



**Independent Auditors' Report**

To The Members of

Indiabulls Asset Management Company Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Indiabulls Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 the 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion



on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

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

1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

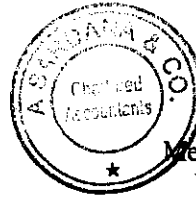
2) As required by section 143(3) of the Act, we report that:

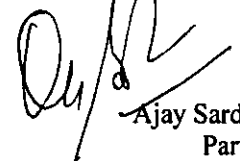
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:



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

For A Sardana & Co.  
Chartered Accountants  
Firm Registration number: 021890N



  
Ajay Sardana  
Partner  
Membership number: 089011  
New Delhi, April 24, 2015

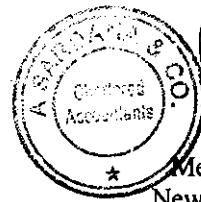
**Annexure referred to in the Auditor's Report of even date to the Members of Indiabulls Asset Management Company Limited on the financial statements for the year ended March 31, 2015**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified annually. In accordance with this programme, fixed assets were verified during the year and no discrepancies were noticed on such verification.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iii) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and for the sale of services and we have not observed any continuing failure to correct major weaknesses in such internal control system. There were no transactions for the purchase of inventory and for the sale of goods during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, State Insurance, Income-tax, Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' Sales-tax, Wealth tax, duty of Customs, duty of Excise, value added tax and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues were in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2015, there are no dues of income-tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.



- (c) According to the information and explanations given to us and the records of the Company examined by us, there were no amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. *The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.*
- (ix) The Company has no dues in respect of a financial institution, bank or a debenture holder.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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



*Ajay Sardana*  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 24, 2015

**Indiabulls Asset Management Company Limited**  
**Balance Sheet as at March 31, 2015**

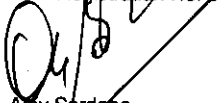
Particulars	Note No.	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders funds</b>			
(a) Share capital	3	700,000,000	210,000,000
(b) Reserves and surplus	4	(77,986,793)	(40,514,366)
		<u>622,013,207</u>	<u>169,485,634</u>
<b>Non - current liabilities</b>			
Long term provisions	5	2,805,638	1,576,455
		<u>2,805,638</u>	<u>1,576,455</u>
<b>Current liabilities</b>			
(a) Other current liabilities	6	3,065,096	1,707,550
(b) Short-term provisions	7	57,079	33,976
		<u>3,122,175</u>	<u>1,741,526</u>
<b>Total</b>		<u><u>627,941,020</u></u>	<u><u>172,803,615</u></u>
<b>II. Assets</b>			
<b>Non - current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	3,323,335	1,729,772
(ii) Intangible assets	9	2,052,428	2,259,798
(b) Non-current investments	10	500,000	-
(c) Deferred tax assets (net)	11	1,156,055	23,225,277
(d) Long term loans and advances	12	14,249,937	11,098,128
		<u>21,281,755</u>	<u>38,312,975</u>
<b>Current assets</b>			
(a) Current investments	13	585,286,203	124,628,078
(b) Trade receivables	14	2,478,141	-
(c) Cash and cash equivalents	15	13,797,402	3,027,720
(d) Short-term loans and advances	16	5,097,519	6,834,842
		<u>606,659,265</u>	<u>134,490,640</u>
<b>Total</b>		<u><u>627,941,020</u></u>	<u><u>172,803,615</u></u>

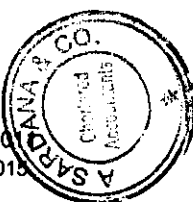
Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

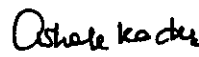
As per our report of even date

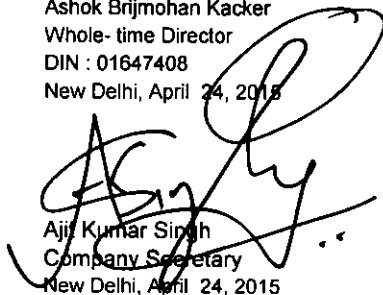
For A Sardana & Co.  
Chartered Accountants  
Firm Registration No. 021890N


  
Ajay Sardana  
Partner  
Membership No. 0890  
New Delhi, April 24, 2015



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

  
Ashok Brijmohan Kacker  
Whole-time Director  
DIN : 01647408  
New Delhi, April 24, 2015

  
Aji Kumar Singh  
Company Secretary  
New Delhi, April 24, 2015

  
Akshay Gupta  
Whole-time Director  
DIN : 01272080

  
Satisht Virmani  
Chief Financial Officer

**Indiabulls Asset Management Company Limited**  
**Statement of Profit and loss for the year ended March 31, 2015**

Particulars	Note No.	For the year ended March 31, 2015 Amount (Rs.)	For the year ended March 31, 2014 Amount (Rs.)
<b>Income</b>			
I. Revenue from operations	17	37,609,617	25,409,826
II. Other income	18	39,482,847	18,024,774
<b>III. Total revenue (I +II)</b>		<b>77,092,464</b>	<b>43,434,600</b>
<b>IV. Expenses:</b>			
Employee benefit expenses	19	46,530,630	41,863,011
Financial costs	20	1,147	75,578
Depreciation and amortization	8 & 9	2,714,715	1,724,961
Operating and Administrative expenses	21	43,249,177	47,564,534
<b>V. Total expenses</b>		<b>92,495,669</b>	<b>91,228,084</b>
<b>VI. Loss before exceptional and extraordinary items and tax</b>	<b>(III - V)</b>	<b>(15,403,205)</b>	<b>(47,793,484)</b>
VII. Exceptional items		-	-
<b>VIII. Loss before extraordinary items and tax (VI - VII)</b>		<b>(15,403,205)</b>	<b>(47,793,484)</b>
IX. Extraordinary items		-	-
<b>X. Loss before tax (VIII - IX)</b>		<b>(15,403,205)</b>	<b>(47,793,484)</b>
XI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax expense/(credit)		22,069,222	(18,867,413)
		<b>22,069,222</b>	<b>(18,867,413)</b>
<b>XII. Loss from the year from continuing operations (X-XI)</b>		<b>(37,472,427)</b>	<b>(28,926,071)</b>
XIII. Profit/(Loss) from discontinuing operations		-	-
XIV. Tax expense of discontinuing operations		-	-
<b>XV. Profit/(Loss) from discontinuing operations after tax (XIII - XIV)</b>		<b>-</b>	<b>-</b>
<b>XVI. Loss for the year (XII + XV)</b>		<b>(37,472,427)</b>	<b>(28,926,071)</b>
<b>XVII. Earnings per equity share:</b>			
(1) Basic	34	(0.70)	(1.72)
(2) Diluted		(0.70)	(1.72)
(2) Nominal value per equity share		10.00	10.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 24, 2015



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

Ashok Brijmohan Kacker  
Whole-time Director  
DIN : 01647408  
New Delhi, April 24, 2015

Ajit Kumar Singh  
Company Secretary  
New Delhi, April 24, 2015

Akshay Gupta  
Whole-time Director  
DIN : 01272080

Satish Virmani  
Chief Financial Officer

**Indiabulls Asset Management Company Limited**  
**Cash flow statement for the year ended March 31,2015**

	For the year ended March 31, 2015 Amount (Rs.)	For the year ended March 31, 2014 Amount (Rs.)
<b>A Cash flow from operating activities :</b>		
Net loss before tax	(15,403,205)	(47,793,484)
Adjustments for:		
Dividend on units of mutual funds	(3,323,225)	(5,950,830)
Profit on redemption of mutual funds	(35,875,470)	(9,575,072)
Depreciation and amortization expense	2,714,715	1,724,961
Provision for/(reversal of )gratuity	-	(488,519)
Provision for/(reversal of ) compensated absences	-	(340,744)
<b>Operating loss before working capital changes</b>	<b>(51,887,185)</b>	<b>(62,423,688)</b>
Changes in working capital:		
Other current liabilities	2,609,832	(12,499,640)
Long -term loans and advances	(796,352)	(2,703,648)
Short-term loans and advances	(243,628)	1,389,525
<b>Cash used In operations</b>	<b>(50,317,333)</b>	<b>(76,237,411)</b>
Direct taxes paid	(3,352,647)	1,213,464
<b>Net cash used in operating activities</b>	<b>(53,669,980)</b>	<b>(75,023,947)</b>
<b>B Cash flow from investing activities</b>		
Purchase/(Sale) of fixed assets (net)	(4,100,908)	(584,880)
Dividend received on units of mutual funds	3,323,225	5,950,830
Proceed from redemption of/(Investments in) units of mutual funds (net)	(424,782,655)	(7,553,006)
<b>Net cash used In investing activities</b>	<b>(425,560,338)</b>	<b>(2,187,056)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares	490,000,000	60,000,000
<b>Net cash generated from financing activities</b>	<b>490,000,000</b>	<b>60,000,000</b>
<b>D Net increase / (decrease) in cash and cash equivalents ( A+B+C)</b>	<b>10,769,682</b>	<b>(17,211,003)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>3,027,720</b>	<b>20,238,723</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>13,797,402</b>	<b>3,027,720</b>

**Note:**

- Figures for the previous year have been regrouped wherever considered necessary.
- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- Cash and Cash equivalents as at the close of the year:

Cash on hand	9,734	12,302
Balances with scheduled banks		
In Current accounts	13,787,668	3,015,418
<b>Cash and cash equivalents at the end of the year</b>	<b>13,797,402</b>	<b>3,027,720</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For A Sardana & Co.

Chartered Accountants  
 Firm Registration No. 02180014

Amy Sardana  
 Partner  
 Membership No. 089011 ★  
 New Delhi, April 24, 2015

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

Ashok Brijmohan Kacker  
 Whole- time Director  
 DIN : 01647408  
 New Delhi, April 24, 2015

Akshay Gupta  
 Whole- time Director  
 DIN : 01272080

Ajit Kumar Singh  
 Company Secretary  
 New Delhi, April 24, 2015

Satish Virmani  
 Chief Financial Officer



**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31, 2015**

**Note - 1**

**Corporate Information:**

Indiabulls Asset Management Company Limited ("the Company") was incorporated on April 10, 2008 as a wholly owned subsidiary of Indiabulls Financial Services Limited (IBFSL).

The Company's principal activity is to act as an investment manager to Indiabulls Mutual Fund ("the Fund"). The Company is registered with Securities and Exchange Board of India ("SEBI") under SEBI (Mutual Fund) Regulations, 1996. The Company manages the investment portfolio of the Fund and provides various administrative services to the Fund and Trustee Company as laid down in the Investment Management Agreement dated November 07, 2008 and amended from time to time.

**Note - 2**

**Summary of significant accounting policies:**

**i) Basis of accounting:**

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

**ii) Use of estimates:**

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**iii) Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**iv) Cash flow statement:**

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

**v) Revenue recognition:**

(a) Income from management fees are recognized on an accrual basis in accordance with the SEBI regulations and the respective terms of contract between the Company and Trustee Company.

(b) Advisory and consultancy charges are recognized on accrual basis as the related services are rendered

(c) Interest income is accounted on accrual basis.

(d) Dividend income on units of Mutual Fund is recognised when the right to receive dividend is unconditionally established.

(e) Profit/ (loss) on redemption of units of Mutual Funds is recognised on actual basis.

**vi) Investments:**

Investments are classified as non-current and current investments. Non-current investments are carried at cost less provision, if any, for any diminution other than temporary in their value. Current investments are valued at lower of cost and fair value.

**vii) Borrowing cost:**

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

**viii) Fixed assets:**

**(a) Tangible assets:**

Tangible fixed assets are stated at cost, less accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

**(b) Intangible assets:**

Intangible assets are stated at cost, less accumulated amortisation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

**ix) Depreciation / Amortisation:**

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013, except in respect of Vehicles, which are amortised on a straight line basis over a period of five years from the date when the assets are available for use. The useful life has been assessed based on management's past usage experience and considering the change in technology.

Depreciation on additions to fixed assets is provided on a pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction, as the case may be.

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Intangible assets consisting of Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.



**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31, 2015**

**x) Impairment of assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**xi) Employee benefits:**

The Company's contribution to Provident Fund is charged to Statement of Profit and Loss. The Company has defined benefit plans namely compensated absences and gratuity for its employees the liability for which is determined on the basis of an actuarial valuation conducted annually by an independent actuary in accordance with Accounting Standards 15 (AS 15) Employee Benefits (Revised), as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Actuarial gains and losses are recognised in Statement of Profit and Loss as income or expenses.

**xii) Deferred employee stock compensation cost:**

The Company follows intrinsic value method as per Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India for accounting Employee Stock Options granted. Deferred employee stock compensation cost for stock options are recognized and measured by the difference between the estimated value of the Company's shares at the stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortized over the vesting period of the options. The fair value of options for disclosure purpose is measured on the basis of a valuation performed in respect of stock options granted.

**xiii) New fund offer expenses ('NFO'):**

Expenses relating to NFO are charged to Statement of Profit and Loss of the Company in the year in which these expenses are incurred which is in compliance with SEBI circular No. SEBI/IMD/CIR. No. 4/168230/09

**xiv) Fund expenses:**

Expenses incurred (inclusive of advertisement/brokerage expenses) on behalf of schemes of the Fund are charged to the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

**xv) Brokerage and incentives :**

All brokerage and incentive payments are accounted for as and when incurred.

**xvi) Taxes on income:**

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

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

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

**xvii) Leases:**

In case of assets taken on operating lease the lease rentals are charged to the Statement of Profit and Loss and assets taken on finance lease have been capitalized in accordance with Accounting Standard (AS) - 19 - Leases as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

**xviii) Preliminary expenses:**

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent of balance available and thereafter the balance portion is charged off to the Statement of Profit and Loss as incurred.

**xix) Provisions contingent liabilities and contingent assets:**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for:

(1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.



**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31, 2015**

**xx) Share issue expenses:**

Share issue expenses are adjusted against securities premium account to the extent of balance available and thereafter, the balance portion is charged off to the Statement of Profit and Loss, as incurred.

**xxi) Earnings per share:**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year except where the results would be anti-dilutive.

**xxii) Segment reporting:**

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

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**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

Note - 3

Share capital:

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorised:				
Equity Shares of face value of Rs. 10 each (Refer Note 30)	70,000,000	700,000,000	21,000,000	210,000,000
Issued, subscribed and paid up:				
Equity Shares of face value of Rs. 10 each	70,000,000	700,000,000	21,000,000	210,000,000
As per Balance Sheet		<u>700,000,000</u>		<u>210,000,000</u>

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

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at beginning of the reporting year	21,000,000	210,000,000	15,000,000	150,000,000
Shares issued during the year (Refer Note 30)	49,000,000	490,000,000	6,000,000	60,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at end of the reporting year	<u>70,000,000</u>	<u>700,000,000</u>	<u>21,000,000</u>	<u>210,000,000</u>

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

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

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

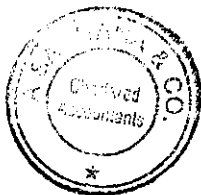
**c. Detail of Shareholders holding 5% or more shares:**

No. of shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of face value of Rs. 10 each fully paid up				
The entire share capital is held by the holding Company and its nominees	70,000,000	100%	21,000,000	100%

As per records of the Company, including its register of members/shareholders, and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**d. Employees stock option schemes : (Refer Note 29).**

	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
Note - 4		
Reserves and surplus:		
Surplus / (deficit) in the Statement of Profit and Loss		
Opening balance	(40,514,366)	(15,801,419)
Less : Adjustment on account of deferred tax balances (Refer Note: 11)	-	4,213,124
Add : Loss during the year	(37,472,427)	(28,928,071)
As per Balance Sheet	<u>(77,986,793)</u>	<u>(40,514,366)</u>



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
<b>Note - 5</b>		
<b>Long term provisions:</b>		
Provision for employee benefits		
Provision for gratuity (Refer Note: 31)	1,840,208	1,054,924
Provision for compensated absences (Refer Note: 31)	965,430	521,531
<b>As per Balance Sheet</b>	<b>2,805,638</b>	<b>1,576,455</b>

	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
<b>Note - 6</b>		
<b>Other current liabilities:</b>		
Statutory liabilities	1,552,185	375,776
Expenses payable	1,512,911	1,331,774
<b>As per Balance Sheet</b>	<b>3,065,096</b>	<b>1,707,550</b>

	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
<b>Note - 7</b>		
<b>Short term provisions:</b>		
Provision for employee benefits		
Provision for gratuity (Refer Note: 31)	33,276	20,464
Provision for compensated absences (Refer Note: 31)	23,803	13,512
<b>As per Balance Sheet</b>	<b>57,079</b>	<b>33,976</b>

**Note - 8**  
Tangible assets:

Particulars	Amount (Rs.)				
	Office equipments	Furniture and fixtures	Computers	Vehicles	Total
Opening balance as at April 01, 2013	576,167	296,996	1,387,894	-	2,261,057
Additions during the year	-	-	86,000	-	86,000
Adjustments/Sales during the year	-	-	-	-	-
<b>As at March 31, 2014</b>	<b>576,167</b>	<b>296,996</b>	<b>1,473,894</b>	<b>-</b>	<b>2,347,057</b>
Additions during the year	83,519	-	1,069,459	2,678,094	3,831,072
Adjustments/Sales during the year	220,600	-	-	678,936	899,536
<b>As at March 31, 2015</b>	<b>439,086</b>	<b>296,996</b>	<b>2,543,353</b>	<b>1,999,158</b>	<b>5,278,593</b>
<b>Depreciation</b>					
Opening balance as at April 01, 2013	28,745	28,959	287,858	-	345,562
Charge for the year	18,890	18,800	236,033	-	271,723
Adjustments/Sales during the year	-	-	-	-	-
<b>As at March 31, 2014</b>	<b>45,635</b>	<b>47,759</b>	<b>523,891</b>	<b>-</b>	<b>617,285</b>
Charge for the year	135,698	32,898	965,718	272,550	1,406,864
Adjustments/Sales during the year	4,392	-	-	64,499	68,891
<b>As at March 31, 2015</b>	<b>176,941</b>	<b>80,657</b>	<b>1,489,609</b>	<b>208,051</b>	<b>1,955,258</b>
<b>Net block</b>					
<b>As at March 31, 2014</b>	<b>530,532</b>	<b>249,237</b>	<b>950,003</b>	<b>-</b>	<b>1,729,772</b>
<b>As at March 31, 2015</b>	<b>262,145</b>	<b>216,339</b>	<b>1,053,744</b>	<b>1,791,107</b>	<b>3,323,335</b>

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



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

Note - 9

Intangible assets:

Particulars	Amount (Rs.)	
	Software	Total
Opening balance as at April 01, 2013	5,235,265	5,235,265
Additions during the year	898,880	898,880
Adjustments/Sales during the year	-	-
As at March 31, 2014	6,134,145	6,134,145
Additions during the year	884,273	884,273
Adjustments/Sales during the year	220,600	220,600
As at March 31, 2015	7,239,018	7,239,018
<b>Amortization</b>		
Opening balance as at April 01, 2013	2,421,109	2,421,109
Charge for the year	1,453,238	1,453,238
Adjustments/Sales during the year	-	-
As at March 31, 2014	3,874,347	3,874,347
Charge for the year	1,307,851	1,307,851
Adjustments/Sales during the year	4,392	4,392
As at March 31, 2015	5,186,590	5,186,590
<b>Net block</b>		
As at March 31, 2014	2,259,798	2,259,798
As at March 31, 2015	2,052,428	2,052,428

As at  
March 31, 2015  
Amount (Rs.)

As at  
March 31, 2014  
Amount (Rs.)

Note - 10

Non-current Investments:  
(At Cost)

Non-trade, Unquoted

Investments in equity instruments

MF Utilities India Private Limited

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

500,000

As per Balance Sheet 500,000

Aggregate book value of unquoted investments  
Aggregate book value of quoted investments  
Aggregate market value of quoted investments

500,000

As at  
March 31, 2015  
Amount (Rs.)

As at  
March 31, 2014  
Amount (Rs.)

Note - 11

Deferred tax assets (Net)

Deferred tax assets:

Arising on account of temporary differences due to:

Disallowance under Section 40A(7) of the Income Tax Act, 1961

578,907

332,295

Disallowance under Section 43B of the Income Tax Act, 1961

305,673

165,328

On difference between book balance and tax balance of fixed assets

271,475

Carry forward of tax losses

-

23,235,939

1,156,055

23,733,562

Deferred tax liabilities:

Arising on account of temporary differences due to:

Depreciation/Amortization

-

508,285

-

508,285

As per Balance Sheet 1,156,055

23,225,277

During the year ended March 31, 2014, the Company had reviewed its deferred tax assets and liabilities as at March 31, 2014 and had recognized deferred tax assets arising from timing differences as a result of carry forward of tax losses as at March 31, 2014. Consequently, opening reserves were adjusted by Rs.42,13,124 on account of re-assessment of deferred tax assets arising from timing differences as a result of carry forward of tax losses as at March 31, 2013. The Board of Directors believe that the Company would be able to realise the carrying value of such deferred tax assets of Rs.232,35,939 as at March 31, 2014 through generation of sufficient taxable profits in the future years based on the profits arising from the Company's business. In light of losses during the current year ended March 31, 2015, the Company has reversed deferred tax assets of Rs. 232,35,939 arising from timing differences as a result of carry forward of tax losses.



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

Note - 12 Long term loans and advances: (Unsecured, Considered good)	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
(a) Capital advances	-	2,703,648
(b) Security deposits	3,000,000	-
(c) Balances with government authorities: Income tax recoverable [Net of provision for tax Rs. Nil (Previous year Rs. Nil)]	11,249,937	8,394,480
<b>As per Balance Sheet</b>	<b><u>14,249,937</u></b>	<b><u>11,098,128</u></b>

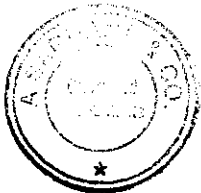
Note - 13  
Current investments:  
(At lower of cost and fair value, unless otherwise stated)

Non-trade, Unquoted Investment in units of mutual funds:	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
-Reliance Liquidity Fund [No. of units Nil (Previous year :81,523.397 ) NAV Rs. Nil (Previous year Rs. 1528.7400 ) per unit]	-	124,628,078
-Indiabulls Liquid Fund - Direct Plan Growth [No. of units 430,035.450 (Previous year :Nil ) NAV Rs. 1,361.02 (Previous year Rs. Nil) per unit]	585,286,203	-
<b>As per Balance Sheet</b>	<b><u>585,286,203</u></b>	<b><u>124,628,078</u></b>
Aggregate book value of unquoted investments	585,286,203	124,628,078
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

Note - 14 Trade receivables: (unsecured, considered good)	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
Debts outstanding for a period exceeding six months	-	-
Other trade receivables	2,478,141	-
<b>As per Balance Sheet</b>	<b><u>2,478,141</u></b>	<b><u>-</u></b>

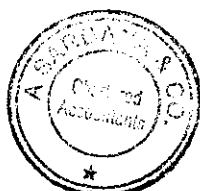
Note - 15 Cash and cash equivalents:	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
(a) Balances with scheduled banks In current accounts	13,787,668	3,015,418
(b) Cash on hand	9,734	12,302
<b>As per Balance Sheet</b>	<b><u>13,797,402</u></b>	<b><u>3,027,720</u></b>

Note - 16 Short term loans and advances: Unsecured, Considered good	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
(a) Prepaid expenses	972,228	297,549
(b) Balances with government authorities (i) Service tax input credit (ii) Income tax recoverable [Net of provision for tax Rs. Nil (Previous year Rs. Nil)]	58,318 3,352,647	63,177 2,855,457
(c) Other loan and advances Advances recoverable in cash or in kind or for value to be received	714,326	3,618,659
<b>As per Balance Sheet</b>	<b><u>5,097,519</u></b>	<b><u>6,834,842</u></b>



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

	For the year ended March 31, 2015 Amount (Rs.)	For the year ended March 31, 2014 Amount (Rs.)
<b>Note - 17</b>		
<b>Revenue from operations:</b>		
Management fees	37,609,817	25,409,826
<b>As per Statement of Profit and Loss</b>	<b>37,609,817</b>	<b>25,409,826</b>
<b>Note - 18</b>		
<b>Other Income:</b>		
Dividend on units of mutual funds	3,323,225	5,950,830
Profit on redemption of mutual funds	35,875,470	9,575,072
Interest on income tax refund	-	413,219
Reversal of provision for gratuity	-	488,519
Reversal of provision for compensated absences	-	340,744
Provisions written back	271,657	1,256,390
Miscellaneous income	12,495	-
<b>As per Statement of Profit and Loss</b>	<b>39,482,847</b>	<b>18,024,774</b>
<b>Note - 19</b>		
<b>Employee benefit expenses:</b>		
Salaries	45,397,846	41,784,710
Contribution to provident fund and other statutory funds	105,377	58,105
Staff welfare	110,832	20,196
Provision for gratuity	497,550	-
Provision for compensated absences	419,025	-
<b>As per Statement of Profit and Loss</b>	<b>48,530,630</b>	<b>41,863,011</b>
<b>Note - 20</b>		
<b>Finance cost:</b>		
Interest on taxes	1,147	75,578
<b>As per Statement of Profit and Loss</b>	<b>1,147</b>	<b>75,578</b>
<b>Note - 21</b>		
<b>Operating and administrative expenses:</b>		
Advertisement	928,599	1,666,813
Recruitment expenses	2,004,987	-
Rates and taxes	6,578,199	1,351,597
Subscription charges	3,464,282	2,570,133
Legal and professional charges	8,244,042	4,887,829
Repair and maintenance	1,334,857	894,720
Printing and stationary	488,801	251,122
Travelling and conveyance expenses	2,287,473	1,262,815
Communication, postage and courier expenses	294,381	1,063,951
Loss on sale of fixed assets	248,691	-
Directors expenses	134,832	134,832
Advances written off	1,754,722	-
Business promotion	4,318,124	159,887
Fund expenses	11,100,945	33,250,984
Miscellaneous expenses	8,242	13,671
Auditor's remuneration	50,000	56,180
<b>As per Statement of Profit and Loss</b>	<b>43,249,177</b>	<b>47,664,534</b>





**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31, 2015**

**Note - 22**

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) – Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

**Note - 23**

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2015 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.

**Note - 24**

The company has not entered into any derivative instruments during the year. The Company does not have any foreign currency exposures as at March 31, 2015 (Previous year Rs. Nil)

**Note - 25**

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

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

**Note - 26**

There are no contingent liabilities to be reported as at March 31, 2015 (Previous year Rs. Nil)

**Note - 27**

There are no capital and other commitments to be reported as at March 31, 2015 (Previous year Rs. Nil)

**Note - 28**

In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2015 (Previous year Rs. Nil).



**Indiabulls Asset Management Company Limited**  
Notes to financial statements for the year ended March 31, 2015

Note - 29

**Employees Stock Options Schemes of Indiabulls Housing Finance Limited ("the Holding Company" "IHFL"):**

(a) Stock option schemes of IBFSL ("the erstwhile Holding Company") including schemes in lieu of stock options schemes of its erstwhile subsidiary Indiabulls Credit Services Limited transferred under the Court approved Scheme of Arrangement :

S. No.	Erstwhile Plans	New Plans*
1	IBFSL - ICSL Employees Stock Option Plan 2006	IHFL- IBFSL Employees Stock Option Plan 2006
2	IBFSL - ICSL Employees Stock Option Plan II - 2006	IHFL - IBFSL Employees Stock Option Plan II - 2006
3	Employees Stock Option 2008	IHFL - IBFSL Employees Stock Option -2008

\*The name of the schemes has been revised by the approval of the Shareholders of the Holding Company in the 8th Annual General Meeting held on July 1, 2013.

(b) **IHFL ESOS - 2013**

The members of the IHFL at their Meeting dated March 6, 2013 approved the IHFL ESOS - 2013 scheme consisting of 39,000,000 stock options representing 39,000,000 fully paid up Equity Shares of Rs. 2 each of IHFL to be issued in one or more tranches to eligible employees of IHFL or to eligible employees of its subsidiaries / step down subsidiaries. The Compensation Committee constituted by the Board of Directors of IHFL has, at its meeting held on October 11, 2014, granted, 10,500,000 Stock Options representing an equal number of equity shares of face value of Rs. 2 each at an exercise price of Rs. 394.75, being the then latest available closing market price on the National Stock Exchange of India Ltd. as on October 10, 2014 following the intrinsic method of accounting as is prescribed in the Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employees Share Based Payments ("the Guidelines"). As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. These options vest with effect from the first vesting date i.e. October 11, 2015, whereby the options vest on each vesting date as per the vesting schedule provided in the Scheme.

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

Particulars	IHFL-IBFSL Employees Stock Option Plan - 2006	IHFL-IBFSL Employees Stock Option Plan II - 2006	IHFL-IBFSL Employees Stock Option - 2008	IHFL ESOS - 2013	IHFL-IBFSL Employees Stock Option - 2008 -Regrant	IHFL-IBFSL Employees Stock Option - 2008- Regrant	IHFL-IBFSL Employees Stock Option Plan - 2006 - Regrant	IHFL-IBFSL Employees Stock Option - 2006 - Regrant	IHFL-IBFSL Employees Stock Option Plan II - 2006 - Regrant
Total Options under the Scheme	1440000	720000	7500000	39000000	N.A.	N.A.	N.A.	N.A.	N.A.
Options issued	1440000	720000	7500000	10500000	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	Four years, 25% each year	Ten years, 15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Date	1st April	1st November	8th December	11th October	31st December	16th July	27th August	11th January	27th August
Revised Vesting Period & Percentage	Eight years, 12% each year for 7 years and 16% during the 8th year	Nine years, 11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year	Ten years, 10% for every year
Exercise Price (Rs.)	41.67	100.00	95.95	394.75	125.90	158.50	95.95	153.65	100.00
Exercisable Period	4 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	4 years from each vesting date
Outstanding at the beginning of the year (Nos.)	205668	99951	2324002	10500000	58050	143550	276500	148500	153300
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	N.A.	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	60534	25581	420310	-	6840	20440	39500	1500	21900
Exercised during the year (Nos.)	57294	29145	471874	-	20810	20100	39500	5300	21900
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-
Lapsed during the year	43848	7680	256040	32000	-	-	-	132500	-
Re-granted during the year	-	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	104526	63126	1596088	10468000	37440	123450	237000	10700	131400
Exercisable at the end of the year (Nos.)	1080	15153	129584	-	3240	810	39500	1700	21900
Remaining contractual Life (Weighted Months)	55	67	81	90	90	93	83	93	83

N.A - Not Applicable

Indiabulls Financial Services Limited (IBFSL) and its erstwhile subsidiary, Indiabulls Credit Services Limited had announced the above ESOS/ESOP schemes to its employees and the employees of other group companies wherein each option represents one Equity Share of IHFL. The Company had adopted the ESOS/ESOP scheme in respect of its employees. A Compensation Committee constituted by the Board of Directors of IHFL administers each of the above plans.

There is no impact on the Company's net loss and earnings per share in respect of the above schemes had the compensation cost for the stock options granted been determined based on the fair value approach.



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

**Note - 30**

**Changes in capital structure:**

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

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

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

Consequent upon the increase in authorized share capital, on July 02, 2014 and September 24, 2014, members of the Company, at their extra ordinary general meetings held on July 11, 2014 and October 29, 2014 respectively granted their approval and the Company issued and allotted 39,000,000 and 10,000,000 equity shares respectively of face value Rs. 10 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL").

**Note - 31**

**Employee benefits:**

**(a) Defined contribution plans**

The Company's contribution amounting to Rs. 67,642/- (Previous year Rs. 25,393) to defined contribution plan (Provident Fund) is recognised as expenses in the Statement of Profit and Loss for the year ended March 31, 2015.

**(b) Defined benefits plan**

Provision for Gratuity and Compensated Absences for all employees is based upon actuarial valuation done at the end of every financial year/period. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. After the issuance of the Accounting Standard 15 (Revised) on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosure in respect of Gratuity and Compensated Absences:

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2015	Gratuity (unfunded) March 31, 2014	Compensated absences (unfunded) March 31, 2015	Compensated absences (unfunded) March 31, 2014
<b>Reconciliation of liability recognized in the Balance Sheet:</b>				
Present value of commitments (as per actuarial valuation)	1,873,484	1,075,388	989,233	535,043
Fair value of plans	-	-	-	-
Net liability in the Balance Sheet (Actual)	1,873,484	1,075,388	989,233	535,043
<b>Movement in net liability recognized in the Balance Sheet:</b>				
Net liability as at beginning of the year	1,075,388	1,563,907	535,043	875,787
Net expense/(gain) recognized in the Statement of Profit and Loss	497,550	(488,519)	419,025	(340,744)
Benefits paid during the year	(373,597)	-	-	-
Acquisition Adjustment (net of settlement amount)	674,143	-	35,165	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	1,873,484	1,075,388	989,233	535,043
<b>Expense recognized in the Statement of Profit and Loss</b>				
Current service cost	665,970	329,234	550,469	172,631
Interest cost	91,408	125,113	45,479	70,063
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	(259,828)	(942,866)	(176,923)	(583,438)
Expense/(Income) charged to the Statement of Profit and Loss	497,550	(488,519)	419,025	(340,744)
<b>Return on plan assets:</b>				
Expected return on plan assets	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Actual return on plan assets	-	-	-	-
<b>Reconciliation of defined-benefit commitments:</b>				
As at beginning of the year	1,075,388	1,563,907	535,043	875,787
Current service cost	665,970	329,234	550,469	172,631
Interest cost	91,408	125,113	45,479	70,063
Benefits paid during the year	(373,597)	-	-	-
Acquisition Adjustment (net of settlement amount)	674,143	-	35,165	-
Actuarial (gains)/ losses	(259,828)	(942,866)	(176,923)	(583,438)
Commitments as at end of the year	1,873,484	1,075,388	989,233	535,043



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

Note - 31

**Employee benefits: (Continued)**

Particulars	Amount (Rs.)			
	Gratuity (unfunded) March 31, 2015	Gratuity (unfunded) March 31, 2014	Compensated absences (unfunded) March 31, 2015	Compensated absences (unfunded) March 31, 2014
Reconciliation of plan assets:				
Plan assets as at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions during the year	-	-	-	-
Paid benefits	-	-	-	-
Actuarial (gains)/ losses	-	-	-	-
Plan assets as at end of the year	-	-	-	-

**Experience adjustments:**

Particulars	Gratuity (Unfunded)				
	Financial years				
	2014-15	2013-14	2012-13	2011-12	2010-11
On plan liabilities	681,262	861,230	472,746	N.A.	N.A.
On plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	1,873,484	1,075,388	1,563,907	N.A.	N.A.
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	1,873,484	1,075,388	1,563,907	N.A.	N.A.
Particulars	Compensated absences (Unfunded)				
	Financial years				
	2014-15	2013-14	2012-13	2011-12	2010-11
On plan liabilities	176,923	543,639	284,944	(454,057)	N.A.
On plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Present value of benefit obligation	989,233	535,043	675,787	609,099	N.A.
Fair value of plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Excess of (obligation over plan assets)/plan assets over obligation	989,233	535,043	675,787	609,099	N.A.

The actuarial calculations used to estimate commitments and expenses in respect of Gratuity and Compensated Absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Discount rate – Gratuity and Compensated Absences	8.25%	8.50%
Expected return on plan assets	N.A.	N.A.
Expected rate of salary increase	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

N.A.: Not Applicable

The employer best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated Absences is Rs. 1,546,846 (Previous year Rs. 529,827) and Rs. 744,814 (Previous year Rs. 208,851) respectively.

Note - 32

**Segment reporting:**

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



**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

Note - 33

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

(a) Details of related parties:

Description of relationship	Names of related parties
Holding Company	Indiabulls Housing Finance Limited
Fellow Subsidiary Companies	Indiabulls Advisory Services Limited
	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)
	Indiabulls Capital Services Limited
	Indiabulls Insurance Advisors Limited
	Indiabulls Asset Holding Company Limited
	Indiabulls Asset Reconstruction Company Limited (Subsidiary of Indiabulls Advisory Services Limited)
	Indiabulls Collection Agency Limited
	Indiabulls Commercial Credit Limited (Formerly known as Indiabulls Infrastructure Credit Limited)
	Indiabulls Finance Company Private Limited
	Indiabulls Life Insurance Company Limited
	Indiabulls Trustee Company Limited
	Indiabulls Sales Limited
	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)
	Indiabulls Venture Capital Trustee Company Limited (Subsidiary of Indiabulls Holdings Limited)
	Indiabulls Holdings Limited
Key Management Personnel	Mr. Ashok Brijmohan Kacker – Director Mr. Akshay Gupta – Director Mr. Jitendra B. Sanghavi – Director Mr. Girish Chandra Srivastava – Director Mr. Keezhayur Sowrirajan Sreenivasan – Director Mr. Satish Virmani – Chief Financial Officer Mr. Ajit Kumar Singh – Company Secretary

(b) Significant transactions with related parties:

Nature of Transaction	Amount (Rs.)		
	Holding Company	Key Management Personnel	Total
<b>Finance</b>			
Issue of equity shares	490,000,000	-	490,000,000
Expenses	60,000,000	-	60,000,000
Director's expenses	-	134,832	134,832
Reimbursement of expenses	-	134,832	134,832
	-	8,614	8,614
	-	1,443	-

(Previous year's figures are stated in italics)

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**Indiabulls Asset Management Company Limited**  
Notes to financial statements as at March 31, 2015

**Note - 33**

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

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

Particulars	Amount (Rs.)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Issue of equity shares</b>		
- Indiabulls Housing Finance Limited	490,000,000	60,000,000
<b>Expenses</b>		
<b>Director's expenses</b>		
- Mr. Girish Chandra Srivastava	67,416	69,888
- Mr. Keezhayur Sowrirajan Sreenivasan	22,472	22,472
- Mr. Jitendra Babubhai Sanghavi	44,944	22,472
<b>Reimbursement of expenses</b>		
- Mr. Akshay Gupta	8,614	-
- Mr. Sanjay Chandel	-	1,443

**(d) Outstanding at year ended March 31, 2015:**

Rs. Nil (Previous year Rs. Nil)

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors.

**Note - 34**

**Earnings per share:**

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

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

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Net Profit/(Loss) available for equity shareholders (Rs.)	(37,472,427)	(28,926,071)
Weighted average number of equity shares used for computing Basic earnings per share	53,427,397	16,860,274
Weighted average number of equity shares used for computing Diluted earnings per	53,427,397	16,860,274
Nominal value of equity shares – (Rs. Per Share)	10.00	10.00
Earnings per share – Basic (Rs. Per Share)	(0.70)	(1.72)
Earnings per share – Diluted (Rs. Per Share)	(0.70)	(1.72)

**Note - 35**

There are no borrowing costs to be capitalised as at March 31, 2015 (Previous year Rs. Nil).



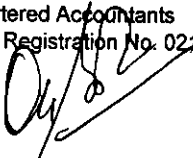
**Indiabulls Asset Management Company Limited**  
**Notes to financial statements as at March 31, 2015**

**Note - 36**

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

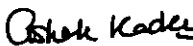
As per our report of even date


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

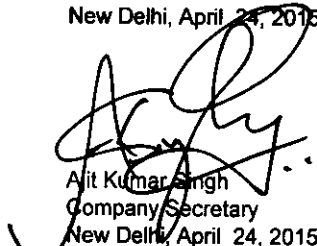
  
Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, April 24, 2015

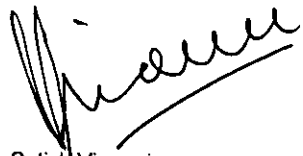


For and on behalf of the Board of Directors of  
Indiabulls Asset Management Company Limited

  
Ashok Brijmohan Kacker  
Whole-time Director  
DIN : 01647408  
New Delhi, April 24, 2015

  
Akshay Gupta  
Whole-time Director  
DIN : 01272080

  
Ajit Kumar Singh  
Company Secretary  
New Delhi, April 24, 2015

  
Satish Virmani  
Chief Financial Officer