Total comprehensive income attributable to non-controlling interest	1.60
Total comprehensive income	3.27

Summarised cash flow	For the year ended 31 March 2019
Cash used in operating activities	(4,200.00)
Cash flows from investing activities	-
Cash flows from financing activities	4,200.00
Net increase in cash and cash equivalents	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Summarised financial information for Indiabulls ARC Trust - VII is set out below:

Particulars	As at 31 March 2019
Financial assets	5,805.26
Non-financial assets	-
Total assets	5,805.26
Financial liabilities	0.76
Non-financial Liabilities	-
Total liabilities	0.76
Equity attributable to the owners of the holding company	2,960.30
Non-controlling interests	2,844.21

Particulars	For the year ended 31 March 2019
Total revenue	5.26
Total comprehensive income attributable to the owners of the holding company	2.29
Total comprehensive income attributable to non-controlling interest	2.21
Total comprehensive income	4.50

Summarised cash flow	For the year ended 31 March 2019
Cash used in operating activities	(5,800.00)
Cash flows from investing activities	-
Cash flows from financing activities	5,800.00
Net increase in cash and cash equivalents	-

B. Information about associates

Name of associates	Statutory auditor	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary		
			As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Transerv Private Limited (from 29 March 2019)	Ajay Sardana Associates	India	33.00%	-	-

The Group has 33% (Nil as at 31 March 2018 and Nil as at 1 April 2017) interest in Transerv Private Limited, acquired on 29 March 2019, which is primarily engaged in the business of providing technical services like online payment gateway, data processing, banking transaction solutions, development of specialized system software and application software, smart card based solutions, in India. The Group's interest in Transerv Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Transerv Private Limited:

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Particulars	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
Total assets	2,605.51	-	-
Total liabilities	1,801.46	-	-
Equity	804.05	-	-
Total revenue for the year*	9.77	-	-
Total expenses for the year*	18.39	-	-
Loss for the year*	(8.62)	-	-
Group's share of loss for the year*	(2.84)	-	-

*from 29 March 2019 to 31 March 2019

- (i) The associate has commitments outstanding as at 31 March 2019: Nil (31 March 2018: Nil and 1 April 2017: ₹ 15 lakh)
- (ii) The associate has no contingent liabilities as at 31 March 2019, 31 March 2018 and 1 April 2017.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah Whole Time Director & Chief Executive Officer DIN: 00010933 Place: Mumbai Date: 25 April 2019	Pinank Shah Whole Time Director DIN: 07859798	Rajeev Lochan Agrawal Chief Financial Officer	Lalit Sharma Company Secretary
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Independent Auditor's Report

To the Members of Indiabulls Ventures Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Indiabulls Ventures Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
1. Adoption of Indian Accounting Standards Framework	
<p>Refer Note 4 for significant accounting policies and Note 50 for reconciliation.</p> <p>The standalone financial statements for the year ended 31 March 2019 are the first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under Section 133 of the Act.</p> <p>The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. Note 50 in the financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition.</p>	<p>Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following:</p> <p>(a) obtaining an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS;</p> <p>(b) reviewing the implementation of exemptions availed and options chosen by the Company in accordance with the Ind AS 101;</p> <p>(c) assessing the appropriateness of the adjustments made to the opening balance sheet as at 1 April 2017;</p>

Independent Auditor's Report

for the financial year ended 31 March, 2019 (contd.)

Key Audit Matters	How our audit addressed the key audit matters
<p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the financial statements including presentation thereof, additional notes and disclosures. This evaluation required significant audit efforts.</p> <p>Considering the significance of the matter in the current year to the financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.</p>	<p>(d) assessing the appropriateness of the adjustments recorded in the financial statements as of and for the year-ended 31 March 2018 which were prepared in the previous GAAP;</p> <p>(e) evaluating the appropriateness of accounting policies selected by the Company on transition to Ind AS on the basis of our understanding of the Company, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework;</p> <p>(f) evaluating the adequacy and appropriateness of the financial statements disclosures arising on adoption of the Ind AS to determine if these are in compliance with the requirements of the Ind AS; and</p> <p>(g) obtaining written representations from management and those charged with governance on whether the financial statements comply with the Ind AS in all respects.</p>
<p>2. Use of information processing system for accounting and financial reporting</p>	
<p>The Company relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Company. The Company has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Company is reliable. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements.</p> <p>Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</p>	<p>Our key audit procedures on this matter included, but were not limited, to the following:</p> <p>(a) obtaining an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit;</p> <p>(b) involving IT specialists (auditor's expert) for performance of the following procedures:</p> <p>(i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes; and</p> <p>(ii) testing the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items.</p> <p>(c) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</p>

Independent Auditor's Report

for the financial year ended 31 March, 2019 (contd.)

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

Independent Auditor's Report

for the financial year ended 31 March, 2019 (contd.)

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Other Matters**
15. The comparative financial information for the transition date opening balance sheet as at 1 April 2017 prepared in accordance with Ind AS included in these standalone financial statements is based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The standalone financial statements for the year ended 31 March 2017 were audited by the predecessor auditor whose audit report dated 27 April 2017 expressed an unmodified opinion on those standalone financial statements. The standalone financial statements for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management. Our opinion is not modified in respect of this matter.
 16. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the

Independent Auditor's Report

for the financial year ended 31 March, 2019 (contd.)

Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued our audit report dated 23 April 2018. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. We have audited these adjustments made by the management. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure I, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 April 2019 as per Annexure II expressed unmodified opinion;
 - (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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
 - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for transactions done during the period from 8 November 2016 to 30 December 2016. Therefore, these disclosures are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants

Firm's Registration No.: 001076N/N500013

Lalit Kumar
Partner

Membership No. 095256

Place: Mumbai

Date: 25 April 2019

Annexure I to Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited, on the standalone financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular program of physical verification of its Property, plant and equipment under which Property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'Property, Plant and Equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is 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 other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Disallowance u/s 69C and 32(1)	90.97	Nil	AY 2011-12	Commissioner of Income-tax (Appeal)
Income-tax Act, 1961	Disallowance u/s 69C and 32(1)	33.02	Nil	AY 2012-13	Commissioner of Income-tax (Appeal)
Income-tax Act, 1961	Disallowance u/s 69C and 32(1)	21.58	Nil	AY 2013-14	Commissioner of Income-tax (Appeal)
Income-tax Act, 1961	Disallowance u/s 69C, 32(1) and ESOP expenses	43.33	Nil	AY 2014-15	Commissioner of Income-tax (Appeal)

**Annexure I to Independent Auditor's Report of even date to the members of Indiabulls
Ventures Limited, on the standalone financial statements for the year ended 31 March 2019**
(contd.)

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Disallowance u/s 69C, 32(1) and Employee Stock Option expenses	40.66	Nil	AY 2015-16	Commissioner of Income-tax (Appeal)
Income-tax Act, 1961	Disallowance u/s 69C, 32(1) and Employee Stock Option expenses	18.32	Nil	AY 2016-17	Commissioner of Income-tax (Appeal)
Income-tax Act, 1961	Disallowance u/s 69C, 32(1) and Employee Stock Option expenses	67.17	Nil	AY 2017-18	Commissioner of Income-tax (Appeal)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any dues payable to government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied amount raised by way of right-issue and term-loan for the purposes for which these were raised other than temporary deployment pending application of proceeds.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Indian Accounting Standard.
- (xiv) During the year, the Company has made private placement of compulsorily convertible debentures. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Mumbai

Date: 25 April 2019

Annexure II to the Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited on the standalone financial statements for the year ended 31 March 2019

Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Indiabulls Ventures Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR include 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

**Annexure II to the Independent Auditor's Report of even date to the members of Indiabulls
Ventures Limited on the standalone financial statements for the year ended 31 March 2019**
(contd.)

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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Mumbai

Date: 25 April 2019

Standalone Balance Sheet

as at 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I. ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	5	94,409.42	91,036.67	68,335.44
(b) Bank balance other than cash and cash equivalents	6	24,156.11	25,835.00	17,300.56
(c) Trade receivables	7	7,302.23	5,938.83	4,023.59
(d) Loans	8	69,478.26	9,461.42	4,782.01
(e) Investments	9	440,260.64	136,795.11	6,666.53
(f) Other financial assets	10	3,535.93	2,272.05	5,234.92
		639,142.59	271,339.08	106,343.05
(2) Non-financial assets				
(a) Current tax assets (net)	11	32.29	-	-
(b) Deferred tax assets (net)	12	9,446.55	835.64	962.29
(c) Property, plant and equipment	13 A	892.31	548.17	270.92
(d) Intangible assets under development	13 B	655.13	486.26	3.71
(e) Other intangible assets	13 C	1,530.60	100.82	73.42
(f) Other non-financial assets	14	660.39	1,285.37	918.96
		13,217.27	3,256.26	2,229.30
TOTAL ASSETS		652,359.86	274,595.34	108,572.35
II. LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables				
(I) Trade payables	15			
(i) total outstanding dues of micro enterprises and small enterprises		-	5.25	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		297.26	701.84	276.89
(II) Other payables	16			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		349.59	240.75	331.62
(b) Debt securities	17	30,019.30	75,000.00	50,000.00
(c) Borrowings (other than debt securities)	18	23,617.25	23,180.10	10,582.72
(d) Other financial liabilities	19	14,829.48	11,694.15	16,061.45
		69,112.88	110,822.09	77,252.68
(2) Non-financial liabilities				
(a) Current tax liabilities (net)	20	626.43	96.74	677.66
(b) Provisions	21	635.46	502.24	382.96
(c) Other non-financial liabilities	22	1,477.22	1,046.98	1,125.79
		2,739.11	1,645.96	2,186.41
(3) Equity				
(a) Equity share capital	23	11,348.76	9,262.56	6,404.14
(b) Other equity	24	569,159.11	152,864.73	22,729.12
		580,507.87	162,127.29	29,133.26
TOTAL LIABILITIES AND EQUITY		652,359.86	274,595.34	108,572.35

The accompanying notes form an integral part of these standalone financial statements.
This is Standalone Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Lalit Kumar
Partner
Membership No.: 095256

Divyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933

Pinank Shah
Whole Time Director
DIN: 07859798

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Place: Mumbai
Date: 25 April 2019

Place: Mumbai
Date: 25 April 2019

Standalone Statement of Profit and Loss

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

194

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Revenue from operations			
Interest income	25	14,420.40	9,277.53
Dividend income	26	4,651.37	18.20
Fees and commission income	27	11,818.63	9,150.66
Net gain on fair value changes	28	249.11	-
Total revenue from operations		31,139.51	18,446.39
II. Other income	29	571.71	1,490.98
III. Total income (I + II)		31,711.22	19,937.37
IV. Expenses			
Finance costs	30	6,026.67	5,971.51
Fees and commission expense	31	507.84	644.58
Impairment on financial instruments	32	359.40	150.72
Employee benefits expenses	33	8,936.57	5,060.96
Depreciation and amortisation	34	406.33	165.03
Other expenses	35	2,672.99	1,396.53
Total expenses		18,909.80	13,389.33
V. Profit before tax (III-IV)		12,801.42	6,548.04
VI. Tax expense:	36		
Current tax		1,755.28	1,556.10
Deferred tax	12	501.11	135.39
Total tax expenses		2,256.39	1,691.49
VII. Profit for the year (V-VI)		10,545.03	4,856.55
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plans		17.89	(30.00)
Income tax relating to items that will not be reclassified to profit and loss		(5.21)	8.74
Equity instruments through other comprehensive income		(94.30)	(143.93)
Total comprehensive income for the year		10,463.41	4,691.36
VIII. Earnings per equity share (in ₹):	37		
Basic		1.93	1.13
Diluted		1.84	1.02
Face value per equity share (₹)		2.00	2.00

The accompanying notes form an integral part of these standalone financial statements.

This is Standalone Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933

Place: Mumbai
Date: 25 April 2019

Pinank Shah
Whole Time Director
DIN: 07859798

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Standalone Cash Flow Statement

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flows from operating activities :		
Profit before tax	12,801.42	6,548.04
Adjustments for :		
Depreciation and amortisation expense	406.33	165.03
Profit on sale of property, plant and equipment (net)	(2.79)	(27.08)
Provision for employee benefits (net)	151.11	89.28
Impairment on financial instruments	359.40	150.72
Bad debts/advances written off	0.21	0.09
Liabilities written back	(7.64)	(1,118.18)
Unrealised gain on foreign exchange fluctuations	(53.38)	(31.97)
Gain on fair valuation of financial instruments	(249.11)	-
Share based payment expense	890.24	718.70
Income from financial guarantees	(437.53)	(174.55)
Effective interest rate adjustment for financial instruments	(15.16)	2.37
Excess provisions written back	(48.73)	(91.04)
	992.95	(316.63)
Operating Profit before working capital changes	13,794.37	6,231.41
Adjustments for:		
Increase in trade receivables	(1,718.01)	(2,066.05)
Decrease/(increase) in loans	3,792.16	(8,574.41)
Decrease/(increase) in bank balance other than cash and cash equivalents	1,678.89	(8,534.44)
(Increase)/decrease in other financial assets	(1,219.56)	2,877.04
Decrease/(increase) in other non-financial assets	585.16	(421.05)
Increase/(decrease) in other payables	73.84	(134.22)
(Decrease)/increase in trade payables	(361.10)	521.24
Increase/(decrease) other financial liabilities	3,065.88	(1,133.62)
Increase in other non financial liabilities	500.87	362.76
	6,398.13	(17,102.75)
Cash generated from/ (used in) operations	20,192.50	(10,871.34)
Income tax (paid) (net)	(1,257.88)	(2,137.02)
Net cash generated from/ (used in) operating activities	18,934.62	(13,008.36)
B Cash flows from investing activities :		
Purchase of property, plant and equipments and other intangible assets (including intangible assets under developments and capital advances)	(2,275.79)	(862.65)
Proceeds from sale of property, plant and equipments	4.28	35.48
Proceeds from escrow account	-	87.52
Proceeds from redemptions of investment (net)	249.11	-
Investment in subsidiary companies	(299,724.82)	(127,039.82)
Inter-corporate deposits (given) / received back from subsidiary (net)	(63,809.00)	3,895.00
Net cash utilised in investing activities	(365,556.22)	(123,884.47)

Standalone Cash Flow Statement

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
C Cash flows from financing activities		
Dividends paid (including dividend distribution tax)	(4,562.50)	(3,191.96)
Amount transferred to investor education and protection fund	-	(41.72)
Proceeds from debt securities	370,630.11	548,200.00
Repayment of debt securities	(293,000.00)	(523,200.00)
Proceeds from borrowings other than debt securities	7,500.00	57,038.69
Repayment of borrowings other than debt securities	(12,508.12)	(42,004.47)
Proceeds from issue of fully paid up equity shares (including securities premium)	215,057.73	67,903.31
Proceeds from issue of partly paid-up equity shares (including securities premium), net of share issue expenses of ₹ 86.87 lakh (previous year ₹ 1,120.86 lakh)	61,436.60	48,648.13
Proceeds from conversion of share warrants	-	4,984.41
Money received against share warrants	-	3,696.88
Net cash generated from financing activities	344,553.82	162,033.27
D Net (decrease) / increase in cash and cash equivalents (A+B+C)	(2,067.78)	25,140.44
E Cash and cash equivalents at the beginning of the year	89,393.16	64,252.72
F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)	87,325.38	89,393.16

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
- Cash and cash equivalents at the end of the year include:

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents (as per note 5 to the financial statements) *	94,409.42	91,036.67
Less: Bank overdraft (as per note 18 to the financial statements)	(7,084.04)	(1,643.51)
Cash and Cash Equivalents	87,325.38	89,393.16

* Refer note 6(i) for restriction of cash and cash equivalents

- For disclosures relating to change in liabilities arising from financing activities refer note - 40.

The accompanying notes form an integral part of these standalone financial statements.

This is Standalone Cash Flow Statement referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah
Whole Time Director &
Chief Executive Officer
DIN: 00010933

Place: Mumbai
Date: 25 April 2019

Pinank Shah
Whole Time Director
DIN: 07859798

Rajeev Lochan Agrawal
Chief Financial Officer

Lalit Sharma
Company Secretary

Standalone Statement of Changes in Equity

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

A Equity share capital

Particulars	Balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Equity share capital	6,404.14	2,858.42	9,262.56	2,086.20	11,348.76

B Other equity

Particulars	Share application money pending allotment	Equity component of compulsorily convertible debentures	Reserves and surplus						Equity instruments through other comprehensive income	Money received against share warrants	Total
			Capital redemption reserve	Securities premium	Foreign currency monetary item translation difference account	General reserve	Share options outstanding account	Retained earnings			
Balance as at 1 April 2017	86.22	-	3,600.36	11,919.04	79.33	3,381.78	209.64	1,155.91	635.37	1,661.47	22,729.12
Profit for the year	-	-	-	-	-	-	-	4,856.55	-	-	4,856.55
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(21.26)	(143.93)	-	(165.19)
Issue of equity shares	(86.22)	-	-	121,545.97	-	-	-	-	-	(1,661.47)	119,798.28
Issue of share warrants	-	-	-	-	-	-	-	-	-	3,696.88	3,696.88
Expenses on issue of partly paid-up shares	-	-	-	(1,120.86)	-	-	-	-	-	-	(1,120.86)
Effect of change in foreign exchange rate	-	-	-	-	2.20	-	-	-	-	-	2.20
Amortised/utilised during the year	-	-	-	-	(32.49)	-	-	-	-	-	(32.49)
Share based options for employees of subsidiaries	-	-	-	-	-	-	2,381.54	-	-	-	2,381.54
Share based payment expense	-	-	-	-	-	-	718.70	-	-	-	718.70
Balance as at 31 March 2018	-	-	3,600.36	132,344.15	49.04	3,381.78	3,309.88	5,991.20	491.44	3,696.88	152,864.73
Profit for the year	-	-	-	-	-	-	-	10,545.03	-	-	10,545.03
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	12.68	(94.30)	-	(81.62)
Issue of equity shares	-	-	-	278,191.88	-	-	-	-	-	(3,696.88)	274,495.00
Issue of compulsory convertible debentures	-	131,708.14	-	-	-	-	-	-	-	-	131,708.14
Expenses on issue of partly paid-up shares	-	-	-	(86.87)	-	-	-	-	-	-	(86.87)
Effect of change in foreign exchange rate	-	-	-	-	44.32	-	-	-	-	-	44.32
Amortised/utilised during the year	-	-	-	-	(53.38)	-	-	-	-	-	(53.38)
Dividend paid	-	-	-	-	-	-	-	(4,631.28)	-	-	(4,631.28)
Dividend distribution tax	-	-	-	-	-	-	-	(0.68)	-	-	(0.68)
Share based options for employees of subsidiaries	-	-	-	-	-	-	3,465.48	-	-	-	3,465.48
Share based payment expense	-	-	-	-	-	-	890.24	-	-	-	890.24
Balance as at 31 March 2019	-	131,708.14	3,600.36	410,449.16	39.98	3,381.78	7,665.60	11,916.95	397.14	-	569,159.11

The accompanying notes form an integral part of these standalone financial statements.

This is Standalone Statement of Changes in Equity referred to in our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Mumbai

Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 April 2019

Pinank Shah

Whole Time Director

DIN: 07859798

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019
(All amount in ₹ lakh unless stated otherwise)

Note - 1

Nature of principal activities

Indiabulls Ventures Limited ('IBVL' or 'the Company', CIN: L74999DL1995PLC069631) carries on the business as stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'); depository participants and renders other related ancillary services. On 1 February 1996 IBVL received a certificate of registration from the Securities and Exchange Board of India ('SEBI') under sub-section 1 of Section 12 of the Securities and Exchange Board of India Act, 1992 to carry on the business as a stock broker. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and Rules and Regulations relating thereto are applicable to the Company. On 1 April 2008 the Equity shares of the Company were listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement. The definition of 'Non-Banking Financial Company' under Companies (Indian Accounting Standards) Rules, 2015 includes stock broker and sub broker companies. The Company is domiciled in India and its registered office is situated at M-62 & 63, first Floor, Connaught Place, New Delhi – 110001.

Note - 2

General information and statement of compliance with Ind AS

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented in these financial statements.

These financial statements for the year ended 31 March 2019 are the first financial statements which the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended 31 March 2018, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. For the purpose of comparatives, financial statements for the year ended 31 March 2018 and opening balance sheet as at 1 April 2017 are also prepared as per Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note - 47.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 25 April 2019.

Note - 3

Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

Note - 4

Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease.

Assets Class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	Over the period of lease

Property, Plant and Equipment individually costing up to ₹ 5,000 are fully depreciated in the year of acquisition. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

b) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation)

Intangible assets consisting of membership rights of the BSE Limited and software are amortised on a straight line basis over a period of 5 and 4 years respectively from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Transition to Ind AS

The Company has elected to measure all its intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2017.

c) **Intangible assets under development**

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Company intends to and has sufficient resources to complete the project;
- The Company has the ability to use or sell the such intangible asset; and
- The software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

d) **Revenue recognition**

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Brokerage income

Brokerage income is accounted for on the trade date of the transaction. The Company considers the terms of the contract and its customary business practices to determine the transaction price.

Commission income

Commission on mutual funds is recognised on accrual basis.

Depository and trading account maintenance income

Depository and trading account maintenance income are recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

Dividend income

Dividend income on equity shares is recognised when the right to receive the dividend is unconditional as at the balance sheet date.

e) **Borrowing costs**

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

f) **Taxation**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

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. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

g) **Employee benefits**

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the statement of profit and loss.

Defined benefit plans

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

h) Share based payments

The Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

j) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

k) Provisions, contingent assets and contingent liabilities

Provisions are recognized 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 at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- 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 cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

l) Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

m) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Convertible debentures

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Impairment of non-financial assets

At each reporting date, the Company assesses 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. Recoverable amount is higher of an asset's net selling price and its value in use. 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 reporting 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.

o) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in the statement of profit and loss.

p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) **Segment reporting**

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

r) **Foreign currency**

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

Transition to Ind AS

The Company has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

s) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management’s estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

t) **Indian Accounting Standards issued but not yet effective**

Ind AS 116 ‘Leases’

On 30 March 2019, Ministry of Corporate Affairs (‘MCA’) has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of ‘low-value’ assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs (‘MCA’) has notified Appendix C to Ind-AS 12 Income taxes – ‘‘Uncertainty over Income Tax Treatments’’. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 ‘‘Income Taxes’’ which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs (‘‘MCA’’) has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs (“MCA”) issued an amendment to Ind-AS 23 “Borrowing Costs” clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 5	As at	As at	As at
Cash and cash equivalents	31 March 2019	31 March 2018	1 April 2017
Cash on hand	0.43	0.24	0.38
Balance with banks			
- in current accounts	7,707.36	918.07	3,322.24
- in bank deposits with original maturity of less than 3 months (refer note 6(i))	86,701.63	90,118.36	65,012.82
	94,409.42	91,036.67	68,335.44
Note - 6	As at	As at	As at
Bank balance other than cash and cash equivalents	31 March 2019	31 March 2018	1 April 2017
Bank deposits with original maturity of more than 3 months ⁽ⁱ⁾	23,854.12	25,602.47	13,834.35
Unpaid dividend accounts	301.99	232.53	3,466.21
	24,156.11	25,835.00	17,300.56
(i) Fixed deposits includes:	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
a. Deposits pledged with the National Stock Exchange of India, BSE Limited and NSE Clearing Limited (formerly National Securities Clearing Corporation Limited) for the purpose of base capital and additional base capital.	138.75	138.75	138.75
b. Deposits pledged with the banks against bank guarantees for base capital and additional base capital to the National Stock Exchange of India, BSE Limited and the NSE Clearing Limited (formerly National Securities Clearing Corporation Limited).	15,336.85	16,437.50	9,187.50
c. Deposits pledged with banks for overdraft facilities availed by the Company.	7,392.50	6,867.00	4,367.00
d. Deposits pledged with bank for overdraft facilities availed by one of the subsidiary Company.	86,000.00	90,000.00	65,000.00
e. Deposits pledged with bank against bank guarantees issued in favor of Unique Identification Authority of India.	25.00	25.00	-
f. Deposits pledged with bank against bank guarantees issued in favor of National Stock Exchange of India Limited for right issue of the Company.	850.00	1,700.00	-
g. Deposits pledged for arbitration matters.	103.33	44.02	43.39
h. Deposits pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.	0.25	0.25	0.25
Total	109,846.68	115,212.52	78,736.89

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 7	As at	As at	As at
Trade receivables	31 March 2019	31 March 2018	1 April 2017
Receivables considered good - unsecured	7,302.23	5,938.83	4,023.59
Receivables which have significant increase in credit risk	722.97	368.57	718.71
Total - gross	8,025.20	6,307.40	4,742.30
Less: Impairment loss allowance	(722.97)	(368.57)	(718.71)
Total - net	7,302.23	5,938.83	4,023.59
Trade receivables include:			
Debts due by directors or other officers	-	-	-
Due from others	8,025.20	6,307.40	4,742.30
Note - 8	As at	As at	As at
Loans (at amortised cost)	31 March 2019	31 March 2018	1 April 2017
(i) Loans			
Loan to related parties ^(a)			
Indiabulls Distribution Services Limited	36,950.00	-	4,556.00
Indiabulls Consumer Finance Limited	27,520.00	-	-
Indiabulls Investment Advisors Limited	-	661.00	-
Sub total	64,470.00	661.00	4,556.00
(ii) Others			
Margin funding loan receivables (considered good)	6,025.39	10,717.29	266.43
Less: Margin received	(1,017.13)	(1,916.87)	(40.42)
Sub total	5,008.26	8,800.42	226.01
Total - gross	69,478.26	9,461.42	4,782.01
Less: Impairment loss allowance	-	-	-
Total - net	69,478.26	9,461.42	4,782.01
Secured by tangible assets	-	-	-
Secured by others	5,008.26	8,800.42	226.01
Unsecured	64,470.00	661.00	4,556.00
Total - gross	69,478.26	9,461.42	4,782.01
Less: Impairment loss allowance	-	-	-
Total - net	69,478.26	9,461.42	4,782.01
Loans in India			
(i) Public sector	-	-	-
(ii) Others	69,478.26	9,461.42	4,782.01
Total - gross	69,478.26	9,461.42	4,782.01
Less: Impairment loss allowance	-	-	-
Total - net	69,478.26	9,461.42	4,782.01

(a) The company has given inter corporate deposit to Indiabulls Consumer Finance Limited, Indiabulls Investment Advisors Limited and Indiabulls Distribution Services Limited, all wholly owned Subsidiary Companies, for the general/corporate business purpose.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 9 Investments	Face value per share (₹)	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(At fair value through other comprehensive income)							
Investment in equity instruments (others)							
BSE Limited	2.00	65,000	397.24	65,000	491.54	65,000	635.47
Total (A)			397.24		491.54		635.47
(At cost)*							
Investment in subsidiary companies							
In equity instruments							
Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited)	10.00	600,000	68.94	600,000	60.00	600,000	60.00
Indiabulls Investment Advisor Limited (formerly known as Indiabulls Brokerage Limited)	10.00	5,500,000	560.28	5,500,000	551.33	5,500,000	550.99
Indiabulls Distribution Services Limited	10.00	50,000	45.40	50,000	51.50	50,000	41.28
Indiabulls Consumer Products Limited	10.00	50,000	5.00	50,000	5.00	50,000	5.00
Indiabulls Asset Reconstruction Company Limited	10.00	57,500,000	12,500.00	55,000,000	10,000.00	50,000,000	5,000.00
Indiabulls Logistics Limited	10.00	-	-	50,000	5.00	50,000	5.00
Indiabulls Infra Resources Limited	10.00	3,000,000	300.00	3,000,000	300.00	3,000,000	300.00
Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited)	10.00	61,188,000	386,383.78	24,551,565	125,330.74	-	68.79
Devata Tradelink Limited	10.00	50,000	5.00	50,000	5.00	50,000	5.00
In compulsorily convertible debentures							
8% Compulsory convertible debentures of Indiabulls Asset Reconstruction Company Limited	100.00	40,000,000	40,000.00	-	-	-	-
Total (B)			439,868.40		136,308.57		6,036.06
Total (A+B)			440,265.64		136,800.11		6,671.53
Investments outside India			-		-		-
Investments in India			440,265.64		136,800.11		6,671.53
Total Gross			440,265.64		136,800.11		6,671.53
Less: Impairment loss allowance			(5.00)		(5.00)		(5.00)
Total Net			440,260.64		136,795.11		6,666.53

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Name of subsidiary Companies	Principle place of business	Ownership interest		
		As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited)	India	100%	100%	100%
Indiabulls Investment Advisor Limited (formerly known as Indiabulls Brokerage Limited)	India	100%	100%	100%
Indiabulls Distribution Services Limited	India	100%	100%	100%
Indiabulls Consumer Products Limited	India	100%	100%	100%
Indiabulls Asset Reconstruction Company Limited	India	100%	100%	100%
Indiabulls Logistics Limited	India	Not applicable	100%	100%
Indiabulls Infra Resources Limited	India	100%	100%	100%
Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited)	India	100%	100%	Nil
Devata Tradelink Limited	India	100%	100%	100%

* Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

- (i) During the year ended 31 March 2019, the Company has invested ₹ 2,500 lakh (31 March 2018: ₹ 5,000 lakh and 1 April 2017: ₹ 5,000 lakh) in the equity share capital of Indiabulls Asset Reconstruction Company Limited.
- (ii) During the year ended 31 March 2018, the Company has acquired 100% holding in equity shares of Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited) from Indiabulls Distribution Services Limited (a wholly owned subsidiary of the Company) for consideration of ₹ 21,763.23 lakh. Subsequent to this, the Company has further invested ₹ 100,276.59 lakh in the equity share capital of Indiabulls Consumer Finance Limited.
During the year ended 31 March 2019, the Company has further invested ₹ 257,224.81 lakhs in the equity share capital of Indiabulls Consumer Finance Limited.
- (iii) During the year ended 31 March 2019, the Company has invested ₹ 40,000.00 lakh in compulsory convertible debentures (CCDs) of Indiabulls Asset Reconstruction Company Limited. These CCDs carry interest rate of 8% and are compulsorily convertible at a conversion price of ₹ 100 per equity share (including a premium of ₹ 90 per equity share) within 14 months from the date of allotment.
- (iv) The investments include the following investment recognised for subsidiaries on account of stock options issued to employees of those subsidiaries and financial guarantee given to bank on behalf of loans taken by Indiabulls Consumer Finance Limited:

Name of subsidiary Companies	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Indiabulls Distribution Services Limited	40.40	46.50	36.28
Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited)	7,119.15	3,290.92	68.79
Indiabulls Investment Advisor Limited (formerly known as Indiabulls Brokerage Limited)	10.28	1.33	0.99
Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited)	8.94	-	-
Total	7,178.77	3,338.75	106.06

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 10	As at	As at	As at
Other financial assets	31 March 2019	31 March 2018	1 April 2017
(a) Loan notes and escrow receivable*	646.16	554.68	595.57
(b) Loan to employees	146.55	3.08	2.38
(c) Security deposits			
(i) Deposits (including margin money) with stock exchanges, (unsecured, considered good)	2,249.60	1,266.79	4,252.07
(ii) Deposits with others	493.62	451.75	389.15
Less: Impairment loss allowance	-	(4.25)	(4.25)
	<u>2,743.22</u>	<u>1,714.29</u>	<u>4,636.97</u>
	<u>3,535.93</u>	<u>2,272.05</u>	<u>5,234.92</u>

* During the year ended 31 March 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 646.16 lakh (including foreign exchange gain) [31 March 2018: ₹ 554.68 lakh (including foreign exchange gain) and 1 April 2017: ₹ 595.57 lakh (including foreign exchange gain)] is outstanding as at 31 March 2019 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account which will be due in FY 2020-21 and FY 2019-20 respectively.

Note - 11	As at	As at	As at
Current tax assets (net)	31 March 2019	31 March 2018	1 April 2017
Advance income tax (including tax deducted at source)	32.29	-	-
	<u>32.29</u>	<u>-</u>	<u>-</u>

Note - 12	As at	As at	As at
Deferred tax assets (net)	31 March 2019	31 March 2018	1 April 2017
Deferred tax assets:			
Disallowance under section 43(B) of the Income-tax Act, 1961	37.17	30.46	28.83
Disallowance under section 40A(7) of the Income-tax Act, 1961	147.88	115.79	103.71
Depreciation and amortisation	205.68	340.78	479.35
Financial assets measured at amortised cost	24.67	38.29	54.90
Impairment loss allowance	211.03	109.72	251.58
Share based payments	498.69	239.45	35.85
Compulsorily convertible debentures	7,286.46	-	-
Minimum alternate tax credit entitlement*	1,177.00	-	-
Others	0.67	3.31	8.07
Deferred tax assets	<u>9,589.25</u>	<u>877.80</u>	<u>962.29</u>
Deferred tax liabilities:			
Financial liabilities measured at amortised cost	142.70	42.16	-
Deferred tax liabilities	<u>142.70</u>	<u>42.16</u>	<u>-</u>
Deferred tax assets (net)	<u>9,446.55</u>	<u>835.64</u>	<u>962.29</u>

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Movement in deferred tax assets (net)

Particulars	As at 31 March 2018	Charged/ (credited) to statement of profit or loss	Charged to other comprehensive income	Charged/ (credited) to equity	As at 31 March 2019
Assets					
Disallowance under section 43(B) of the Income-tax Act, 1961	30.46	6.71	-	-	37.17
Disallowance under section 40A(7) of the Income-tax Act, 1961	115.79	37.30	(5.21)	-	147.88
Depreciation and amortisation	340.78	(135.10)	-	-	205.68
Financial assets measured at amortised cost	38.29	(13.62)	-	-	24.67
Impairment loss allowance	109.72	101.31	-	-	211.03
Share based payments	239.45	259.24	-	-	498.69
Compulsorily convertible debentures	-	(1,830.77)	-	9,117.23	7,286.46
Minimum alternate tax credit entitlement	-	1,177.00	-	-	1,177.00
Others	3.31	(2.64)	-	-	0.67
Liabilities					
Financial liabilities measured at amortised cost	(42.16)	(100.54)	-	-	(142.70)
Total (net)	835.64	(501.11)	(5.21)	9,117.23	9,446.55

Particulars	As at 1 April 2017	Charged/ (credited) to statement of profit or loss	Credited to other comprehensive income	Charged/ (credited) to equity	As at 31 March 2018
Assets					
Disallowance under section 43(B) of the Income-tax Act, 1961	28.83	1.63	-	-	30.46
Disallowance under section 40A(7) of the Income-tax Act, 1961	103.71	3.34	8.74	-	115.79
Depreciation and amortisation	479.35	(138.57)	-	-	340.78
Financial assets measured at amortised cost	54.90	(16.61)	-	-	38.29
Impairment loss allowance	251.58	(141.86)	-	-	109.72
Share based payments	35.85	203.60	-	-	239.45
Others	8.07	(4.76)	-	-	3.31
Liabilities					
Financial liabilities measured at amortised cost	-	(42.16)	-	-	(42.16)
Total (net)	962.29	(135.39)	8.74	-	835.64

* Expiry date of minimum alternative tax credit

Expiry financial year (as per Income-tax Act, 1961)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
1 April 2033 - 31 March 2034	1,177.00	-	-
	1,177.00	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 13 A Property, plant and equipment

Particulars	Gross block *			Accumulated depreciation			Net block		
	As at 01 April 2017	Additions during the year	Sales/disposal during the year	As at 31 March 2018	As at 01 April 2017	Depreciation for the year	Sales/ Adjustment during the year	As at 31 March 2018	As at 31 March 2018
Furniture and fixtures	11.78	-	0.07	11.71	-	2.68	0.01	2.67	9.04
Vehicles ^	15.46	60.52	3.66	72.32	-	12.25	0.55	11.70	60.62
Office equipment	13.40	23.76	0.24	36.92	-	8.46	0.19	8.27	28.65
Computers	21.04	333.21	1.31	352.94	-	56.67	0.67	56.00	296.94
Leasehold improvements	209.24	-	8.80	200.44	-	51.78	4.26	47.52	152.92
Total	270.92	417.49	14.08	674.33	-	131.84	5.68	126.16	548.17
Particulars	Gross block			Accumulated depreciation			Net block		
	As at 01 April 2018	Additions during the year	Sales/disposal during the year	As at 31 March 2019	As at 01 April 2018	Depreciation for the year	Sales/ Adjustment during the year	As at 31 March 2019	As at 31 March 2019
Furniture and fixtures	11.71	12.19	0.20	23.70	2.67	3.10	0.17	5.60	18.10
Vehicles ^	72.32	52.59	4.57	120.34	11.70	14.93	3.85	22.78	97.56
Office equipment	36.92	12.47	0.50	48.89	8.27	9.40	0.50	17.17	31.72
Computers	352.94	465.58	-	818.52	56.00	126.16	-	182.16	636.36
Leasehold improvements	200.44	-	1.73	198.71	47.52	43.61	0.99	90.14	108.57
Total	674.33	542.83	7.00	1,210.16	126.16	197.20	5.51	317.85	892.31

* Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	Gross block		Accumulated depreciation as at		Net block	
	as at 01 April 2017	as at 01 April 2017	01 April 2017	01 April 2017	01 April 2017	01 April 2017
Furniture and fixtures	158.68	158.68	146.90	11.78	11.78	11.78
Vehicles	340.16	340.16	324.70	15.46	15.46	15.46
Office equipment	1,282.47	1,282.47	1,269.07	13.40	13.40	13.40
Computers	3,571.22	3,571.22	3,550.18	21.04	21.04	21.04
Leasehold improvements	856.67	856.67	647.43	209.24	209.24	209.24
Total	6,209.20	6,209.20	5,938.28	270.92	270.92	270.92

Note:

^ Includes vehicles having carrying cost of ₹ 44.34 lakh (31 March 2018 ₹ 51.28 lakh and 01 April 2017: Nil) which are hypothecated to banks against the respective loans.
(a) Refer note 39, for disclosure of contractual commitments to be executed on capital account for property, plant and equipment.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 13 B Intangible assets under development

Particulars	Gross block		
	As at 01 April 2017	Additions during the year	As at 31 March 2018
Intangible assets under development	3.71	482.55	486.26
			-

Particulars	Gross block		
	As at 01 April 2018	Additions during the year	As at 31 March 2019
Intangible assets under development	486.26	1,580.50	655.13
			1,411.63

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 13 C

Other intangible assets

Particulars	Gross block *			Accumulated amortisation			Net block As at 31 March 2018	
	As at 01 April 2017	Additions during the year	Sales/disposal during the year	As at 31 March 2018	As at 1 April 2017	Amortisation for the year		Sales/ Adjustment during the year
Membership rights of BSE Limited	-	-	-	-	-	-	-	-
Software	73.42	60.59	-	134.01	-	33.19	-	100.82
Indiabulls.com website	-	-	-	-	-	-	-	-
Total	73.42	60.59	-	134.01	-	33.19	-	100.82

Particulars	Gross block			Accumulated amortisation			Net block As at 31 March 2019	
	As at 01 April 2018	Additions during the year	Sales/disposal during the year	As at 31 March 2019	As at 1 April 2018	Amortisation for the year		Sales/ Adjustment during the year
Membership rights of BSE Limited	-	-	-	-	-	-	-	-
Software	134.01	1,638.91	-	1,772.92	33.19	209.13	-	1,530.60
Indiabulls.com website	-	-	-	-	-	-	-	-
Total	134.01	1,638.91	-	1,772.92	33.19	209.13	-	1,530.60

* Deemed cost of intangible assets - reconciliation of gross block and net carrying amount

Particulars	Gross block as at 1 April 2017	Accumulated amortisation as at 1 April 2017	Net block as at 1 April 2017
Membership rights of BSE Limited	70.05	70.05	-
Software	6,018.83	5,945.41	73.42
Indiabulls.com website	52.63	52.63	-
Total	6,141.51	6,068.09	73.42

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 14	As at	As at	As at
Other non-financial assets	31 March 2019	31 March 2018	1 April 2017
Capital advances	9.68	49.50	104.13
Prepaid expenses	322.88	1,018.93	662.05
Balance with government authorities	249.22	171.34	49.04
Advance to suppliers	47.03	28.08	83.01
Others	31.58	17.52	20.73
	660.39	1,285.37	918.96

Note - 15	As at	As at	As at
Trade payables	31 March 2019	31 March 2018	1 April 2017
(a) Total outstanding due to micro enterprises and small enterprises ⁽ⁱ⁾	-	5.25	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	297.26	701.84	276.89
	297.26	707.09	276.89

(i) On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	5.25	-
Interest due thereon	-	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid as at end of the year	-	-	-

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

Note - 16	As at	As at	As at
Other payables	31 March 2019	31 March 2018	1 April 2017
(a) Total outstanding due to micro enterprises and small enterprises ⁽ⁱ⁾	-	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	349.59	240.75	331.62
	349.59	240.75	331.62

(i) On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-	-
Interest due thereon	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year - - -

Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 - - -

Interest accrued and remaining unpaid as at end of the year - - -

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

Note - 17	As at	As at	As at
Debt securities (at amortised cost)	31 March 2019	31 March 2018	1 April 2017
Unsecured			
Liability component of compulsorily convertible debentures ⁽ⁱ⁾	30,019.30	-	-
Commercial papers ⁽ⁱⁱ⁾	-	75,000.00	50,000.00
Total	30,019.30	75,000.00	50,000.00
Debt securities in India	30,019.30	75,000.00	50,000.00
Debt securities outside India	-	-	-
	30,019.30	75,000.00	50,000.00

(i) During the year ended 31 March 2019, the Board of Directors had resolved to create, offer, issue and allot up to an aggregate of 27,985,455 compulsorily convertible debentures ("CCDs") of face value of ₹ 550 each, convertible into equivalent numbers of equity shares of ₹ 2 each at a conversion price of ₹ 550 per equity share (including premium of ₹ 448 per equity share) under the Non-Promoter Category by way of a preferential issue on a private placement basis to the certain foreign investors ("the CCD holders").

Terms of the issue:

- CCDs will be compulsorily converted into fully paid-up equity shares of face value of ₹ 2 each at a conversion price of ₹ 550 each on or before 18 months from the date of the allotment of the CCDs.
 - CCDs carry interest rate of 14.90% per annum, payable quarterly and interest is payable and calculated on the face value of CCDs, commencing from the date of its allotment and until the date of its conversion into the equity shares.
- (ii) Commercial papers are unsecured and carry nil discount rate as at 31 March 2019 (as at 31 March 2018: ranging from 8.35% to 9.00% per annum and as at 1 April 2017: 8.50% per annum). Terms of repayment of commercial papers are as follows:

	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
Amount repayable in one instalment in April 2018	-	47,500.00	-
Amount repayable in one instalment in May 2018	-	2,500.00	-
Amount repayable in one instalment in June 2018	-	25,000.00	-
Amount repayable in one instalment in April 2017	-	-	37,500.00
Amount repayable in one instalment in May 2017	-	-	12,500.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 18	As at	As at	As at
Borrowings (other than debt securities) (at amortised cost)	31 March 2019	31 March 2018	1 April 2017
Secured			
(a) Term loans			
- From banks ⁽ⁱ⁾	14,999.61	14,994.87	-
(b) Loans repayable on demand			
- From banks			
- Bank overdraft ⁽ⁱⁱ⁾	7,084.04	1,643.51	4,082.72
- Working capital loan ⁽ⁱⁱⁱ⁾	1,500.00	6,500.00	6,500.00
(c) Vehicle loans from banks ^(iv)	33.60	41.72	-
Total	23,617.25	23,180.10	10,582.72
Borrowings in India	23,617.25	23,180.10	10,582.72
Borrowings outside India	-	-	-
Total	23,617.25	23,180.10	10,582.72

- (i) Term loan from bank is secured against receivables and current assets (including cash and cash equivalents and investments) on pari-passu basis. The loan carries rate of interest of 10.50% per annum (as at 31 March 2018: 9.42% per annum and as at 1 April 2017: NA) as on balance sheet date and is repayable in one bullet payment in April 2019.
- (ii) Bank overdraft facilities are secured against fixed deposits pledged with respective banks and are repayable on demand. Bank overdraft carries rate of interest ranging from 6.35% to 8.43% per annum (as at 31 March 2018: 6.68% per annum and as at 1 April 2017: 8.04%).
- (iii) Working capital loans are secured against book debts and loans and advances on pari-passu basis and are repayable on demand (maximum 30 days). The loan carries rate of interest of 9.50% per annum (as at 31 March 2018: ranging from 9.00% to 9.30% per annum and as at 1 April 2017: ranging from 9.25% to 10.00% per annum) as at balance sheet date.
- (iv) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 8.50% to 8.75% per annum. The term loans are repayable in equated monthly installments of 5 years.

Note - 19	As at	As at	As at
Other financial liabilities	31 March 2019	31 March 2018	1 April 2017
Interest accrued on borrowings (other than debt securities)	9.96	41.90	9.96
Unpaid dividends ⁽ⁱ⁾	301.99	232.53	3,466.21
Margin from customers	14,032.02	11,222.00	12,469.85
Temporary overdrawn bank balances as per books	485.51	197.72	115.43
	14,829.48	11,694.15	16,061.45

- (i) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ Nil (31 March 2018: ₹ 41.72 Lakh) to the Investor Education and Protection Fund.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 20	As at	As at	As at
Current tax liabilities (net)	31 March 2019	31 March 2018	1 April 2017
Provision for taxation (net of tax deducted at source/ advance tax)	626.43	96.74	677.66
	626.43	96.74	677.66
Note - 21	As at	As at	As at
Provisions	31 March 2019	31 March 2018	1 April 2017
Provision for employee benefits			
Provision for gratuity (refer note 43)	507.83	397.63	299.67
Provision for compensated absences	127.63	104.61	83.29
	635.46	502.24	382.96
Note - 22	As at	As at	As at
Other non-financial liabilities	31 March 2019	31 March 2018	1 April 2017
Guarantee liability	613.62	676.61	-
Amount received from depository for global depository receipts	-	-	997.87
Brokerage/depository income received in advance ⁽ⁱ⁾	71.01	101.62	74.01
Statutory dues payables	792.59	268.75	53.91
	1,477.22	1,046.98	1,125.79
(i) Reconciliation of brokerage/depository income received in advance:			
Balance at the beginning of the year	101.62	74.01	
Add: Advances received during the year	518.90	573.41	
Less: Revenue recognised during the year	(549.51)	(545.80)	
Balance at the end of the year	71.01	101.62	

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 23

Equity share capital

i. Authorised

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of face value of ₹ 2 each	1,000,000,000	20,000.00	1,000,000,000	20,000.00	500,000,000	10,000.00
Preference shares of face value of ₹ 4.61 each	-	-	-	-	25,000,000	1,152.50
		<u>20,000.00</u>		<u>20,000.00</u>		<u>11,152.50</u>

During the year ended 31 March 2018, the authorised capital of the Company was reclassified and increased from ₹ 11,152.50 lakh divided into 500,000,000 equity shares of ₹ 2 each and 25,000,000 preference shares of ₹ 4.61 each to ₹ 20,000.00 lakh divided into 1,000,000,000 equity shares of ₹ 2 each ranking pari passu with the existing shares.

ii. Issued, subscribed, fully and partly paid up

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid up						
Equity shares of face value of ₹ 2 each fully paid up	522,030,890	10,440.62	442,391,002	8,847.82	320,206,920	6,404.14
Issued, subscribed and called and partly paid up						
Equity shares of face value of ₹ 2 each, called up value of ₹ 1.10	82,909,118	912.00	-	-	-	-
Less: Calls in arrear	-	(4.05)	-	-	-	-
Equity shares of face value of ₹ 2 each, called up and paid up value of ₹ 0.50	-	-	82,948,313	414.74	-	-
Share forfeiture account	-	0.19	-	-	-	-
	<u>604,940,008</u>	<u>11,348.76</u>	<u>525,339,315</u>	<u>9,262.56</u>	<u>320,206,920</u>	<u>6,404.14</u>

iii. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares, fully paid-up	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	442,391,002	8,847.82	320,206,920	6,404.14
Add: Shares issued by exercise of employee stock option plan (ESOP)	-	-	2,278,500	45.57
Add: Shares issued by exercise of warrants	33,800,000	676.00	33,650,000	673.00
Add: Shares issued through preferential allotment	45,839,888	916.80	86,255,582	1,725.11
Balance at the end of the year	<u>522,030,890</u>	<u>10,440.62</u>	<u>442,391,002</u>	<u>8,847.82</u>

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Equity shares, partly paid-up	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	82,948,313	414.74	-	-
Add: Shares issued on rights basis at the called up and paid up value of ₹ 0.50 per share	-	-	82,948,313	414.74
Add: Amount received on first call at ₹ 0.30 per share	-	248.72	-	-
Add: Amount received on second call at ₹ 0.30 per share	-	244.68	-	-
Less: Shares forfeited on non payment of first call	(39,195)	(0.19)	-	-
Balance at the end of the year	82,909,118	907.95	82,948,313	414.74

iv. Rights, preferences and restrictions attached to the equity shares

- (a) The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (b) 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) Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

v. Shares held by Shareholders each holding more than 5% shares:

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 2 each fully paid up				
Sameer Gehlaut	41,489,078	7.95%	40,158,292	9.08%
Orthia Properties Private Limited	39,981,305	7.66%	39,981,305	9.04%
Orthia Constructions Private Limited	39,701,671	7.61%	39,701,671	8.97%
Zelkova Builders Private Limited	32,907,534	6.30%	32,907,534	7.44%
Tupelo Consultancy LLP	18,440,813	3.53%	25,115,371	5.68%
Cinnamon Capital Limited	-	-	38,865,582	8.79%
Tamarind Capital Pte Ltd	62,213,000	11.92%	47,390,000	10.71%
Steadview Capital Mauritius Limited	34,907,801	6.69%	-	-
Jasmine Capital Investments Pte Ltd	52,545,147	10.07%	-	-
	322,186,349	61.73%	264,119,755	59.71%

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹ 2 each partly paid up				
Sameer Gehlaut	9,408,927	11.35%	9,408,927	11.34%
Orthia Properties Private Limited	9,367,460	11.30%	9,367,460	11.29%
Orthia Constructions Private Limited	9,301,943	11.22%	9,301,943	11.21%
Zelkova Builders Private Limited	7,710,104	9.30%	7,710,104	9.30%
Tupelo Consultancy LLP	4,709,132	5.68%	4,709,132	5.68%
Cinnamon Capital Limited	-	-	7,287,296	8.79%
Tamarind Capital Pte Ltd	11,103,288	13.39%	11,103,288	13.39%
Jasmine Capital Investments Pte Ltd	7,287,296	8.79%	-	-
	58,888,150	71.03%	58,888,150	71.00%

vi. Shares reserved for issue under options:

(a) 28,501,616 equity shares (As at 31 March 2019: 30,300,366 equity shares and as at 1 April 2017: 20,829,316 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 41).

(b) Nil equity shares (as at 31 March 2018: 33,800,000 equity shares and as at 1 April 2017: 33,650,000 equity shares) of face value of ₹ 2 each are reserved towards share warrants of the Company (Refer note 24(ii)).

vii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

viii. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

Note - 24 Other equity	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Share application money pending allotment ⁽ⁱ⁾	-	-	86.22
Equity component of compulsorily convertible debentures	131,708.14	-	-
Capital redemption reserve	3,600.36	3,600.36	3,600.36
Securities premium	410,449.16	132,344.15	11,919.04
Foreign currency monetary item translation difference account	39.98	49.04	79.33
General reserve	3,381.78	3,381.78	3,381.78
Share options outstanding account	7,665.60	3,309.88	209.64
Retained earnings	11,916.95	5,991.20	1,155.91
Equity instruments through other comprehensive income	397.14	491.44	635.37
Money received against share warrants ⁽ⁱⁱ⁾	-	3,696.88	1,661.47
	569,159.11	152,864.73	22,729.12

(i) As at 1 April 2017, the Company had sufficient authorised share capital to cover the allotment of these shares. During the year ended 31 March 2018, the company had issued and allotted equity shares to the concerned employees.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- (ii) a) During the year ended 31 March 2017, the Board of Directors had resolved to create, offer, issue and allot up to 58,300,000 warrants, convertible into 58,300,000 equity shares of ₹ 2 each on a preferential allotment basis at a conversion price of ₹ 19.75 per equity share to the certain promoter entities and to an executive director (“the warrant holders”).

Terms of the issue:

- a. 25% application money is payable upfront at the time of allotment.
- b. Warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before February 9, 2018.
- c. In the event the warrants are not converted into equity shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

During the year ended 31 March 2017, the Company had allotted 24,650,000 equity shares on conversion of equivalent number of warrants in accordance with the terms of the issue. Further, during the year ended 31 March 2018, the Company has allotted 33,650,000 equity shares on conversion of equivalent number of warrants in accordance with the terms of the issue.

- b) During the year ended 31 March 2018, the Board of Directors had resolved to create, offer, issue and allot up to 33,800,000 warrants, convertible into 33,800,000 equity shares of ₹ 2 each on a preferential allotment basis at a conversion price of ₹ 43.75 per equity share of the Company to the certain promoter entities (“the warrant holders”).

Terms of the issue:

- a. 25% application money is payable upfront at the time of allotment.
- b. Warrants were to be converted into equivalent number of equity shares on payment of the balance amount at any time on or before October 28, 2018.
- c. In the event the warrants are not converted into equity shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

During the year ended 31 March 2019, the Company had allotted 33,800,000 equity shares on conversion of equivalent number of warrants in accordance with the terms of the issue.

Nature and purpose of other reserves

Capital redemption reserve

The same had been created in accordance with provision of the Companies Act on account of redemption of preference shares.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Foreign currency monetary item translation difference account (FCMITDA)

FCMITDA represents exchange differences arising from translation of foreign currency monetary items recognised in the financial statements.

General reserve

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

Share options outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company’s employee stock option plan.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 25	For the year ended	For the year ended
Interest income (on financial assets measured at amortised cost)	31 March 2019	31 March 2018
Interest income on inter-corporate loans	9,932.46	6,035.37
Interest income on margin funding/delayed payments	2,412.56	1,645.78
Interest income on fixed and other deposits	1,944.91	1,521.97
Interest income on compulsory convertible debentures and other investments	45.01	-
Other interest income	85.46	74.41
	14,420.40	9,277.53
Note - 26	For the year ended	For the year ended
Dividend income	31 March 2019	31 March 2018
Dividend income from subsidiary companies	4,627.97	-
Dividend income from others	23.40	18.20
	4,651.37	18.20
Note - 27	For the year ended	For the year ended
Fees and commission income	31 March 2019	31 March 2018
Brokerage and other related income	11,164.69	8,524.97
Income from depository services	653.94	625.69
	11,818.63	9,150.66
Note - 28	For the year ended	For the year ended
Net gain on fair value changes	31 March 2019	31 March 2018
On financial instruments at fair value through profit or loss		
- Gain on redemption of mutual funds	249.11	-
Total net gain on fair value changes	249.11	-
Fair value changes		
Realised	249.11	-
Total net gain on fair value changes	249.11	-
Note - 29	For the year ended	For the year ended
Other income	31 March 2019	31 March 2018
Income from financial guarantees	437.53	174.55
Gain on foreign exchange fluctuations	53.38	31.97
Excess provisions written back	48.73	91.04
Liabilities written back	7.64	1,118.18
Profit on sale of property, plant and equipment (net)	2.79	27.08
Miscellaneous income	21.64	48.16
	571.71	1,490.98

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 30	For the year ended	For the year ended
Finance costs (on financial liabilities measured at amortised cost)	31 March 2019	31 March 2018
Interest on borrowings		
Term loans	1,518.40	657.48
Working capital loan	80.53	390.11
Bank overdraft	59.50	67.69
Vehicle loans	3.32	2.28
Interest on debt securities		
Commercial papers	3,056.04	4,611.37
Liability component of compulsorily convertible debentures	1,105.57	-
Other borrowing costs	203.31	242.58
	6,026.67	5,971.51

Note - 31	For the year ended	For the year ended
Fees and commission expense	31 March 2019	31 March 2018
Transaction charges	405.94	493.02
Membership, depository and stock exchange fee	101.90	151.56
	507.84	644.58

Note - 32	For the year ended	For the year ended
Impairment on financial instruments	31 March 2019	31 March 2018
Investments	5.00	-
Trade receivables*	354.40	150.72
	359.40	150.72

* Measured at amortised cost

Note - 33	For the year ended	For the year ended
Employee benefits expenses	31 March 2019	31 March 2018
Salaries and wages ⁽ⁱ⁾	7,765.80	4,110.19
Contribution to provident and other funds ⁽ⁱⁱ⁾	41.31	30.67
Provision for employee benefits (refer note 43)	105.78	114.06
Share based payments to employees	890.24	718.70
Staff welfare expenses	133.44	87.34
	8,936.57	5,060.96

- (i) During the year, personnel costs (excluding goods and service tax) amounting to ₹ 1,928.12 lakh, ₹ 508.36 lakh and ₹ 36.75 lakh (previous year ₹ Nil) were apportioned to the Company by Indiabulls Distribution Services Limited, Indiabulls Investment Advisors Limited and Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited), respectively, all wholly owned subsidiaries of the Company.
- (ii) There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February 2019 on Provident Fund. The management is examining these issues to identify the potential effects, if any, on compliance with the Provident Fund Act, 1952.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 34	For the year ended	For the year ended
Depreciation and amortisation	31 March 2019	31 March 2018
Depreciation on property, plant and equipment (refer note 13A)	197.20	131.84
Amortisation of intangible assets (refer note 13C)	209.13	33.19
	406.33	165.03

Note - 35	For the year ended	For the year ended
Other expenses	31 March 2019	31 March 2018
Lease Rent ^{(i) and (iii)} (refer note 38)	539.05	182.37
Rates and taxes	37.87	191.30
Repairs and maintenance	121.77	84.82
Communication costs	123.14	120.45
Printing and stationery ⁽ⁱⁱ⁾	171.20	49.22
Director's sitting fee	41.00	12.00
Payment to statutory auditors ⁽ⁱⁱⁱ⁾	32.50	30.00
Legal and professional charges	623.14	173.15
Insurance	5.86	6.69
Stamp duty	52.67	58.92
Web hosting expenses	56.91	58.22
Leased line expenses	141.07	85.93
Content expenses	5.00	9.02
Software expenses	182.86	35.71
Electricity expenses ⁽ⁱⁱ⁾	79.30	52.93
Recruitment expenses	43.14	28.65
Manpower hiring charges	33.17	8.94
Travelling and conveyance	76.78	38.85
Office maintenance ^{(i) and (ii)}	101.43	42.86
Business promotion	88.27	45.14
Corporate social responsibility expenses (refer note 44)	86.89	71.29
Bad debts/advances written off	6.71	500.95
Less : Adjusted against provision of earlier years	(6.50)	(500.86)
Miscellaneous expenses	29.76	9.98
	2,672.99	1,396.53

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

i) Expenses apportioned by the Company to subsidiary companies (excluding goods and services tax/service tax):

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease rent:		
Indiabulls Distribution Services Limited	-	76.88
Indiabulls Investment Advisors Limited	208.84	273.75
Office maintenance:		
Indiabulls Distribution Services Limited	-	11.16
Indiabulls Investment Advisors Limited	24.09	34.01

ii) Expenses apportioned by subsidiary companies to the Company (excluding goods and services tax/service tax):

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease rent:		
Indiabulls Distribution Services Limited	98.99	19.39
Indiabulls Investment Advisors Limited	63.75	2.02
Office maintenance:		
Indiabulls Distribution Services Limited	17.21	3.26
Indiabulls Investment Advisors Limited	0.87	0.08
Printing and stationery		
Indiabulls Distribution Services Limited	140.03	-
Electricity expenses		
Indiabulls Distribution Services Limited	5.74	-
Indiabulls Investment Advisors Limited	11.15	-

iii) Auditor's remuneration (excluding goods and services tax):

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor	32.50	30.00
For taxation matters	-	-
For company law matters	-	-
For other services	-	-
For reimbursement of expenses	-	-

Excluding fees of ₹ Nil (31 March 2018 ₹ 35.00 lakh) paid to statutory auditors for audit of interim financial statements for the six months period ended 30 September 2017 and other certifications related to issue of shares on rights basis which has been adjusted with securities premium.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 36	For the year ended	For the year ended
Tax expense	31 March 2019	31 March 2018
Current tax (including earlier years)	1,755.28	1,556.10
Deferred tax charge	501.11	135.39
Income tax expense reported in the statement of profit and loss	2,256.39	1,691.49

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 29.12% (31 March 2018: 34.61%) and the reported tax expense in profit or loss are as follows:

	For the year ended	For the year ended
	31 March 2019	31 March 2018
Accounting profit before tax expense	12,801.42	6,548.04
Income tax rate	29.12%	34.61%
Expected tax expense	3,727.77	2,266.15
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax impact on items exempt under income tax	(1,354.48)	(6.30)
Tax impact on deductions allowed under income tax	(5.79)	(764.08)
Tax impact of expenses which will never be allowed	21.10	62.27
Earlier years tax adjustments (net)	(73.72)	21.10
Impact of difference in tax rate on certain items	(25.48)	145.40
Others	(33.01)	(33.05)
Income tax expense	2,256.39	1,691.49

Changes in tax rate

The reduction of the Indian corporate tax rate from 30% to 25% is effective from 1 April 2018. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to reverse in the year to 31 March 2019 has been measured using the effective rate that will apply in India for the period (25%).

The impact of the change in tax rate has been recognised in tax expense of statement of profit and loss, except to the extent that it relates to items previously recognised outside the statement of profit and loss.

Note - 37

Earnings per equity share (EPS)

Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share' :

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit available for equity shareholders (₹ in lakh)	10,545.03	4,856.55
Basic/diluted earnings per equity share:		
Weighted-average number of equity shares for Basis earnings per share	545,045,534	429,300,268
Effect of dilution:		
Add: Potential number of equity shares that could arise on exercise of employee stock options	22,467,617	18,509,284
Add: Potential number of equity shares that could arise on exercise of warrants	5,934,875	26,900,554
Weighted-average number of equity shares for diluted earnings per share	573,448,026	474,710,106
Face value of equity share (₹)	2.00	2.00
Earnings per equity share - basic (₹)	1.93	1.13
Earnings per equity share - diluted (₹)	1.84	1.02

Note - 38

Leases

The Company has taken office premises on operating lease at various locations in India and lease rent in respect of the same amounting to ₹ 539.05 lakh (31 March 2018 ₹ 182.37 lakh) net of apportionment has been charged to the statement of profit and loss. The agreements are executed for a period ranging from 11 months to 10 years with a renewable clause and in many cases, it also provides for termination at will by either party giving a prior notice period between 30 to 90 days. The minimum lease rental outstanding are as under:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Future minimum lease payments:			
Not later than one year	549.12	507.14	414.26
Later than one year and not later than five years	1,279.80	1,724.73	1,028.86
Later than five years	43.92	28.74	-

Note - 39

A. Contingent liabilities not provided for in respect of:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
- Claims against the Company not acknowledged as debts in respect of:			
Penalty for synchronised trading under SEBI regulations ⁽ⁱ⁾	-	-	15.00
Cases under Arbitration and Conciliation Act, 1996 ⁽ⁱⁱ⁾	33.30	33.30	28.04
Cases under Income-tax Act, 1961 ⁽ⁱⁱⁱ⁾	315.05	-	-
- Fixed deposits pledged against overdraft facility availed by Subsidiary Company (refer note - 6(i)(d))	86,000.00	90,000.00	65,000.00
- Corporate guarantee for bank loans taken by Subsidiary Companies ^(iv)	298,516.67	281,538.46	-

- (i) During the year ended 31 March 2011, the Securities Appellate Tribunal ("SAT") had passed an order dated 26 October 2010 in favour of the Company setting aside the penalty imposed by SEBI. However, during the year ended 31 March 2012, SEBI had preferred an appeal against the judgment of the SAT before the Honourable Supreme Court of India. During the year ended 31 March 2018, the Honourable Supreme Court of India has passed order in favor of the Company.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

- (ii) The Company is involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. In respect of these claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements/ position.
- (iii) Demand pending u/s 143(3) read with Section 153A of the Income-tax Act, 1961:-
- For ₹ 90.97 lakh with respect to FY 2010-11 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C and 32 (1) of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 33.02 lakh with respect to FY 2011-12 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C and 32 (1) of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 21.58 lakh with respect to FY 2012-13 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C and 32 (1) of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 43.33 lakh with respect to FY 2013-14 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C, 32 (1) and Employes Stock Option expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 40.66 lakh with respect to FY 2014-15 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C, 32 (1) and Employes Stock Option expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 18.32 lakh with respect to FY 2015-16 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C, 32 (1) and Employes Stock Option expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
 - For ₹ 67.17 lakh with respect to FY 2016-17 (31 March 2018 and 1 April 2017: ₹ Nil) against disallowances u/s 69C, 32 (1) and Employes Stock Option expenses of the Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- (iv) Total guarantee of ₹ 310,600 lakh has been shown to the extent of outstanding term loan of ₹ 298,516.67

B. Commitments:	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Commitments for purchase of property, plant and equipment (net of capital advances paid)	9.68	152.04	153.63

Note - 40

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Total
Balance as at 1 April 2017	50,000.00	10,582.72	60,582.72
Cash flows:			
- Repayment	(523,200.00)	(44,443.68)	(567,643.68)
- Proceeds	548,200.00	57,038.69	605,238.69
Non cash:			
- Amortisation of upfront fees	-	2.37	2.37
Balance as at 31 March 2018	75,000.00	23,180.10	98,180.10
Cash flows:			
- Repayment	(293,000.00)	(12,508.12)	(305,508.12)
- Proceeds	371,919.99 *	12,940.53	384,860.52
- Interest paid	(2,395.45)	-	(2,395.45)
- Interest expensed	1,105.57	-	1,105.57
Non cash:			
- Amortisation of upfront fees	-	4.74	4.74
Balance as at 31 March 2019	152,630.11	23,617.25	176,247.36

* This represents gross amount received on issue of CCDs.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 41

Employee stock option schemes:

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 41

Employee Stock Option Schemes (continued)

b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value ₹ 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock option representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. The Stock options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of ₹ 2 each in the Company, at an exercise price of ₹ 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 16 per equity share and ₹ 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 41

Employee Stock Option Schemes (continued)

	IBVL ESOP – 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
1. Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
2. Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6. Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7. Fair value of the options (₹)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The Company has recognised employee stock compensation expense of ₹ 890.24 lakh (31 March 2018: ₹ 718.70 lakh) in the statement of Profit and loss for the year ended 31 March 2019.

The other disclosures in respect of the above stock option schemes are as under:

	IBVL ESOP - 2008			
	20,000,000			
Total options under the scheme (Nos.)	20,000,000	9,700,000	500,000	880,600
Options granted (Nos.)		(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	25 th January each year, commencing 25 January 2010	2 nd July each year, commencing 2 July 2017	2 nd September each year, commencing 2 September 2018	25 th March each year, commencing 25 March 2019
Exercise price (₹)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	1,526,316	9,700,000	-	-
Granted/regranted during the year (Nos.)	-	-	500,000	880,600
Exercised during the year (Nos.)	220,400	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding as at 31 March 2018 (Nos.)	1,277,866	9,700,000	500,000	880,600
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
Outstanding as at 31 March 2019 of the year (Nos.)	870,916	9,700,000	500,000	693,600
Vested and exercisable at the end of the year (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	49	63	77	84

Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: ₹ 59.77).

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 41

Employee Stock Option Schemes (continued)

Total options under the Scheme (Nos.)	IBVL ESOP - 2009						
	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	669,400 (Regrant)
Vesting period and percentage	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	2 nd December each year, commencing 2 December 2010	13 th April each year, commencing 13 April 2011	26 th August each year, commencing 26 August 2016	13 th May each year, commencing 13 May 2017	2 nd July each year, commencing 2 July 2017	2 nd September each year, commencing 2 September 2018	25 th March each year, commencing 25 March 2019
Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding as at 31 March 2018 (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
Outstanding as at 31 March 2019 (Nos.)	-	150,000	-	6,487,700	-	9,880,000	219,400
Vested and exercisable at the end of the year (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Remaining contractual life (Weighted Months)	-	60	-	67	-	77	84

Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: ₹ 121.14).

Note - 42

Operating segments

The Company operates in a single reportable segment i.e. "Broking and related activities", which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from broking activities and its customers are widespread. Further, the Company is operating in India which is considered as a single geographical segment.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 43

Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans

Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in "Employee benefits expense".

	For the year ended 31 March 2019	For the year ended 31 March 2018
Contribution made to Employees' Provident Fund Organisation	17.12	10.50
Contribution made to Employees' State Insurance Corporation	6.03	3.69
Contribution to Labour Welfare Fund	0.80	0.61
Contribution to Employees' National Pension Scheme	17.36	15.87
Total	41.31	30.67

Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation	507.83	397.63	299.67
Fair value of plan assets	-	-	-
Net obligation recognised in balance sheet as provision	507.83	397.63	299.67
Expected contribution for the next Annual reporting period	135.81	111.22	78.99

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	63.03	51.76
Past service cost including curtailment gains/losses	-	17.43
Interest cost on defined benefit obligation	31.68	23.14
Interest income on plan assets	-	-
Net impact on profit (before tax)	94.71	92.33

Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain/(loss) recognised during the year	17.89	(30.00)

Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation as at the beginning of year	397.63	299.67
Current service cost	63.03	51.76
Interest cost	31.68	23.14
Past service cost including curtailment gains/losses	-	17.43
Liability acquired on transfer of employees (net)	67.31	(2.07)
Benefits paid	(33.93)	(22.30)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	15.54	(25.50)
Actuarial (gain)/loss on arising from experience adjustment	(33.43)	55.50
Present value of defined benefit obligation as at the end of the year	507.83	397.63

Actuarial assumptions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discounting rate	7.65%	7.80%
Future salary increase	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	20.16	20.28
Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)		

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	507.83	397.63
- Impact due to increase of 0.50 %	(34.32)	(26.95)
- Impact due to decrease of 0.50 %	37.65	29.59
Impact of the change in salary increase		
Present value of obligation at the end of the year	507.83	397.63
- Impact due to increase of 0.50 %	38.45	30.26
- Impact due to decrease of 0.50 %	(35.31)	(27.77)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Maturity profile of defined benefit obligation (years)	As at 31 March 2019	As at 31 March 2018
0 to 1 year	12.45	10.27
1 to 2 year	8.48	7.61
2 to 3 year	8.35	6.71
3 to 4 year	8.56	6.85
4 to 5 year	8.43	6.78
5 to 6 year	8.21	15.68
6 year onwards	453.35	343.73

Other long-term employee benefits

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a longterm employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 11.07 lakh (previous year ₹ 21.73 lakh) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 44

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹ 86.89 Lakh (previous year ₹ 71.29 Lakh) towards CSR activities during the year ended 31 March 2019. The details of amount actually spent by the Company are:

	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Gross amount required to be spent by the company	86.89	71.29
(b) Amount spent on		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above*	86.89	71.29
- Yet to be paid	-	-
	<u>86.89</u>	<u>71.29</u>

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

Note - 45

Slump sale of stock broking undertaking

On 14 January 2019, the Board of Directors considered and approved the sale and transfer of stock broking business of the Company to Indiabulls Securities Limited (formerly Indiabulls Commodities Limited), a wholly owned subsidiary, by way of a slump sale, subject to applicable approvals from statutory and regulatory authorities and from the shareholders of the Company. The Company is in the process of obtaining requisite approvals with the competent statutory and regulatory authorities and shareholders.

Note - 46

Related party disclosures

Nature of relationship Name of the party

(a) Related parties where control exists:

Subsidiary companies	Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited)
(including step-down subsidiaries)	India Ethanol and Sugar Limited (till 8 March 2019)*
	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited (formerly known as Indiabulls Brokerage Limited)
	Indiabulls Infra Resources Limited
	Indiabulls Logistics Limited (till 8 March 2019)*
	Indiabulls Consumer Products Limited
	Indiabulls Distribution Services Limited
	Auxesia Soft Solutions Limited
	Pushpanjali Finsolutions Limited
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Astraea Constructions Limited (till 8 March 2019)*
Silenus Buildtech Limited (till 8 March 2019)*
Astilbe Builders Limited (till 8 March 2019)*
Pushpanjali Fincon Limited
Indiabulls Assets Reconstruction Company Limited Group
Positive Housings Private Limited (till 30 March 2018)
Indiabulls Alternate Investments Limited

Associate company

Transerv Private Limited (from 29 March 2019)

* Dissolved and struck off from the Register of Companies pursuant to Section 248(5) of the Act on 8 March 2019

(b) Other related parties:

- | | |
|--|--|
| (i) Key management personnel | <p>Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer
Mr. Pinank Jayant Shah, Whole Time Director (from 28 August 2017)
Mr. Gagan Banga, Non-executive Director (from 28 August 2017)
Mr. Amiteshwar Choudhary, Whole Time Director (till 28 August 2017)
Mr. Abhaya Prasad Hota, Independent Director (w.e.f. 25 August 2018)
Mr. Alok Misra, Independent Director (w.e.f. 28 August 2017)
Brig. (Retd.) Labh Singh Sitara, Independent Director
Mr. Shyam Lal Bansal, Independent Director (w.e.f. 28 August 2017)
Ms. Vijayalakshmi Rajaram Iyer, Independent Director (w.e.f. 28 August 2017)
Mr. Aishwarya Katoch, Independent Director (till 18 September 2017)
Mr. Prem Prakash Mirdha, Independent Director (till 23 September 2017)
Ms. Pia Johnson, Non-Executive Director (till 28 August 2017)
Mr. Ajit Kumar Mittal, Non-Executive Director (w.e.f. 23 September 2017 and upto 28 September 2017)</p> |
| (ii) Person exercising significant influence | <p>Mr. Sameer Gehlaut (Non executive chairman and Promoter)</p> |

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 46

Related party disclosures (continued)

(c) Transactions with related parties during the year

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Income								
i. Brokerage income	25.59	35.46	0.48	0.03	0.06	-	26.13	35.49
ii. Interest income from compulsory convertible debentures	43.84	-	-	-	-	-	43.84	-
iii. Interest on margin funding / delayed payments	-	-	-	1.68	-	-	-	1.68
iv. Dividend income	4,627.97	-	-	-	-	-	4,627.97	-
v. Interest income on inter corporate loans	9,932.47	6,035.37	-	-	-	-	9,932.47	6,035.37
Expenses								
i. Reimbursement of expenses paid	2,810.97	24.75	-	-	-	-	2,810.97	24.75
ii. Reimbursement of expenses received	232.93	464.33	-	-	-	-	232.93	464.33
iii. Professional expenses	400.00	-	-	-	-	-	400.00	-
iv. Compensation to Key Management Personnels								
- Short term employee benefits	-	-	407.65	412.47	-	-	407.65	412.47
- Post employment benefits- gratuity	-	-	0.55	7.22	-	-	0.55	7.22
- Other long-term employee benefits- compensated absences	-	-	0.75	(0.36)	-	-	0.75	(0.36)
- Share based expenses	-	-	876.78	712.15	-	-	876.78	712.15
- Sitting fees	-	-	41.00	12.00	-	-	41.00	12.00
Finance								
i. Inter corporate loans given (Maximum balance outstanding during the year)	219,275.81	127,825.00	-	-	-	-	219,275.81	127,825.00
ii. Money received against conversion of share warrants	-	-	-	592.50	-	-	-	592.50
iii. Money received against ESOP	-	-	-	41.28	-	-	-	41.28
iv. Equity shares issued	-	-	-	1,275.78	-	5,645.36	-	6,921.14
iv. Call money received against right issue	-	-	1,426.81	-	-	-	1,426.81	-
Investment								
i. Investment in equity shares of subsidiary companies	259,724.80	105,276.59	-	-	-	-	259,724.80	105,276.59
ii. Investment in compulsory convertible debentures	40,000.00	-	-	-	-	-	40,000.00	-
iii. Purchase of Equity Shares of Indiabulls Consumer Finance Limited	-	21,763.23	-	-	-	-	-	21,763.23
Liabilities								
i. Employee benefits liabilities paid	59.01	-	-	-	-	-	59.01	-
ii. Employee benefits liabilities received	138.71	-	-	-	-	-	138.71	-
Contingent Liability								
i. Fixed deposits pledged against overdraft facility availed by subsidiary company	86,000.00	90,000.00	-	-	-	-	86,000.00	90,000.00
ii. Corporate guarantees given on behalf of subsidiary companies	225,600.00	310,000.00	-	-	-	-	225,600.00	310,000.00
iii. Reduction of corporate guarantees on account of repayment of loan by subsidiary / guarantee released by bank*	208,621.79	28,461.54	-	-	-	-	208,621.79	28,461.54
iv. Fixed deposits received and pledged as margin money with stock exchange	-	1,200.00	-	-	-	-	-	1,200.00
v. Fixed deposits released as margin money from stock exchange	100.00	-	-	-	-	-	100.00	-

* Guarantee released by bank ₹ 225,000 lakh and reduction of guarantee on account of repayment of loan by ₹ 12,083.33 lakh.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 46

Related party disclosures (continued)

	Subsidiary companies				Key management personnel				Person exercising significant influence				Total	
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2018	As at 1 April 2017
(d) Balance outstanding as at 31 March 2019:														
Inter-corporate deposits given	64,470.00	661.00	4,556.00	-	-	-	-	-	-	64,470.00	661.00	-	4,556.00	-
Margin from customers	305.85	266.55	-	131.72	-	-	-	-	-	437.57	266.55	-	-	-
Fixed deposits received and pledged as margin money with stock exchange	1,100.00	1,200.00	-	-	-	-	-	-	-	1,100.00	1,200.00	-	-	-
Money received against share warrants	-	-	-	-	-	197.50	-	-	-	-	-	-	-	197.50
Money received against ESOP	-	-	-	-	-	78.38	-	-	-	-	-	-	-	78.38
Fixed deposits pledged against overdraft facility availed by subsidiary company	86,000.00	90,000.00	65,000.00	-	-	-	-	-	-	86,000.00	90,000.00	-	65,000.00	-
Corporate guarantees given on behalf of subsidiary companies	298,516.67	281,538.46	-	-	-	-	-	-	-	298,516.67	281,538.46	-	-	-
Calls in arrears	-	-	-	51.98	-	-	-	-	-	51.98	-	-	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 47

Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial assets measured at fair value				
Investments* measured at fair value through other comprehensive income	Note - 9	397.24	491.54	635.47
Financial assets measured at amortised cost				
Cash and cash equivalents	Note - 5	94,409.42	91,036.67	68,335.44
Bank balance other than cash and cash equivalents	Note - 6	24,156.11	25,835.00	17,300.56
Trade receivables	Note - 7	7,302.23	5,938.83	4,023.59
Loans	Note - 8	69,478.26	9,461.42	4,782.01
Security deposits	Note - 10	2,743.22	1,714.29	4,636.97
Other financial assets	Note - 10	792.71	557.76	597.95
Total		199,279.19	135,035.51	100,311.99
Financial liabilities measured at amortised cost				
Trade payables	Note - 15	297.26	707.09	276.89
Other payables	Note - 16	349.59	240.75	331.62
Debt securities (including interest accrued)	Note - 17	30,019.30	75,000.00	50,000.00
Borrowings (other than debt securities) (including interest accrued)	Note - 18	23,627.21	23,222.00	10,592.68
Other financial liabilities	Note - 19	14,819.52	11,652.25	16,051.49
Total		69,112.88	110,822.09	77,252.68

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Period	Level 1	Level 2	Level 3	Total
Assets					
Investments at fair value through other comprehensive income					
	31 March 2019	397.24	-	-	397.24
Quoted equity investment in BSE Limited	31 March 2018	491.54	-	-	491.54
	1 April 2017	635.47	-	-	635.47

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	94,409.42	94,409.42	91,036.67	91,036.67	68,335.44	68,335.44
Bank balance other than cash and cash equivalents	24,156.11	24,156.11	25,835.00	25,835.00	17,300.56	17,300.56
Trade receivables	7,302.23	7,302.23	5,938.83	5,938.83	4,023.59	4,023.59
Loans	69,478.26	69,478.26	9,461.42	9,461.42	4,782.01	4,782.01
Security deposits	2,743.22	2,721.93	1,714.29	1,703.54	4,636.97	4,636.97
Other financial assets	792.71	775.29	557.76	547.35	597.95	597.95
Total	198,881.95	198,843.24	134,543.97	134,522.81	99,676.52	99,676.52
Financial liabilities						
Trade payables	297.26	297.26	707.09	707.09	276.89	276.89
Other payables	349.59	349.59	240.75	240.75	331.62	331.62
Debt securities	30,019.30	30,019.30	75,000.00	75,000.00	50,000.00	50,000.00
Borrowings (other than debt securities)	23,627.21	23,627.21	23,222.00	23,222.00	10,592.68	10,592.68
Other financial liabilities	14,819.52	14,819.52	11,652.25	11,652.25	16,051.49	16,051.49
Total	69,112.88	69,112.88	110,822.09	110,822.09	77,252.68	77,252.68

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables, other payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Company's fixed interest bearing security deposits, loan notes and escrow account are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.
- (ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Security deposits and trade receivables	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Low credit risk			
Cash and cash equivalents	94,409.42	91,036.67	68,335.44
Bank balances other than above	24,156.11	25,835.00	17,300.56
Trade receivables	7,302.23	5,939.83	4,023.59
Loans	69,478.26	9,461.42	4,782.01
Investments	397.24	491.54	635.47
Security deposits	2,743.22	1,714.29	4,636.97
Other financial assets	792.71	557.76	597.95
(ii) Moderate credit risk			
Trade receivables	722.97	368.57	718.71
(iii) High credit risk			
Security deposits	-	4.25	4.25

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables is managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure

i) Expected credit losses for financial assets

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	94,409.42	-	94,409.42
Bank balances other than above	24,156.11	-	24,156.11
Investments	397.24	-	397.24
Loans	69,478.26	-	69,478.26
Security deposits	2,743.22	-	2,743.22
Other financial assets	792.71	-	792.71

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

As at 31 March 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	91,036.67	-	91,036.67
Bank balances other than above	25,835.00	-	25,835.00
Investments	491.54	-	491.54
Loans	9,461.42	-	9,461.42
Security deposits	1,718.54	4.25	1,714.29
Other financial assets	557.76	-	557.76

As at 1 April 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	68,335.44	-	68,335.44
Bank balances other than above	17,300.56	-	17,300.56
Investments	635.47	-	635.47
Loans	4,782.01	-	4,782.01
Security deposits	4,641.22	4.25	4,636.97
Other financial assets	597.95	-	597.95

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Security deposits
Loss allowance on 1 April 2017	718.71	4.25
Impairment loss recognised during the year	150.72	-
Write - offs	(500.86)	-
Loss allowance on 31 March 2018	368.57	4.25
Impairment loss recognised during the year	354.40	-
Write - offs	-	(4.25)
Loss allowance on 31 March 2019	722.97	-

c) Concentration of financial assets

The Company carries on the business as stock broker on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"), depository participants and renders other related ancillary services. The Company's outstanding receivables are for stock broking on stock exchange's and depository participants. Loans and other financial assets majorly represents loans to subsidiaries, margin funding loans and deposits given for business purposes.

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2019	Total facility	Drawn	Undrawn
- Expiring within one year	112,450.00	23,637.36	88,812.64
- Expiring beyond one year	-	-	-
Total	112,450.00	23,637.36	88,812.64
As at 31 March 2018	Total facility	Drawn	Undrawn
- Expiring within one year	96,000.00	83,143.51	12,856.49
- Expiring beyond one year	15,000.00	15,000.00	-
Total	111,000.00	98,143.51	12,856.49
As at 1 April 2017	Total facility	Drawn	Undrawn
- Expiring within one year	71,000.00	60,582.72	10,417.28
- Expiring beyond one year	-	-	-
Total	71,000.00	60,582.72	10,417.28

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	94,455.27	-	-	94,455.27
Bank balances other than above	24,453.55	539.09	-	24,992.64
Trade receivables	8,025.20	-	-	8,025.20
Loans	69,478.26	-	-	69,478.26
Investments	-	-	440,260.64	440,260.64
Other financial assets	2,271.35	670.10	832.37	3,773.82
Total undiscounted financial assets	198,683.63	1,209.19	441,093.01	640,985.83
Non-derivatives				
Debt Securities	22,934.08	9,823.71	-	32,757.79
Borrowings (other than debt securities)	23,728.00	22.85	4.69	23,755.54
Trade payables	297.26	-	-	297.26
Other payables	349.59	-	-	349.59
Other financial liabilities	14,819.52	-	-	14,819.52
Total undiscounted financial liabilities	62,128.45	9,846.56	4.69	71,979.70
Net undiscounted financial assets/(liabilities)	136,555.18	(8,637.37)	441,088.32	569,006.13

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

As at 31 March 2018	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	91,066.26	-	-	91,066.26
Bank balances other than above	26,375.41	109.29	-	26,484.70
Trade receivables	6,307.40	-	-	6,307.40
Loans	9,461.42	-	-	9,461.42
Investments	-	-	136,795.11	136,795.11
Other financial assets	1,068.41	231.08	1,276.44	2,575.93
Total undiscounted financial assets	134,278.90	340.37	138,071.55	272,690.82
Non-derivatives				
Debt Securities	75,000.00	-	-	75,000.00
Borrowings (other than debt securities)	9,639.44	15,131.25	16.12	24,786.81
Trade payables	707.09	-	-	707.09
Other payables	240.75	-	-	240.75
Other financial liabilities	11,652.25	-	-	11,652.25
Total undiscounted financial liabilities	97,239.53	15,131.25	16.12	112,386.90
Net undiscounted financial assets/(liabilities)	37,039.37	(14,790.88)	138,055.43	160,303.92
As at 1 April 2017	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	68,378.18	-	-	68,378.18
Bank balances other than above	17,721.69	-	-	17,721.69
Trade receivables	4,742.30	-	-	4,742.30
Loans	4,782.01	-	-	4,782.01
Investments	-	-	6,666.53	6,666.53
Other financial assets	4,090.52	245.41	1,263.40	5,599.33
Total undiscounted financial assets	99,714.70	245.41	7,929.93	107,890.04
Non-derivatives				
Debt Securities	50,000.00	-	-	50,000.00
Borrowings (other than debt securities)	10,635.22	-	-	10,635.22
Trade payables	276.89	-	-	276.89
Other payables	331.62	-	-	331.62
Other financial liabilities	16,051.49	-	-	16,051.49
Total undiscounted financial liabilities	77,295.22	-	-	77,295.22
Net undiscounted financial assets	22,419.48	245.41	7,929.93	30,594.82

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

C) Market risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. The Company has not hedged its foreign currency receivables and payables.

(i) Foreign currency risk exposure in USD:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	Currency	As at	As at	As at
		31 March 2019	31 March 2018	1 April 2017
Financial assets				
Loan notes and escrow receivable	USD	742.76	698.44	784.26

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended	For the year ended
	31 March 2019	31 March 2018
USD sensitivity		
INR/USD- increase by 8.38% (31 March 2018: 5.21%)*	62.24	36.39
INR/USD- decrease by 8.38% (31 March 2018: 5.21%)*	(62.24)	(36.39)

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2019, the Company is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at	As at	As at
	31 March 2019	31 March 2018	1 April 2017
Variable rate liabilities			
Borrowings (other than debt securities)	22,083.65	16,638.38	4,082.72
Fixed rate liabilities			
Debt securities	30,019.30	75,000.00	50,000.00
Borrowings (other than debt securities)	1,533.60	6,541.72	6,500.00
Total	53,636.55	98,180.10	60,582.72

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest sensitivity*		
Interest rates – increase by 1%	157.68	85.82
Interest rates – decrease by 1%	(157.68)	(85.82)

* Holding all other variables constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity:

Impact on other comprehensive income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Quoted equity instruments		
Value per share – increase by 19% (31 March 2018: 22%)	75.48	108.14
Value per share – decrease by 19% (31 March 2018: 22%)	(75.48)	(108.14)

Note - 48

Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debt*	53,646.51	98,222.00	60,592.68
Total equity	580,507.87	162,127.29	29,133.26
Debt to equity ratio	0.09	0.61	2.08

* Debt includes debt securities + borrowings (other than debt securities) + interest accrued

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 49

Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

ASSETS	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial assets						
Cash and cash equivalents	94,409.42	-	91,036.67	-	68,335.44	-
Bank balances other than cash and cash equivalents	23,552.53	603.58	25,690.73	144.27	17,256.92	43.64
Trade receivables	7,302.23	-	5,938.83	-	4,023.59	-
Loans	69,478.26	-	9,461.42	-	4,782.01	-
Investments	-	440,260.64	-	136,795.11	-	6,666.53
Other financial assets	2,284.42	1,251.51	1,030.75	1,241.30	4,002.30	1,232.62
	197,026.86	442,115.73	133,158.40	138,180.68	98,400.26	7,942.79
Non-financial assets						
Current tax assets (net)	32.29	-	-	-	-	-
Deferred tax assets (net)	-	9,446.55	-	835.64	-	962.29
Property, plant and equipment	-	892.31	-	548.17	-	270.92
Intangible assets under development	-	655.13	-	486.26	-	3.71
Other intangible assets	-	1,530.60	-	100.82	-	73.42
Other non-financial assets	549.12	111.27	1,107.96	177.41	654.89	264.07
	581.41	12,635.86	1,107.96	2,148.30	654.89	1,574.41
TOTAL ASSETS	197,608.27	454,751.59	134,266.36	140,328.98	99,055.15	9,517.20
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	5.25	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	297.26	-	701.84	-	276.89	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	349.59	-	240.75	-	331.62	-
Debt securities	25,995.92	4,023.38	75,000.00	-	50,000.00	-
Borrowings other than debt securities	23,592.50	24.75	8,151.63	15,028.47	10,582.72	-
Other financial liabilities	14,829.48	-	11,694.15	-	16,061.45	-
	65,064.75	4,048.13	95,793.62	15,028.47	77,252.68	-
Non-financial liabilities						
Current tax liabilities (net)	626.43	-	96.74	-	677.66	-
Provisions	15.70	619.76	13.00	489.24	9.90	373.06
Other non-financial liabilities	1,120.02	357.20	758.08	288.90	1,125.79	-
	1,762.15	976.96	867.82	778.14	1,813.35	373.06
TOTAL LIABILITIES	66,826.90	5,025.09	96,661.44	15,806.61	79,066.03	373.06
Net	130,781.37	449,726.50	37,604.92	124,522.37	19,989.12	9,144.14

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 50

A Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the year ending 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 31 March 2018

Particulars	Note	As at 31 March 2018		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		91,036.67	-	91,036.67
Bank balance other than cash and cash equivalents		25,835.00	-	25,835.00
Trade receivables	4	6,105.91	(167.08)	5,938.83
Loans		9,461.42	-	9,461.42
Investments	2, 5 and 7	132,964.92	3,830.19	136,795.11
Other financial assets	3	2,571.69	(299.64)	2,272.05
		267,975.61	3,363.47	271,339.08
Non-financial assets				
Current tax assets (net)	-	-	-	-
Deferred tax assets (net)	8	551.40	284.24	835.64
Property, plant and equipment		548.17	-	548.17
Intangible assets under development		486.26	-	486.26
Other intangible assets		100.82	-	100.82
Other non-financial assets	3	1,144.43	140.94	1,285.37
		2,831.08	425.18	3,256.26
TOTAL ASSETS		270,806.69	3,788.65	274,595.34
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		5.25	-	5.25
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		701.84	-	701.84
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		240.75	-	240.75
Debt securities		75,000.00	-	75,000.00
Borrowings (other than debt securities)	1	23,185.23	(5.13)	23,180.10
Other financial liabilities		11,694.15	-	11,694.15
		110,827.22	(5.13)	110,822.09
Non-financial liabilities				
Current tax liabilities (net)		96.74	-	96.74
Provisions		502.24	-	502.24
Other non-financial liabilities	6 and 7	397.58	649.40	1,046.98
		996.56	649.40	1,645.96
EQUITY				
Equity share capital		9,262.56	-	9,262.56
Other equity		149,720.35	3,144.38	152,864.73
		158,982.91	3,144.38	162,127.29
TOTAL LIABILITIES AND EQUITY		270,806.69	3,788.65	274,595.34

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 50

A Explanation of transition to Ind AS (continued)

Reconciliation of assets and liabilities presented in the balance sheet prepared as per previous GAAP and as per Ind AS as at 1 April 2017

Particulars	Note	As at 1 April 2017		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
ASSETS				
Financial assets				
Cash and cash equivalents		68,335.44	-	68,335.44
Bank balance other than cash and cash equivalents		17,300.56	-	17,300.56
Trade receivables	4	4,189.95	(166.36)	4,023.59
Loans		4,782.01	-	4,782.01
Investments	2 and 5	5,925.10	741.43	6,666.53
Other financial assets	3	5,599.33	(364.41)	5,234.92
		106,132.39	210.66	106,343.05
Non-financial assets				
Current tax assets (net)		-	-	-
Deferred tax assets (net)	8	813.97	148.32	962.29
Property, plant and equipment		270.92	-	270.92
Intangible assets under development		3.71	-	3.71
Other intangible assets		73.42	-	73.42
Other non-financial assets	3	754.59	164.37	918.96
		1,916.61	312.69	2,229.30
TOTAL ASSETS		108,049.00	523.35	108,572.35
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		276.89	-	276.89
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		331.62	-	331.62
Debt securities		50,000.00	-	50,000.00
Borrowings (other than debt securities)		10,582.72	-	10,582.72
Other financial liabilities		16,061.45	-	16,061.45
		77,252.68	-	77,252.68
Non-financial liabilities				
Current tax liabilities (net)		677.66	-	677.66
Provisions		382.96	-	382.96
Other non-financial liabilities	6	1,167.20	(41.41)	1,125.79
		2,227.82	(41.41)	2,186.41
EQUITY				
Equity share capital		6,404.14	-	6,404.14
Other equity		22,164.36	564.76	22,729.12
		28,568.50	564.76	29,133.26
TOTAL LIABILITIES AND EQUITY		108,049.00	523.35	108,572.35

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 50

A Explanation of transition to Ind AS (continued)

Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2018

Particulars	Note	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Income				
Revenue from operations				
Interest income	3	9,203.12	74.41	9,277.53
Dividend income		18.20	-	18.20
Fees and commission income		9,150.66	-	9,150.66
Total revenue from operations		18,371.98	74.41	18,446.39
Other income	3 and 7	1,316.41	174.57	1,490.98
Total income		19,688.39	248.98	19,937.37
Expenses				
Finance costs	1	5,976.64	(5.13)	5,971.51
Fees and commission expense		644.58	-	644.58
Impairment on financial instruments	4	150.00	0.72	150.72
Employee benefits expenses	5 and 9	4,372.26	688.70	5,060.96
Depreciation and amortisation		165.03	-	165.03
Other expenses	3 and 6	1,349.26	47.27	1,396.53
Total		12,657.77	731.56	13,389.33
Profit before tax		7,030.62	(482.58)	6,548.04
Tax expense:				
Current tax		1,556.10	-	1,556.10
Deferred tax	8	262.56	(127.17)	135.39
Profit for the year		5,211.96	(355.41)	4,856.55
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement gain/(loss) on defined benefit plans	9	-	(30.00)	(30.00)
Income tax relating to items that will not be reclassified to profit and loss	8	-	8.74	8.74
Equity instruments through other comprehensive income	2	-	(143.93)	(143.93)
Total other comprehensive income		-	(165.19)	(165.19)
Total comprehensive income for the year		5,211.96	(520.60)	4,691.36

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

B Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

3 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 1 April 2017. The Company has elected to apply this exemptions for such vested options.

4 Deemed cost for investments in subsidiaries

The Company has elected to carry the investment in subsidiary at its actual cost determined as per Ind AS 27 "Separate financial statements" as its carrying value in these financial statements on the date of transition.

5 Long term foreign currency monetary items

Ind AS 101 permits a first-time adopter to continue with the policy of the previous GAAP for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements on or before 1 April 2017.

C Ind AS mandatory exceptions

1 Estimates

An Company's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Investment in equity instruments carried at FVTPL or FVOCI
- b) Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

D Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile total equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

1 Reconciliation of total equity as at 31 March 2018 and 1 April 2017

Particulars	Note	As at 31 March 2018	As at 1 April 2017
Total equity (shareholder's funds) as per previous GAAP		158,982.91	28,568.51
Adjustments:			
Financial assets carried at amortised cost	Note 3	(158.70)	(200.06)
Financial liabilities carried at amortised cost	Note 1 and 6	32.34	41.41
Fair value gain on investment carried at FVOCI	Note 2	491.44	635.37
Allowance for expected credit losses	Note 4	(167.08)	(166.36)
Measurement of employee share based payments at fair value	Note 5	2,487.59	106.06
Impact of financial guarantee	Note 7	174.55	-
Tax impact on above	Note 8	284.24	148.33
Total adjustments		3,144.38	564.75
Total equity as per Ind AS		162,127.29	29,133.26

2 Reconciliation of total comprehensive income for the year

Particulars	Note	For the year ended 31 March 2018
Profit after tax as per previous GAAP		5,211.96
Adjustments:		
Financial assets carried at amortised cost	Note 3	41.36
Financial liabilities carried at amortised cost	Note 1 and 6	(9.07)
Allowance for expected credit losses	Note 4	(0.72)
Measurement of employee share based payments at fair value	Note 5	(718.70)
Remeasurement loss on defined benefit plan	Note 9	30.00
Impact of financial guarantee	Note 7	174.55
Tax impact on above	Note 8	127.17
Total adjustments		(355.41)
Profit after tax as per Ind AS		4,856.55
Remeasurement loss on defined benefit plan	Note 9	(30.00)
Equity instruments through other comprehensive income	Note 2	(143.93)
Tax impact on above	Note 8	8.74
Total comprehensive income as per Ind AS		4,691.36

3 Impact of Ind AS adoption on statement of cash flows for the year ended on 31 March 2018:

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash used in operating activity	(13,008.36)	-	(13,008.36)
Net cash used in investing activity	(123,884.47)	-	(123,884.47)
Net cash flow from financing activity	162,033.27	-	162,033.27
Net increase in cash and cash equivalent	25,140.44	-	25,140.44
Cash and cash equivalent as at 1 April 2017	64,252.72	-	64,252.72
Cash and cash equivalent as at 31 March 2018	89,393.16	-	89,393.16

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

Note - 50

Notes to first time adoption

1 Borrowings

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

2 Financial instruments carried at fair value through through other comprehensive income

Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried either at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI) (except for investment in subsidiaries).

3 Security deposits paid and loan notes and escrow account

Under previous GAAP, security deposits were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such security deposits are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

Under previous GAAP, loan notes and escrow account were initially recognized at transaction price. Subsequently, finance income was recognized based on contractual terms, if any. Under Ind AS, such loan notes and escrow account are initially recognized at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset.

4 Impairment allowance on trade receivables

Under previous GAAP, provision for trade receivables is recognised on specific identification method based on management assessment of recoverability of trade receivables. As per Ind AS 109, the Company is required to apply expected credit loss model (provision matrix approach) for recognising the allowance for doubtful receivables.

5 Share based payment

Under the previous GAAP, the Company had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognized based on the fair value of the options as at the grant date.

6 Lease equalisation reserve

Under the previous GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are not recognised on a straight line basis if payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence, lease equalization reserve pertaining to operating lease agreements has been reversed and credited to equity as on transition date.

7 Financial guarantee

Under previous GAAP, holder/issuer of financial guarantee were disclosing this as part of contingent liabilities. As per Ind AS, the financial guarantee is initially measured at fair value and subsequently measured at higher of the amount of loss allowance and amount initially recognised less the cumulative amount of income recognised over the period of guarantee.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2019 (contd.)
(All amount in ₹ lakh unless stated otherwise)

8 Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Mumbai
Date: 25 April 2019

For and on behalf of the Board of Directors

Divyesh B. Shah Whole Time Director & Chief Executive Officer DIN: 00010933	Pinank Shah Whole Time Director DIN: 07859798	Rajeev Lochan Agrawal Chief Financial Officer	Lalit Sharma Company Secretary
Place: Mumbai Date: 25 April 2019			

Statement Pursuant to Section 129 of the Companies Act, 2013

260

Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures
 [Form AOC-1: Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part A: Subsidiaries

(All amounts in ₹ lakh unless stated otherwise)															
Sr. No.	Name of the subsidiary Companies	Date of acquisition of Subsidiary	Year	Currency	Share Capital	Other equity (Surplus / (Deficit))	Total Assets excluding investments	Total Liabilities #	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of share-holding
1	Indiabulls Securities Limited (formerly Indiabulls Commodities Limited)	01-Apr-07	2018-19	₹	60.00	2,254.26	2,668.29	354.03	-	178.73	(277.74)	0.71	(278.45)	-	100%
2	India Ethanol And Sugar Limited *	01-Apr-07	2018-19	₹	-	-	-	-	-	-	(8.81)	0.01	(8.82)	-	Nil
3	Devara Tradeflink Limited	09-Jan-08	2018-19	₹	5.00	(18,079.45)	23.84	18,308.39	210.10	0.04	(11.86)	0.20	(12.06)	-	100%
4	Indiabulls Investment Advisors Limited (formerly known as Indiabulls Brokerage Limited)	22-Aug-08	2018-19	₹	550.00	(1,449.72)	23,635.28	24,535.00	-	6,970.32	(1,200.29)	(177.80)	(1,022.49)	-	100%
5	Indiabulls Distribution Services Limited	11-Jun-09	2018-19	₹	5.00	9,233.22	132,338.48	124,211.26	1,111.00	7,481.53	381.81	869.92	(488.11)	-	100%
6	Auxesia Soft Solutions Limited	30-Sep-11	2018-19	₹	5.00	(427.69)	11.08	433.77	-	17.94	(22.78)	-	(22.78)	-	100%
7	Pushpanjli Finsolutions Limited	28-Jun-13	2018-19	₹	601.00	64.20	672.97	7.77	-	54.90	49.61	13.11	36.50	-	100%
8	Arbutus Constructors Limited	11-Jun-13	2018-19	₹	11.00	(3.94)	5.01	198.45	200.50	8.59	(8.21)	0.59	(8.80)	-	100%
9	Gyansagar Buildtech Limited	11-Jun-13	2018-19	₹	11.00	(152.19)	260.99	602.68	200.50	-	(49.73)	-	(49.73)	-	100%
10	Indiabulls Consumer Finance Limited (Formerly IVL Finance Limited)	28-Jun-13	2018-19	₹	6,118.80	430,694.06	1,184,540.09	808,961.04	61,233.81	165,002.00	53,339.57	13,320.17	40,019.40	-	100%
11	Astraea Constructors Limited *	11-Jun-13	2018-19	₹	-	-	-	-	-	0.08	(4.51)	-	(4.51)	-	Nil
12	Silenus Buildtech Limited *	11-Jun-13	2018-19	₹	-	-	-	-	-	0.16	(7.65)	-	(7.65)	-	Nil
13	Astibee Builders Limited *	11-Jun-13	2018-19	₹	-	-	-	-	-	0.16	(7.21)	-	(7.21)	-	Nil
14	Pushpanjli Fincon Limited	11-Jun-13	2018-19	₹	401.00	(183.13)	297.29	79.42	-	355.17	288.61	79.29	209.32	-	100%
15	Indiabulls Alternate Investments Limited	10-Feb-16	2018-19	₹	505.00	169.34	442.25	45.46	277.55	146.40	(50.20)	4.30	(54.50)	-	100%
16	Indiabulls Asset Reconstruction Company Limited	03-Oct-16	2018-19	₹	5,750.00	46,017.14	38,895.90	4,486.83	17,358.07	2,696.84	1,830.21	555.37	1,274.84	-	100%
17	Indiabulls Consumer Products Limited	05-Jul-16	2018-19	₹	5.00	9.49	16.38	1.89	-	8.21	2.26	3.49	(1.23)	-	100%
18	Indiabulls Logistics Limited *	19-Jan-17	2018-19	₹	-	-	-	-	-	-	(1.36)	-	(1.36)	-	Nil
19	Indiabulls Infra Resources Limited	01-Feb-17	2018-19	₹	300.00	33.74	338.26	4.52	-	27.83	27.14	6.65	20.49	-	100%
20	Indiabulls ARC Trust - III	30-Jun-18	2018-19	₹	5,936.98	435.87	6,609.21	236.36	-	562.91	479.12	-	479.12	-	51%
21	Indiabulls ARC Trust - IV	31-Dec-18	2018-19	₹	13,280.41	(288.39)	13,238.92	246.90	-	2,781.83	(287.38)	-	(287.38)	-	51%
22	Indiabulls ARC Trust - V	31-Dec-18	2018-19	₹	1,026.00	42.18	1,071.90	3.72	-	31.37	43.20	-	43.20	-	51%
23	Indiabulls ARC Trust - VI	28-Mar-19	2018-19	₹	4,200.00	3.27	4,203.52	0.25	-	3.52	3.27	-	3.27	-	51%
24	Indiabulls ARC Trust - VII	28-Mar-19	2018-19	₹	5,800.00	4.50	5,805.26	0.76	-	5.26	4.50	-	4.50	-	51%

Total liabilities exclude share capital and other equity

* Dissolved and struck off from the Register of Companies pursuant to Section 248(5) of the Act on 8 March 2019
 For and on behalf of the Board

Diyesh B. Shah
 DIN: 00010933

Whole Time Director & Chief Executive Officer

Place: Mumbai
 Date: 25 April 2019

Pinank Shah
 DIN: 07859798

Whole Time Director

Rajeev Lochan Agrawal
 Chief Financial Officer

Lalit Sharma
 Company Secretary

Statement Pursuant to Section 129 of the Companies Act, 2013 (contd.)

Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures
 [Form AOC-1: Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part B: Associates

(All amounts in ₹ lakh unless stated otherwise)

Sl No.	Name of Associate	Transerv Private Limited
1	Latest audited Balance Sheet date	31 March 2019
2	Date on which the Associate was associated or acquired	29 March 2019
3	Share of Associate/Joint Venture Held by the Company on the year end	
	Number	2,137,981
	Amount of Investment in Associate/Joint Venture	3,570.42
	Extend of Holding%	33.00%
4	Description of how there is significant influence	Ownership of 20% or more of the voting power
5	Reason why associate/joint venture is not consolidated	Ownership of not more than 50% of the voting Power and no control over Board
6	Networth attributable to shareholding as per latest audited Balance Sheet (Amount)	804.05
7	Profit & Loss for the Year	
	i. Considered in Consolidation (Amount) *	(2.84)
	ii. Not Considered in Consolidation (Amount) *	(5.78)

*from 29 March 2019 to 31 March 2019

Note:

Significant influence has been determined as per Indian Accounting Standards 28 "Investments in Associates and Joint Ventures" specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and relevant amendment rules issued thereafter.

For and on behalf of the Board

Divyesh B. Shah

DIN: 00010933

Whole Time Director & Chief Executive Officer

Place: Mumbai

Date: 25 April 2019

Pinank Shah

DIN: 07859798

Whole Time Director

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary



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