



# SUMIT MOHIT & COMPANY

INDEPENDENT AUDITOR'S REPORT

*Chartered Accountants*

TO THE MEMBERS OF INDIABULLS CAPITAL SERVICES LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDIABULLS CAPITAL 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 March 31, 2015, and its profits and its cash flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

Further to our comments in the aforesaid annexure, 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 none of the director is disqualified as on March 31, 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 24 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.

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

CA Sumit Garg  
(Partner)  
Membership No. 506945  
New Delhi, April 24' 2015



**Annexure referred to in the Auditor's Report of even date to the Members of INDIABULLS CAPITAL 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	ITAT (Appeals) XV, New Delhi	Year Ended March 31, 2008	67,380,158/-

(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. 021502

CA Sumit Garg  
(Partner)  
Membership No. 506945  
New Delhi, April 24' 2015



Indiabulls Capital Services 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>(1) Shareholder's Funds</b>			
(a) Share Capital	3	50,000,000	50,000,000
(b) Reserves and Surplus	4	(146,308,255)	(154,627,061)
<b>(2) Non-Current Liabilities</b>			
(a) Long term provisions	5	451,684	344,437
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	134,203,000	134,203,000
(b) Other current liabilities	7	64,210,043	64,214,055
(c) Short-term provisions	8	3,220,892	561,892
<b>Total</b>		<b>105,777,364</b>	<b>94,696,323</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Deferred tax assets (net)	9	146,549	106,431
(b) Long term loans and advances	10	26,424,997	26,711,887
<b>(2) Current assets</b>			
(a) Current investments	11	-	40,929,216
(b) Trade receivables	12	82,987	82,987
(c) Cash and cash equivalents	13	78,729,887	26,444,026
(d) Other current assets	14	392,944	421,776
<b>Total</b>		<b>105,777,364</b>	<b>94,696,323</b>

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 021502M

Sumit Garg  
Partner  
M. No. 506945

New Delhi, April 24, 2015

For and on behalf of the Board of Directors

Ashok Sehrawat  
Director  
DIN: 03553378

New Delhi, April 24, 2015

Akshay Gupta  
Director  
DIN: 01272080

Jatinder Pal Singh  
Company Secretary

Indiabulls Capital Services Limited

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

Particulars	Note No	Year ended March 31, 2015 Amount (Rs.)	Year ended March 31, 2014 Amount (Rs.)
I. Other Income	15	13,565,313	4,632,043
<b>I. Total Revenue</b>		<b>13,565,313</b>	<b>4,632,043</b>
<b>II. Expenses:</b>			
Employee benefit expense	16	1,852,956	1,915,609
Financial costs	17	21,004	-
Other expenses	18	53,666	74,654
<b>II. Total Expenses</b>		<b>1,927,626</b>	<b>1,990,263</b>
<b>III. Profit before tax</b>	(I - II)	<b>11,637,687</b>	<b>2,641,780</b>
<b>IV. Tax expense:</b>			
(1) Current tax		3,359,000	204,000
(2) Deferred tax		(40,118)	(59,063)
		<b>3,318,882</b>	<b>144,937</b>
<b>V. Profit after tax</b>	(III - IV)	<b>8,318,805</b>	<b>2,496,843</b>
<b>VI. Earning per equity share:</b>			
(1) Basic		1.66	0.50
(2) Diluted		1.66	0.50
(3) 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

Ashok Sehrawat  
Director  
DIN: 03553378

New Delhi, April 24, 2015

Akshay Gupta  
Director  
DIN: 01272080

Jatinder Pal Singh  
Company Secretary



Indiabulls Capital Services Limited

Cash flow statement for the year ended March 31, 2015

Particulars	Year ended March 31, 2015 Amount (Rs.)	Year ended March 31, 2014 Amount (Rs.)
<b>A Cash flow from operating activities :</b>		
Profit/(Loss) before tax	11,637,687	2,641,780
Adjustments for :		
Provision for/(Reversal of) gratuity	82,290	168,410
Provision for/(Reversal of) compensated absences	24,957	36,669
Interest on Taxes	21,004	-
Profit on sale of Investments	-	(1,019,310)
Dividend on units of Mutual Fund	(1,413,839)	(2,216,642)
Profit on redemption of units of Mutual Funds	(5,100,736)	(1,180,678)
Operating Loss before working capital changes	5,251,363	(1,569,771)
Adjustments for:		
Trade and other receivables	28,832	972,517
Trade Payables and other liabilities	(4,012)	86,985
Cash generated from/(used) in operating activities	5,276,183	(510,269)
Direct taxes paid	(434,113)	(255,839)
Net cash generated from operating activities	4,842,070	(766,108)
<b>B Cash flow from investing activities</b>		
Purchase of Commercial Papers	-	(28,548,900)
Sale of Commercial Papers	-	29,568,210
Dividend received on units of mutual funds	1,413,839	2,216,642
Proceeds from redemption of/(Investments in) units of mutual funds (net)	46,029,952	(39,748,538)
Net cash generated from investing activities	47,443,791	(36,512,586)
<b>C Cash flow from financing activities</b>		
Net cash used in financing activities	-	-
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	52,285,861	(37,278,694)
<b>E Cash and cash equivalents at the beginning of the year</b>	26,444,026	63,722,720
<b>F Cash and cash equivalents at the close of the year (D+E)</b>	<b>78,729,887</b>	<b>26,444,026</b>

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 (Accounting Standards) Rules, 2015.

2 Cash and Cash equivalents included in cash flow statement comprise of the following

Cash and Bank Balances (Refer Note 13)

	Amount (Rs.)	Amount (Rs.)
Cash in Hand	1,447	1,596
Balances with scheduled banks		
In Current Accounts	78,728,440	442,430
In Deposit Accounts	-	26,000,000
<b>Cash and cash equivalents as restated</b>	<b>78,729,887</b>	<b>26,444,026</b>

3 Previous Year's figures are regrouped wherever considered necessary to conform with Current Year's groupings and classification.

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

Ashok Sehrawat  
Director  
DIN: 03553378

New Delhi, April 24, 2015

Akshay Gupta  
Director  
DIN: 01272080

Jatinder Pal Singh  
Company Secretary

Indiabulls Capital Services Limited

Notes to financial statements for the year ended March 31, 2015

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 ("the 2013 Act") 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"). 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 recognized on an 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 unconditional at the balance sheet date and Dividend Income on units of Mutual Fund is recognised on cash basis.

iv) **Stock of Securities:**

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

v) **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 the Statement of Profit and Loss.

vi) **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.

vii) **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.

viii) **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.

ix) **Share issue Expenses / Preliminary Expenses:**

Share issue expenses / Preliminary Expenses are adjusted against securities premium account to the extent of balance available and thereafter the balance portion is charged off to the profit and loss account, as incurred.

x) **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 cannot be made.

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





**Indiabulls Capital Services Limited**

**Notes to financial statements for the year ended March 31, 2015**

**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:

- Credit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.
- Debit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated loss, is adjusted in the profit and loss account.

(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.

**2 Corporate Information:**

Indiabulls Capital Services Limited ("the Company") was incorporated on April 13, 2005. The Company is a wholly owned subsidiary of Indiabulls Housing Finance Limited.

	As at March 31, 2015	As at March 31, 2014
	Amount (Rs.)	Amount (Rs.)
<b>3 Share Capital</b>		
<u>Authorised:</u>		
6,000,000 (Previous Year 6,000,000) Equity Shares of Rs. 10 each	<u>60,000,000</u>	<u>60,000,000</u>
<u>Issued, subscribed and paid up:</u>		
5,000,000 (Previous Year 5,000,000) Equity Shares of Rs.10 each fully	<u>50,000,000</u>	<u>50,000,000</u>
<b>As per Balance Sheet</b>	<u>50,000,000</u>	<u>50,000,000</u>

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

Particulars	Equity Shares		Equity Shares	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Opening No. of shares Outstanding	5,000,000	50,000,000	5,000,000	50,000,000
Shares Issued during the Year	-	-	-	-
Shares Brought back during the Year	-	-	-	-
Closing No. of shares Outstanding	<u>5,000,000</u>	<u>50,000,000</u>	<u>5,000,000</u>	<u>50,000,000</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.

**Detail of Shareholders holding 5% or more shares**

No. of Shareholders	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	5,000,000	100%	5,000,000	100%



Indiabulls Capital Services Limited

Notes to financial statements for the year ended March 31, 2015

	As at March 31, 2015	As at March 31, 2014
	Amount (Rs.)	Amount (Rs.)
<b>4 Reserves &amp; Surplus</b>		
<b>Surplus / (deficit) in the Statement of Profit and Loss</b>		
Opening balance	(154,627,060)	(157,123,904)
Add : Profit during the year	8,318,805	2,496,843
<b>As per Balance Sheet</b>	<u>(146,308,255)</u>	<u>(154,627,061)</u>
<b>5 Long term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for Gratuity	373,765	291,475
Provision for Compensated Absences	77,919	52,962
<b>As per Balance Sheet</b>	<u>451,684</u>	<u>344,437</u>
<b>6 Short term borrowings</b>		
(Unsecured)		
Loans and advances from related parties; -Indiabulls Housing Finance Limited	134,203,000	134,203,000
<b>As per Balance Sheet</b>	<u>134,203,000</u>	<u>134,203,000</u>
<b>7 Other current liabilities</b>		
Interest accrued and due on above	64,001,901	64,001,901
Other payables	208,142	212,154
<b>As per Balance Sheet</b>	<u>64,210,043</u>	<u>64,214,055</u>
<b>8 Short-term provisions</b>		
Provision For Current Tax (Net of TDS/Advance Tax Rs. 3,098,108, (Previous year Rs. 2,398,108))	3,220,892	561,892
	<u>3,220,892</u>	<u>561,892</u>
<b>9 Deferred tax assets (net)</b>		
In compliance with AS – 22 'Accounting for Taxes on Income' as notified by the Companies (Accounts) Rules, 2014, the Company has credited an amount of Rs. 40,118 (Previous Year Rs. 59,063) as deferred tax to the profit and loss account. As a measure of prudence the deferred tax assets comprising of carried forward business losses have not been recognized in the financials. The breakup of Deferred Tax Assets into major components as at March 31, 2015 is as under:		
<b>Deferred Tax Assets</b>		
Arising on account of temporary differences due to:		
Disallowance under Section 40A(7) of the Income-Tax Act, 1961	121,268	90,066
Disallowance under Section 43B of the Income-Tax Act, 1961	25,281	16,365
	<u>146,549</u>	<u>106,431</u>

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Indiabulls Capital Services Limited

Notes to financial statements for the year ended March 31, 2015

	As at March 31, 2015	As at March 31, 2014
	Amount (Rs.)	Amount (Rs.)
<b>10 Long term loans and advances</b> (Unsecured, Considered good)		
Advance Tax / Tax deducted at source (Net of Provision for Tax Rs 192,635,089, (Previous Year Rs 192,635,089))	26,424,997	26,711,887
<b>As per Balance Sheet</b>	<u>26,424,997</u>	<u>26,711,887</u>
<b>11 Current investments</b>		
Investment in Mutual Fund		
-Indiabulls Mutual Funds (Direct Plan-Growth) No. of Units: NIL (Previous Year 1,250,000) NAV: Rs. NIL (Previous Year Rs 10.00)	-	12,500,000
-Reliance Mutual Fund (Liquid Fund - Treasury Plan - Direct Daily Dividend Option) No. of Units: NIL (Previous Year 18,596.502) NAV: Rs. NIL (Previous Year Rs 1,528.7400)	-	28,429,216
<b>As per Balance Sheet</b>	<u>-</u>	<u>40,929,216</u>
<b>12 Trade receivables</b> (Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	82,987	-
Other trade receivables	-	82,987
<b>As per Balance Sheet</b>	<u>82,987</u>	<u>82,987</u>
<b>13 Cash and cash equivalents</b>		
Cash on Hand	1,447	1,596
Balances with banks		
In current accounts	78,728,440	442,430
In deposit accounts	-	26,000,000
<b>As per Balance Sheet</b>	<u>78,729,887</u>	<u>26,444,026</u>
<b>14 Other Current Assets</b>		
Advances recoverable in cash or in kind or for value to be received	392,944	396,844
Interest Accrued on Fixed Deposit	-	24,932
<b>As per Balance Sheet</b>	<u>392,944</u>	<u>421,776</u>

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Indiabulls Capital Services Limited

Notes to financial statements for the year ended March 31, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
	Amount (Rs.)	Amount (Rs.)
<b>15 Other Income</b>		
Service Income	7,000,000	190,481
Dividend on Units of Mutual Fund	1,413,839	2,216,642
Profit on redemption of units of Mutual Funds	5,100,736	1,180,678
Profit on sale of Investments	-	1,019,310
Interest on deposits	9,972	24,932
Interest income on Income Tax Refund	40,766	-
<b>As per Statement of Profit and Loss</b>	<b>13,565,313</b>	<b>4,632,043</b>
<b>16 Employee benefit expense</b>		
Salaries	1,676,859	1,578,004
Provision for gratuity and compensated absences	174,597	335,925
Contribution to other funds	1,500	1,680
<b>As per Statement of Profit and Loss</b>	<b>1,852,956</b>	<b>1,915,609</b>
<b>17 Financial costs</b>		
Interest on taxes	21,004	-
<b>As per Statement of Profit and Loss</b>	<b>21,004</b>	<b>-</b>
<b>18 Other expenses</b>		
Rates & Taxes	7,749	14,929
Stamp Paper Expenses	-	104
Printing & Stationery	278	371
Professional Charges	15,000	15,000
Auditor's Remuneration (excluding Service Tax)		
-Audit Fees	30,000	30,000
Miscellaneous Expenses	639	14,250
<b>As per Statement of Profit and Loss</b>	<b>53,666</b>	<b>74,654</b>

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

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 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 Company or to eligible employees of the subsidiaries / step down subsidiaries of the 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 Capital Services Limited**

**Notes to 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.)	205668	99951	2324002	10500000	58050
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	N.A.	31-Dec-09
Options vested during the year (Nos.)	60,534	25,581	420,310	-	6840
Exercised during the year (Nos.)	57,294	29,145	471,874	-	20610
Expired during the year (Nos.)	-	-	-	-	-
Cancelled during the year	-	-	-	-	-
Lapsed during the year	43,848	7,680	256,040	32,000	0
Re-granted during the year	-	-	-	-	N.A.
Outstanding at the end of the year (Nos.)	104,526	63,126	1,596,088	10,468,000	37440
Exercisable at the end of the year (Nos.)	1,080	15,153	129,584	-	3240
Remaining contractual Life (Weighted Months)	55	67	81	90	90

Particulars	IHFL-IBFSL Employees Stock Option – 2008-Regrant	IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant	IHFL-IBFSL Employees Stock Option – 2008 - Regrant	IHFL-IBFSL Employees Stock Option Plan II – 2006 - Regrant
Total Options under the 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.)	158.5	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	16-Jul-10	27-Aug-09	11-Jan-11	27-Aug-09
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.)	810	39,500	1,700	21,900
Remaining contractual Life (Weighted Months)	93	83	93	83

N.A - Not Applicable



**Indiabulls Capital Services Limited**

**Notes to financial statements for the year ended March 31, 2015**

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.

**20 Segment Reporting:**

Considering the nature of Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting as 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.

**21** 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.

**22 Earning per Share**

The basic earning per share is computed by dividing the net profit 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 deemed converted as of the beginning of the period, unless they have been issued at a later date.

	Year ended March 31, 2015	Year ended March 31, 2014
Profit/(Loss) available for Equity Shareholders (Rs.)	8,318,805	2,496,843
Weighted average number of Shares used in	5,000,000	5,000,000
Face Value of Equity Shares -- (Rs.)	10	10
Basic & Diluted Earnings Per Share -- (Rs.)	1.66	0.50

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

Nature of relationship

Related party

(a) Related parties where control exists

Holding company

Indiabulls Housing Finance Limited

b) Other Related Parties

Fellow Subsidiaries

Indiabulls Asset Holding Company Limited  
 Indiabulls Insurance Advisors Limited  
 Nilgiri Financial Consultants Limited  
 (Subsidiary of Indiabulls Insurance Advisors Limited)  
 Ibulls Sales Limited  
 Indiabulls Collection Agency Limited  
 Indiabulls Commercial Credit Limited (Formerly known as Indiabulls  
 Infrastructure Credit Limited)  
 Indiabulls Finance Company Private Limited  
 Indiabulls Advisory Services Limited  
 Indiabulls Asset Reconstruction Company Limited  
 (Subsidiary of Indiabulls Advisory Services Limited)  
 Indiabulls Life Insurance Company Limited  
 Indiabulls Trustee Company Limited  
 Indiabulls Asset Management 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)





Indiabulls Capital Services Limited

Notes to financial statements for the year ended March 31, 2015

c) Key Management Personnel

Mr. Gagan Banga, Director  
Mr. Akshay Gupta, Director  
Mr. Ashok Sehrawat, Director

d) Significant Transactions with Related Parties:

(Amount in Rs.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Others	Total
<b>Finance</b>				
Purchase of Commercial Papers	28,548,900	-	-	28,548,900
Sale of Commercial Papers	29,568,210	-	-	29,568,210

(Previous Year figures are stated in Italics.)

d) Outstanding as at March 31, 2015:

(Amount in Rs.)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Others	Total
Loan	134,203,000	-	-	134,203,000
Interest Payable	64,001,901	-	-	64,001,901

(Previous Year figures are stated in Italics.)

f) Statement of Material Transactions

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Amount (Rs.)	Amount (Rs.)
<b>Purchase of Commercial Papers</b>		
- Indiabulls Housing Finance Limited	-	28,548,900
<b>Sale of Commercial Papers</b>		
- Indiabulls Housing Finance Limited	-	29,568,210

24 Contingent Liabilities not provided for in respect of income tax demand arising out of assessment u/s 143 (3) of the Income Tax Act, 1961 for Financial year 2007-08 amounts to Rs 67,380,151 (Previous year Rs 31,012,297). The matters in dispute is under appeal before ITAT( Appeals )- XV, New Delhi.

25 The Company has not entered into any derivative instruments during the year. There are no foreign currency exposures as at March 31, 2015 (Previous year Rs Nil).

26 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.

27 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

(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.



**Indiabulls Capital Services Limited**

**Notes to financial statements for the year ended March 31, 2015**

- 28 There are no capital and other commitments to be reported as at March 31, 2015 (Previous year Rs. Nil).
- 29 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Ashok Sehrawat  
Director  
DIN: 03553378

New Delhi, April 24, 2015

Akshay Gupta  
Director  
DIN: 01272080

Jatinder Pal Singh  
Company Secretary

