



SUMIT MOHIT & COMPANY

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIABULLS ADVISORY SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDIABULLS ADVISORY SERVICES LIMITED** ("the company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act' 2013 ("the Act") with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ; judgments and estimate that are reasonable and prudent: and design implementation of adequate financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true view and free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

Opinion


In our opinion and to the best of our information and according to the explanations to 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 31st March, 2015, and its profit and its cash flow for the year ended on that date.

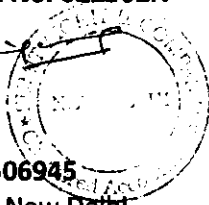
Report on Other Legal and Regulatory Requirements

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

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (accounts) Rule, 2014.
5. On the basis of the written representations received from the directors is disqualified as on 31st March, 2015 from being appointed as directors in terms of section 164(2) of the Act.
6. 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) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.
7. 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 Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Sumit Mohit & Company
Chartered Accountants
Firm's Registration No. 021502N


CA Sumit Garg
(Partner)
Membership No. 506945
Place of Signature: New Delhi
Date: April 24' 2015



Annexure referred to in the Auditor's Report of even date to the Members of INDIABULLS ADVISORY SERVICES LIMITED on the financial statements for the year ended March 31, 2015

- (i) The Company does not have any fixed assets; accordingly, the provisions of clause 4(i) of the Order are not applicable to the Company.
- (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 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 fixed assets and for the sale of goods and services 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 there under. No order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-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 Provident Fund, Employees' State Insurance, Sales-tax, Wealth tax, Service 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 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.

Details of dues of Income Tax which has not been deposited as on March 31, 2015 on accounts of disputes are given below:



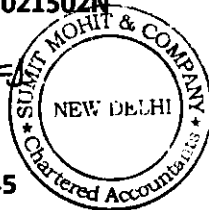
Name of Statute	Nature of Dues	From where dispute is pending remain	Period is to which the amount	Amount involve (Rs.)
The Income Tax Act' 1961	Income Tax	Income Tax Appellate Tribunal	Year Ended March 31, 2008	258,324/-

(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 there under.

- (viii) The Company has not incurred cash losses in 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 Sumit Mohit & Company
Chartered Accountants
Firm's Registration No. 021502N

Sumit Garg
CA Sumit Garg
(Partner)
Membership No. 506945



New Delhi, April 24' 2015

Indiabulls Advisory Services Limited

Balance Sheet as at March 31, 2015

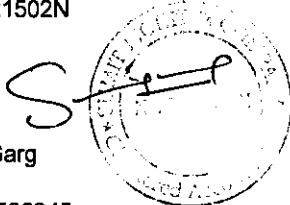
Particulars	Note No	As at March 31, 2015	As at March 31, 2014
I. Equity and Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	3	25,500,000	25,500,000
(b) Reserves and Surplus	4	32,004,222	30,617,398
(2) Current Liabilities			
(a) Other current liabilities	5	26,944	31,944
(b) Short-term provisions	6	224,743	189,865
Total		<u>57,755,909</u>	<u>56,339,207</u>
II. Assets			
(1) Non-current assets			
(a) Non-current investments	7	26,000,000	26,000,000
(b) Long term loans and advances	8	4,322,283	4,046,241
(2) Current assets			
(a) Cash and cash equivalents	9	26,982,950	25,820,043
(b) Other current assets	10	450,676	472,923
Total		<u>57,755,909</u>	<u>56,339,207</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN 021502N

Sumit Garg
Partner
M. No. 506945
New Delhi, April 24, 2015



For and on behalf of the Board of Directors

Saurabh Garg
Director
DIN: 03444152
New Delhi, April 24, 2015

Lakshmi pathi Achar
Director
DIN: 00349586

Indiabulls Advisory Services Limited

Statement of Profit and Loss for the year ended March 31, 2015

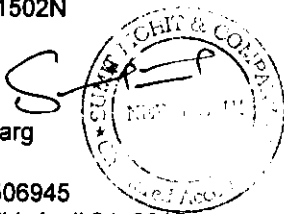
Particulars	Note No	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue			
Other Income	11	<u>2,088,575</u>	<u>4,695,290</u>
I. Total Revenue		<u>2,088,575</u>	<u>4,695,290</u>
II. Expenses:			
Employee benefit expense	12	227,208	263,547
Financial costs	13	66,607	15,066
Other expenses	14	<u>42,881</u>	<u>53,120</u>
II. Total Expenses		<u>336,696</u>	<u>331,733</u>
III. Profit before tax	(I - II)	<u>1,751,879</u>	<u>4,363,557</u>
IV. Tax expense:			
Current tax expense		623,474	180,834
Less: Mat Credit Entitlement		<u>258,419</u>	<u>-</u>
Net Current Tax expense		<u>365,055</u>	<u>180,834</u>
V. Profit after tax	(III-IV)	<u>1,386,824</u>	<u>4,182,723</u>
VI. Earning per equity share:	17		
Basic		0.54	1.64
Diluted		0.54	1.64
Nominal value per equity share		10.00	10.00

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN 021502N

Sumit Garg
Partner
M. No. 506945
New Delhi, April 24, 2015



For and on behalf of the Board of Directors

Saurabh Garg
Director
DIN: 03444152
New Delhi, April 24, 2015

Saurabh Garg

Lakshmipathi Achar
Director
DIN: 00349586

Lakshmipathi Achar

Indiabulls Advisory Services Limited
Cash flow statement for the year ended March 31, 2015

	For the year ended March 31, 2015	For the year ended March 31, 2014
	Amount (Rs.)	Amount (Rs.)
A Cash flow from operating activities :		
Net Profit before tax	1,751,879	4,363,557
Adjustment for:		
Profit on sale of investments	(1,421,558)	(3,471,222)
Interest on Taxes	66,607	6,004
Dividend on units of Mutual funds	(650,434)	(1,201,821)
Interest on Loans	-	9,062
Operating Profit/(Loss) before working capital changes	(253,506)	(294,420)
Adjustments for:		
Trade and other receivables	22,247	(23,447)
Trade Payables and other liabilities	(5,000)	(21,292)
	17,247	(44,739)
Cash used in operations	(236,259)	(339,159)
Direct taxes paid	(672,826)	(60,960)
Net cash generated used in Operating Activities	(909,085)	(400,119)
B Cash Flow from Investing Activities		
Dividend received on units of mutual funds	650,434	1,201,821
Proceeds from redemption of/(Investments in) units of mutual funds (net)	1,421,558	29,471,222
Net cash generated from Investing Activities	2,071,992	30,673,043
C Cash flow from financing Activities		
Interest on Loans	-	(9,062)
Repayment of Loan Taken From Holding Company	-	(4,500,000)
Net cash generated from/(used in) Financing Activities	-	(4,509,062)
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,162,907	25,763,862
E Cash and cash equivalents at the beginning of the year	25,820,043	56,181
F Cash and cash equivalents at the close of the year (D + E)	26,982,950	25,820,043

Note :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statements', as notified under the Companies (Accounts) Amendment Rules, 2015.

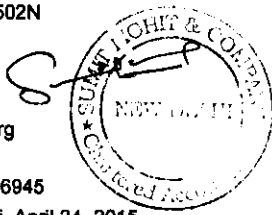
2. Cash and cash equivalents as at the close of the year include:

Cash on Hand	1,111	1,111
Balances with banks		
In Current Accounts	26,981,839	618,932
In Deposits Accounts	-	25,200,000
Cash and cash equivalents as restated	26,982,950	25,820,043

The accompanying notes are an integral part of the financial statements

For Sumit Mohit & Company
Chartered Accountants
FRN 021502N

Sumit Garg
Partner
M. No. 506945
New Delhi, April 24, 2015



For and on behalf of the Board of Directors

Saurabh Garg
Director
DIN: 03444152
New Delhi, April 24, 2015

Saurabh

Lakshmi

Lakshmi Pathi Achar
Director
DIN: 00349586

1 Significant Accounting Policies

i) Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act") as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) Revenue Recognition:

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

iv) Investments

Investments are classified as long term and current investments. Long term investments are carried at cost less provision, if any, for permanent diminution in their value. Current investments are valued at lower of cost and fair value.

v) Stock of Securities

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

vi) Taxes on Income

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the relevant tax regulations. Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates as on the Balance Sheet date, to the extent that the timing differences are expected to crystallise. Deferred Tax Assets are recognised where realisation is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty of realisation backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

vii) Employee Benefits

As permitted under Accounting Standard 15 (revised 2005) – Employee Benefits, as notified by the Companies (Accounts) Rules, 2014, retirement benefits in the form of Gratuity and Leave Encashment payable to employees is provided for on the accrual basis as at the year-end.

viii) Leases

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

ix) Earnings Per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

x) Borrowing Cost

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

xi) Equity Index / Stock Futures

- a. Initial Margin – Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement/squaring-up of the underlying contract, are disclosed under Loans and Advances.
- b. Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin – Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.
- c. As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:
- d. On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in Mark-to-Market Margin – Equity Index/Stock Futures Account after adjustment of the provision for anticipated losses is recognised in the profit and loss account. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

xii) Provisions, Contingent Liability and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be determined. Contingent liability is disclosed for:

- (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.



Indiabulls Advisory Services Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015.

2 Corporate Information

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

	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
3 Share Capital		
<u>Authorised:</u>		
2,550,000 (Previous Year 2,550,000) Equity Shares of Rs.10	25,500,000	25,500,000
2,500,000 ((Previous Year 2,500,000) 9% Non-cumulative Redeemable Preference Share of Rs.10 each	<u>25,000,000</u>	<u>25,000,000</u>
Issued, subscribed and paid up:		
2,550,000 (Previous Year 2,550,000) Equity Shares of Rs. 10 each fully paid up	25,500,000	25,500,000
As per Balance Sheet	<u>25,500,000</u>	<u>25,500,000</u>

i) Equity Shares

a) Share Capital Reconciliation

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Opening No. of shares Outstanding	2,550,000	25,500,000	2,550,000	25,500,000
Shares Issued during the Year	-	-	-	-
Shares Brought back during the Year	-	-	-	-
Closing No. of shares Outstanding	<u>2,550,000</u>	<u>25,500,000</u>	<u>2,550,000</u>	<u>25,500,000</u>

b) Terms/ rights attached to equity shares:

The company has only one class of equity shares of Rs. 10 each fully paid up. Each holder of equity shares is entitled to one vote per share.

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

c) Shares held by Shareholders holding more than 5% 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 Indiabulls Housing Finance Limited ("the holding Company") and its nominees	2,550,000	100%	2,550,000	100%

ii) Stock option schemes of the erstwhile Holding Company including schemes in lieu of stock options schemes of erstwhile fellow subsidiary Indiabulls Credit Services Limited transferred under the Court approved Scheme of Arrangement :

S. No.	ERSTWHILE ICSL 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
2	Employees Stock Option Plan 2008	IHFL - IBFSL Employees Stock Option Plan -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.

IHFL ESOS-2013

The members of the Holding Company 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 the Company to be issued in one or more tranches to eligible employees of the Holding Company or to eligible employees of the subsidiaries / step down subsidiaries of the Holding Company. The Compensation Committee constituted by the Board of Directors of the Company 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.



Indiabulls Advisory Services Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015.

The other disclosures in respect of the Scheme 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
Total Options under the Scheme	1,440,000	720,000	7,500,000	39,000,000	N.A.
Options issued	1,440,000	720,000	7,500,000	10,500,000	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.
Vesting Date	1st April	1st November	8th December	11th October	31st December
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
Exercise Price (Rs.)	41.67	100	95.95	394.75	125.9
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
Outstanding at the beginning of the year(Nos.)	205,668	98,951	2,324,002	10,500,000	58,050
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	N.A.	40,176
Options vested during the year (Nos.)	60,534	25,561	420,310	-	6,840
Exercised during the year (Nos.)	57,294	29,145	471,874	-	20,610
Expired during the year (Nos.)	-	-	-	-	-
Cancelled during the year	-	-	-	-	-
Lapsed during the year	43,848	7,680	256,040	32,000	-
Re-granted during the year	-	-	-	-	N.A.
Outstanding at the end of the year (Nos.)	104,526	63,126	1,596,068	10,468,000	37,440
Exercisable at the end of the year (Nos.)	1,060	15,153	129,584	-	3,240
Remaining contractual Life (Weighted Months)	55	67	61	90	90

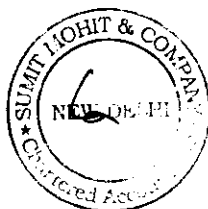
N.A - Not Applicable

Particulars	IHFL-IBFSL Employees Stock Option - 2008 -Regrant	Employees Stock Option Plan - 2006 -Regrant	IHFL-IBFSL Employees Stock Option - 2008 -Regrant	IHFL-IBFSL Employees Stock Option Plan II - 2006 -Regrant
Total Options under the Scheme	N.A.	N.A.	N.A.	N.A.
Options issued	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	N.A.	N.A.	N.A.	N.A.
Vesting Date	16th July	27th August	11th January	27th August
Revised Vesting Period & Percentage	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.)	156.5	95.95	153.65	100
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year(Nos.)	143,550	276,500	148,500	153,300
Regrant Addition	N.A.	N.A.	N.A.	N.A.
Regrant Date	40,375	40,052	40,554	40,052
Options vested during the year (Nos.)	20,440	39,500	1,500	21,900
Exercised during the year (Nos.)	20,100	39,500	5,300	21,900
Expired during the year (Nos.)	-	-	-	-
Cancelled during the year	-	-	-	-
Lapsed during the year	-	-	132,500	-
Re-granted during the year	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	123,450	237,000	10,700	131,400
Exercisable at the end of the year (Nos.)	610	39,500	1,700	21,900
Remaining contractual Life (Weighted Months)	93	83	93	63

N.A - Not Applicable

IBFSL and its erstwhile subsidiary, Indiabulls Credit Services Limited had announced the above ESOS/ESOP schemes for its employees and the employees of other group companies wherein each option represents one Equity Share of the Holding Company. The Company had adopted the ESOS/ESOP scheme in respect of its employees. A Compensation Committee constituted by the Board of Directors of the Holding Company 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 Advisory Services Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015.

	As at March 31, 2015 Amount (Rs.)	As at March 31, 2014 Amount (Rs.)
4 Reserves & Surplus		
Capital Redemption Reserve		
Balance as per last balance sheet	<u>20,000,000</u>	<u>20,000,000</u>
Surplus / (deficit) in the Statement of Profit and Loss		
Balance of Profit brought forward	10,617,398	6,434,675
Profit for the Year	<u>1,388,824</u>	<u>4,182,723</u>
Balance of Profit Carried forward	<u>12,004,222</u>	<u>10,617,398</u>
As per Balance Sheet	<u>32,004,222</u>	<u>30,617,398</u>
5 Other Current Liabilities		
Other Payables	26,944	31,944
As per Balance Sheet	<u>26,944</u>	<u>31,944</u>
6 Short-term provisions		
Provision for Taxation[Net of Advance Tax/Self Assessment Tax/Tax deducted at source Rs. 10,81,815 (Previous Year Rs. 1,080,658)]	224,743	189,865
As per Balance Sheet	<u>224,743</u>	<u>189,865</u>
7 Non-current investments		
Investment in Shares of :		
Indiabulls Asset Reconstruction Company Limited	26,000,000	26,000,000
2,600,000 Equity shares (Previous Year 2,600,000) of Rs.10 each fully paid		
As per Balance Sheet	<u>26,000,000</u>	<u>26,000,000</u>
8 Long term loans and advances		
Mat Credit Entitlement	258,419	-
Advance Tax /Tax deducted at source (Net of Provision for Tax Rs. 5,23,54,259 (Previous Year Rs. 52,406,786))	4,063,864	4,046,241
As per Balance Sheet	<u>4,322,283</u>	<u>4,046,241</u>
9 Cash and cash equivalents		
Cash on Hand	1,111	1,111
Balances with banks		
-in current accounts	26,981,839	618,932
-in deposit accounts	-	25,200,000
As per Balance Sheet	<u>26,982,950</u>	<u>26,820,043</u>
10 Other Current Assets		
Interest Accrued on Deposit accounts	-	22,247
Advance recoverable in cash or in kind or for value to be received	450,676	450,676
As per Balance Sheet	<u>450,676</u>	<u>472,923</u>



Indiabulls Advisory Services Limited
Notes forming part of the Financial Statements 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.)
11 Other Income		
Dividend on units of Mutual Funds	650,434	1,201,821
Interest on Deposit Accounts	11,583	22,247
Profit on sale of Investments	1,421,558	3,471,222
Balance Written back	5,000	-
As per Statement of Profit and Loss	<u>2,088,575</u>	<u>4,695,290</u>
12 Employee benefit expense		
Salaries	226,968	241,488
Contribution to Provident Fund and Other Funds	240	280
Gratuity Expenses	-	21,779
As per Statement of Profit and Loss	<u>227,208</u>	<u>263,547</u>
13 Financial costs		
Interest on Loan	-	9,062
Interest on Taxes	66,607	6,004
As per Statement of Profit and Loss	<u>66,607</u>	<u>15,066</u>
14 Other Expenses		
Stamp Paper Expenses	-	54
Rates and Taxes	6,000	2,398
Professional charges	11,500	16,500
Printing & Stationery	-	281
Auditor's Remuneration - Audit fees (including service tax)	16,854	16,854
Miscellaneous Expenses	8,527	17,033
As per Statement of Profit and Loss	<u>42,881</u>	<u>53,120</u>

15 Explanatory Statements

Disclosures in respect of Accounting Standard – 18 Related Party Disclosures as notified by the the Companies (Accounts) Rules, 2014:

Nature of relationship

Related party

(a) Related parties where control exists:

Holding Company
Subsidiary Company

Indiabulls Housing Finance Limited
Indiabulls Asset Reconstruction Company Limited

(b) Other related parties

Fellow subsidiaries:

Indiabulls Insurance Advisors Limited
Indiabulls Finance Company Private Limited
Indiabulls Capital Services Limited
Indiabulls Commercial Credit Limited (formerly known as Indiabulls Infrastructure Credit Limited)
Indiabulls Collection Agency Limited
Indiabulls Sales Limited
Nilgiri Financial Consultants Limited
(Subsidiary of Indiabulls Insurance Advisors Limited)
Indiabulls Life Insurance Company Limited
Indiabulls Asset Holding Company Limited
Indiabulls Asset Management Company Limited
Indiabulls Trustee Company Limited
Indiabulls Holdings Limited
Indiabulls Venture Capital Management Company Limited
(Subsidiary of Indiabulls Holdings Limited)
Indiabulls Venture Capital Trustee Company Limited
(Subsidiary of Indiabulls Holdings Limited)

(c) Key Management Personnel

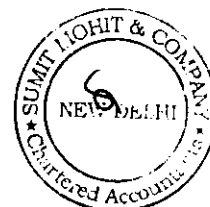
Mr. Lakshmi pathi Achar – Director
Mr. Saurabh Garg – Director
Mr. Praveen Kumar Rana– Director

(d) Significant Transactions with Related Parties during the year:

Amount (Rs.)

Nature of Transaction	Fellow Subsidiary Company	Total
Finance		
Loan Taken (Maximum Balance Outstanding during the year)	4,500,000	4,500,000
Expenses		
Interest Expense on Loan	9,062	9,062

Figures in respect of previous years are stated in italics



Disclosures in respect of Accounting Standard – 18 Related Party Disclosures as notified by the the Companies (Accounts) Rules, 2014 (Continued):

(e) Outstanding balances as at March 31, 2015: Amount (Rs.)

Nature of Transaction	Amount (Rs.)	
	Fellow Subsidiary Company	Total
Loan taken	4,500,000	4,500,000

(f) Statement of Material Transactions:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Amount (Rs)	Amount (Rs)
Loan Taken (Maximum Balance outstanding during the year)		
-Ibills Sales Limited	-	4,500,000
Interest Expense		
-Ibills Sales Limited	-	9,062

(g) Breakup of Outstanding Balances as at March 31, 2015

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Amount (Rs.)	Amount (Rs.)
Loan Taken		
-Ibills Sales Limited	-	-

16 Contingent liability not provided for in respect of:
Demand for Rs. 258,324 with respect to FY 2007-08 (Previous Year Rs.2,58,324/-) raised u/s 143(3) with respect to FY 2007-08 against which appeal is pending before ITAT

17 Earnings per Share

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

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Amount (Rs)	Amount (Rs)
Profit/available for equity shareholders (Rs.)	1,386,824	4,182,723
Weighted average number of Shares used in computing Basic earning per share	2,550,000	2,550,000
Weighted average number of Shares used in computing Diluted earning per share	2,550,000	2,550,000
Nominal Value of equity Shares - (Rs.)	10.00	10.00
Basic Earnings Per Share - (Rs.)	0.54	1.64
Diluted earnings Per Share - (Rs.)	0.54	1.64

- 18 Considering the nature of Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting as notified under the Companies (Accounts) Rules, 2014. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.
- 19 As per the best estimate of the management, no provision is required to be made as per Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' as notified by the Companies (Accounts) Rules, 2014 in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.
- 20 The provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, are not applicable to the Company as at March 31, 2015 and accordingly there are no dues payable in respect of the said statutes as at the year-end.
- 21 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.
- 22 (a) An amount of Rs. Nil and Rs. Nil was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
(b) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
(c) No interest is payable at the end of the year other than interest under Micro, Small and Medium Enterprises Development Act, 2006.
(d) No amount of interest was accrued and unpaid at the end of the accounting year.
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
- 23 There are no capital and other commitments to be reported as at March 31, 2015 (Previous year Rs. Nil).



Indiabulls Advisory Services Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

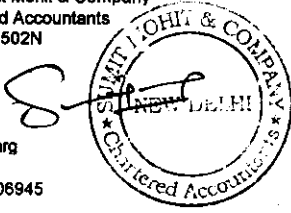
24 Previous year figures have been re-grouped / re-arranged wherever considered necessary to confirm to current year's groupings and classifications.

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN 021502N

Sumit Garg
Partner
M. No. 506945

New Delhi, April 24, 2015



For and on behalf of the Board of Directors

Saurabh Garg
Director
DIN: 03444152

New Delhi, April 24, 2015

Lakshmi pathi Achar
Director
DIN: 00349586