

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIABULLS FINANCE COMPANY PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDIABULLS FINANCE COMPANY PRIVATE 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 then 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 flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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

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and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

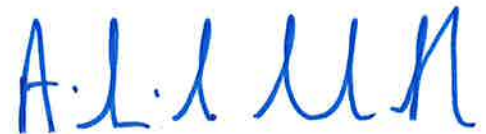
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A. Siddharth
Partner
(Membership No. 031467)

MUMBAI, 24th April, 2015

INDIABULLS FINANCE COMPANY PRIVATE LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business / activities / results, during the year, clauses (ii), (vi), (ix) and (xi) of paragraph 3 of the Order are not applicable to the Company.
- ii. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- iii. 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 Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system. There were no transactions in respect of purchase of inventory and sale of goods during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- vi. According to the information and explanations given to us, in respect of statutory dues:

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- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. During the year, there were no dues payable in respect of Customs Duty, Excise Duty, Sales Tax, Value Added Tax and Wealth Tax.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax which have not been deposited as on 31st March, 2015 on account of disputes are given below.

| Name of Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount involved (Rs.) |
|--------------------------|----------------|--------------------------------|---|-----------------------|
| The Income-Tax Act, 1961 | Income-Tax | Income Tax Appellate Tribunal | Year ended 31 st March, 2009 | 411,480 |
| The Income-Tax Act, 1961 | Income-Tax | Income Tax Appellate Tribunal | Year ended 31 st March, 2010 | 395,210 |

There are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes.

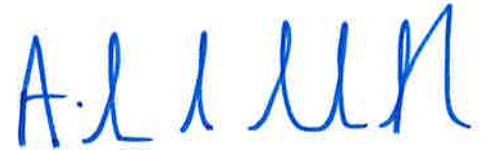
- d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- vii. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- viii. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

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- ix. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A. Siddharth
Partner
(Membership No. 031467)

MUMBAI, 24th April, 2015

Indiabulls Finance Company Private Limited

Balance Sheet as at March 31, 2015

| Particulars | Note No. | As at | As at |
|------------------------------------|----------|----------------------|----------------------|
| | | March 31, 2015 | March 31, 2014 |
| | | Amount (Rs.) | Amount (Rs.) |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| Share capital | 3 | 109,420,960 | 76,086,960 |
| Reserves and surplus | 4 | 3,263,871,947 | 3,617,477,924 |
| (2) Non-current liabilities | | | |
| Long-term borrowings | 5 | 460,000,000 | 4,428,000,000 |
| Long-term provisions | 6 | 19,625,782 | 18,540,420 |
| (3) Current liabilities | | | |
| Short-term borrowings | 7 | 5,000,000,000 | - |
| Other current liabilities | 8 | 25,806,780 | 123,354,814 |
| Short-term provisions | 9 | 19,618,800 | 78,117,116 |
| Total | | 8,898,344,269 | 8,341,577,234 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 85,359 | - |
| Deferred tax assets (net) | 11 | 11,292,539 | 6,904,142 |
| Long-term loans and advances | 12 | 6,124,950,923 | 6,956,275,363 |
| Other non-current assets | 13 | 40,967,091 | 38,933,829 |
| (2) Current assets | | | |
| Current investments | 14 | 195,102,089 | - |
| Cash and cash equivalents | 15 | 183,328,158 | 594,995,640 |
| Short-term loans and advances | 16 | 2,140,989,033 | 684,570,362 |
| Other current assets | 17 | 201,629,077 | 59,897,898 |
| Total | | 8,898,344,269 | 8,341,577,234 |

Notes forming part of the financial statements

1 - 37

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



A. Siddharth
Partner



Kubeir Khara
Director
DIN : 03498226



Sachin Chaudhary
Director
DIN: 02016992



Amit Kumar Jain
Company Secretary



Akhil Gupta
CFO

Mumbai, April 24, 2015

Mumbai, April 24, 2015

Indiabulls Finance Company Private Limited

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

| Particulars | Note No. | For the year ended | For the year ended |
|--|----------|--------------------|--------------------|
| | | March 31, 2015 | March 31, 2014 |
| | | Amount (Rs.) | Amount (Rs.) |
| (1) Revenue from operations | 18 | 918,242,250 | 778,298,199 |
| (2) Other income | 19 | 30,953,863 | 1,050,819 |
| (3) Total revenue [(1)+(2)] | | 949,196,113 | 779,349,018 |
| (4) Expenses: | | | |
| Employee benefits expense | 20 | 82,503,062 | 43,751,583 |
| Finance costs | 21 | 598,433,561 | 252,955,014 |
| Depreciation | 10 | 3,054 | - |
| Other expenses | 22 | 29,635,437 | 20,389,205 |
| Total expenses | | 710,575,114 | 317,095,802 |
| (5) Profit before tax [(3) - (4)] | | 238,620,999 | 462,253,216 |
| (6) Tax expense/(benefit) | | | |
| Current tax expense | | 67,800,000 | 138,100,000 |
| Deferred tax (credit) (net) | 11 | (4,388,397) | (3,283,555) |
| Net current tax expense | | 63,411,603 | 134,816,445 |
| (7) Profit for the year [(5)-(6)] | | 175,209,396 | 327,436,771 |
| (8) Earnings per Equity Share: | 27 | | |
| - Basic | | 18.50 | 43.03 |
| - Diluted | | 18.48 | 43.03 |
| Face Value per Equity Share | | 10.00 | 10.00 |
| Notes forming part of the financial statements | 1 - 37 | | |

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



A. Siddharth
Partner



Kubeir Khara
Director
DIN : 03498226



Sachin Chaudhary
Director
DIN: 02016992



Amit Kumar Jain
Company Secretary



Akhil Gupta
CFO

Mumbai, April 24, 2015

Mumbai, April 24, 2015

Indiabulls Finance Company Private 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.) |
|--|---|---|
| A Cash flows from operating activities : | | |
| Profit before tax | 238,620,999 | 462,253,216 |
| Adjustments for : | | |
| Provision for gratuity | 1,331,520 | 245,703 |
| Provision for compensated absences (Unrealised) /realised profit on appreciation of mutual funds (Current investments) | 615,847 | 188,456 |
| Provision for loan Assets | (10,155,853) | 61,493 |
| Contingent provision against standard assets | 18,250,000 | - |
| Depreciation | 994,413 | 8,945,011 |
| Provision for expenses no longer required written back | 3,054 | - |
| Operating profit before working capital changes | - | 114,327 |
| Adjustments for: | 249,659,980 | 471,808,206 |
| Other current and non-current assets and other advances | (191,586,013) | (73,517,288) |
| Loans and other credit facilities | (580,265,487) | (3,578,004,626) |
| Short-term and long-term provisions | 1,305,119 | 281,188 |
| Other current liabilities | (97,548,034) | 100,579,432 |
| Cash (used in) operations | (618,434,435) | (3,078,853,088) |
| Income taxes paid (Net) | (144,717,025) | (83,523,559) |
| Net cash (used in) operating activities (A) | (763,151,460) | (3,162,376,647) |
| B Cash flows from investing activities | | |
| Purchase of Fixed Assets | (88,413) | - |
| Investment in bonds | - | (450,000,000) |
| Proceeds from bonds | - | 1,110,000,000 |
| Investment in Mutual Funds | (184,946,236) | - |
| Net cash (used in)/generated from investing activities (B) | (185,034,649) | 660,000,000 |
| C Cash flows from financing activities | | |
| Proceeds from Issue of Equity Share (Including Securities Premium) | 1,000,020,000 | - |
| Distribution of Equity Dividends (including Corporate Dividend Tax thereon) | (1,495,501,373) | - |
| (Repayment of) short-term borrowings | - | (1,400,000,000) |
| (Repayment of) /proceeds from long-term borrowings | (3,968,000,000) | 4,428,000,000 |
| Issue of commercial papers | 5,000,000,000 | 1,700,000,000 |
| Buy back/ redemption of commercial papers | - | (1,700,000,000) |
| Net cash flow from financing activities (C) | 536,518,627 | 3,028,000,000 |
| D Net (decrease) /increase in cash and cash equivalents (A+B+C) | (411,667,482) | 525,623,353 |
| E Cash and cash equivalents at the beginning of the year | 594,995,640 | 69,372,287 |
| F Cash and cash equivalents at the end of the year (D+E) (Refer note no. 15) | <u>183,328,158</u> | <u>594,995,640</u> |

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statements'.
- Previous Year's figures are regrouped wherever considered necessary to conform with Current Year's groupings and classification.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



A. Siddharth
Partner



Kubeir Khara
Director
DIN : 03498226



Sachin Chaudhary
Director
DIN: 02016992



Amit Kumar Jain
Company Secretary



Akhil Gupta
CFO

Mumbai, April 24, 2015

Mumbai, April 24, 2015

Indiabulls Finance Company Private Limited

Notes forming part of the 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) as of the date of the financial statements 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) Prudential Norms:

The Company follows the Reserve Bank of India ("RBI") Directions in respect of "Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Directions, 2015"), dated March 27, 2015, in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the Balance Sheet and provisioning. Accounting Standards (AS) and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the RBI Directions, 2015.

(iv) Revenue Recognition:

Interest income from financing and investing activities and others is recognised on an accrual basis. In terms of the RBI Directions, 2015, interest income on Non-performing assets ("NPAs") is recognised only when it is actually realised.

Processing Fees in respect of loans given is recognised on disbursement as per the terms of the contract.

Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Installments (EMI's) comprising principal and interest. EMIs commence generally once the entire loan is disbursed however on request of customer it commences even before the entire loan is disbursed. In case of pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.

Additional /overdue interest/ charges is recognised only when it is reasonably certain that the ultimate collection will be made.

Dividend income on Equity Shares is recognised when the right to receive the dividend is unconditional as at the Balance Sheet date. In terms of the RBI Directions 2015, wherever applicable, Dividend income on units of Mutual Fund held by the Company is recognised on cash basis.

The net gain/loss on account of Investments in Debentures/Bonds/Certificate of Deposit and Commercial papers is recognised on trade date basis. Interest income on the same is recognised on accrual basis.

(v) Investments:

Investments are classified as long term and current investments. Long term investments are carried individually at cost less provision, if any, for diminution other than temporary in the value of such investment. In terms of the RBI Directions, 2015, unquoted current investments in units of mutual funds are valued at the Net Asset Value of the Plan. Quoted Current investments are valued at lower of cost and market value. Provision for diminution in value of investments is made in accordance with the RBI Directions, 2015 and Accounting Standard (AS) - 13 'Accounting for Investments'.

(vi) Employee Benefits:

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has unfunded defined benefit plans namely Compensated absences and Gratuity for all eligible employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the "Projected Unit Credit Method". Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses, as applicable.

(vii) Fixed Assets:

Tangible Assets:

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

(viii) Depreciation:

Depreciation on tangible fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

(ix) 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. The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the 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.

(x) Commercial Papers:

The liability is recognised at the face value of the Commercial Paper at the time of its issue. The discount on issue of Commercial Papers is amortised over the tenure of the instrument.

(xi) Borrowing Costs:

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.



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(xii) 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 is recognised on all timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws substantively enacted as at the Balance Sheet date, to the extent that the timing differences are expected to crystallise / capable of reversal in one or more subsequent periods.

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 virtual certainty of realisation backed by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(xiii) Leases:

In case of assets taken on operating lease, the lease rentals are charged to the Statement of Profit and Loss on a straight line basis in accordance with Accounting Standard (AS) 19 – Leases.

(xiv) Segment Reporting:

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

(xv) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. 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.

(2) Corporate information:

Indiabulls Finance Company Private Limited ("the Company") was incorporated on March 18, 2005. On February 27, 2006, the Company was registered under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 to carry on the business of a Non-Banking Financial Company but does not have permission from the RBI to accept public deposits. The Company is required to comply with Directions issued by the Reserve Bank of India.

The Company is in the business of financing, borrowing, lending, advancing money, providing loan and other credit facilities including providing Long-term Finance for Industrial or agricultural development, development of infrastructure facility, development of Housing in India or for constructions or purchase of houses/ residential projects in India and such other activities as may be permitted under the Main Objects of the Memorandum of Association of the Company.

The Board of Directors of the Company vide their resolution dated March 18, 2008, resolved to change the name of the Company from Indiabulls Finance Company Private Limited to Indiabulls Finance Company Limited; subject to necessary regulatory approvals. No further steps have been taken by the Company for the same.

| | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
|--|---|---|
| (3) Share capital | | |
| Authorised | | |
| 11,000,000 (Previous year 8,000,000) Equity Shares of Face value of Rs.10 each (Previous year Rs.10 each) | 110,000,000 | 80,000,000 |
| Issued, subscribed and fully paid up ^{(i) to (iii)} | | |
| 10,942,096 (Previous year 7,608,696) Equity Shares of Face value of Rs. 10 each fully paid up (Previous year Rs. 10 each) | 109,420,960 | 76,086,960 |
| (10,942,096 (Previous year 7,608,696) Equity Shares are held by Indiabulls Housing Finance Limited - the Holding Company and its nominees) ^(iv) | | |
| The Company has only one class of Equity Shares of Face value of Rs. 10 each (Previous year Rs. 10 each) fully paid up. Each holder of Equity Shares is entitled to one vote per share. The Final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. | | |
| In the event of liquidation of the 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. | | |
| | <u>109,420,960</u> | <u>76,086,960</u> |

(i) Reconciliation of the number of Shares and amount outstanding at the beginning and at the end of the financial year:

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|-------------------------------|----------------------------|--------------------|----------------------------|-------------------|
| | Number of Equity Shares | Amount (Rs.) | Number of Equity Shares | Amount (Rs.) |
| Opening balance | 7,608,696 | 76,086,960 | 7,608,696 | 76,086,960 |
| Shares issued during the year | 3,333,400 | 33,334,000 | - | - |
| Closing balance | <u>10,942,096</u> | <u>109,420,960</u> | <u>7,608,696</u> | <u>76,086,960</u> |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

| (ii) Shares held by Shareholders holding more than 5% Shares Name of the Shareholders | As at March 31, 2015 | | As at March 31, 2014 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Indiabulls Housing Finance Limited and its nominees - Holding Company ^(iv) | 10,942,096 | 100.00% | 7,608,696 | 100.00% |

(iii) 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 ^(iv) :

| Sr. No. | ERSTWHILE PLANS | Now 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 | IBFSL – 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.

Indiabulls Housing Finance Limited Employees Stock Option Scheme-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.

The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

| Particulars | IHFL-IBFSL Employees Stock Option Plan – 2008 | 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 | 99,951 | 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. | 31-Dec-09 |
| Options vested during the year (Nos.) | 60,534 | 25,581 | 420,310 | - | 8,840 |
| 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 | 1,598,088 | 10,468,000 | 37,440 |
| Exercisable at the end of the year (Nos.) | 1,080 | 15,153 | 129,584 | - | 3,240 |
| Remaining contractual Life (Weighted Months) | 55 | 67 | 81 | 90 | 90 |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

| Particulars | IHFL-IBFSL Employees Stock Option – 2008- Regrant | IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant | IHFL-IBFSL Employees Stock Option – 2008 -Regrant | 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.) | 610 | 39,500 | 1,700 | 21,900 |
| Remaining contractual Life (Weighted Months) | 93 | 83 | 93 | 83 |

N.A - Not Applicable

(iv) The Board of Directors of Indiabulls Housing Finance Limited ("IBHFL", the Holding Company, erstwhile fellow subsidiary) and Indiabulls Financial Services Limited ("IBFSL", the erstwhile Holding Company) at their meeting held on April 27, 2012 had approved the Scheme of Arrangement involving the reverse merger of IBFSL with IBHFL in terms of the provisions of Section 391 to 394 of the Companies Act, 1956 (the "Scheme of Arrangement"). The Appointed Date of the proposed merger fixed under the Scheme was April 1, 2012. The Hon'ble High Court of Delhi, vide its Order dated December 12, 2012, received by IBHFL on February 8, 2013, approved the Scheme of Arrangement. In terms of the Court approved Scheme, with the filing of the copy of the Order, on March 8, 2013, with the office of ROC, NCT of Delhi and Haryana (the Effective Date), IBFSL, as a going concern, stands amalgamated with IBHFL with effect from the Appointed Date, being April 1, 2012. Consequently IBHFL has become the Holding Company of the Company w.e.f. April 1, 2012.

| | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
|--|---|---|
| (4) Reserves and surplus | | |
| Securities Premium Account | | |
| Opening Balance | 1,671,128,493 | 1,671,128,493 |
| Add: Additions during the year on account of further issue of increase in Equity Shares | 966,686,000 | - |
| | <u>2,637,814,493</u> | <u>1,671,128,493</u> |
| Other Reserves: | | |
| Reserve Fund (u/s. 45-IC of the RBI Act, 1934) | | |
| Opening balance | 389,321,214 | 323,633,860 |
| Add: Amount transferred during the year from Surplus in the Statement of Profit and Loss ⁽¹⁾ | 35,041,879 | 65,487,354 |
| Closing balance | <u>424,363,093</u> | <u>389,321,214</u> |
| Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | | |
| Opening Balance | 105,864,848 | 40,607,204 |
| Add: Amount transferred during the year from Surplus in the Statement of Profit and Loss ⁽²⁾ | 35,601,985 | 65,257,644 |
| Closing balance | <u>141,466,833</u> | <u>105,864,848</u> |
| Surplus in the Statement of Profit and Loss | | |
| Opening balance | 1,451,163,369 | 1,254,471,596 |
| Net profit for the year after tax | 175,209,396 | 327,436,771 |
| Amount available for appropriation (A) | <u>1,626,372,765</u> | <u>1,581,908,367</u> |
| Appropriations: | | |
| Interim Dividend on Equity Shares | 1,278,260,928 | - |
| Corporate Dividend Tax on Interim Dividend on Equity Shares | 217,240,445 | - |
| Amount transferred during the year to Reserve Fund (u/s 45-IC of the RBI Act, 1934) ⁽¹⁾ | 35,041,879 | 65,487,354 |
| Amount transferred during the year to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 ⁽²⁾ | 35,601,985 | 65,257,644 |
| Total Appropriations (B) | <u>1,566,145,237</u> | <u>130,744,998</u> |
| Balance of Profit Carried Forward (A)-(B) | <u>60,227,528</u> | <u>1,451,163,369</u> |
| | <u>3,263,871,947</u> | <u>3,617,477,924</u> |

(1) In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its Profit for the year to a Reserve Fund before any dividend is declared. As at the year end, the Company has transferred an amount of Rs. 35,041,879 (Previous year Rs. 65,487,354) to the Reserve Fund during the year.

(2) In terms of Section 36(1)(viii) of the Income Tax Act, 1961, a deduction is allowed for income from eligible business viz, Income from providing long-term infrastructure finance, long-term finance for the construction or purchase of houses in India for residential purposes and the business of providing long-term finance for industrial or agricultural development etc. The Company claims the deduction as it falls under some of the categories of eligible business as defined under Section 36 (1)(viii) of the Income Tax Act, 1961. Consequently the Company has, as at the year end, transferred an amount of Rs. 35,601,985 (Previous year Rs. 65,257,644) to the Special Reserve created to claim deduction in respect of eligible business under the said section.



Indiabulls Finance Company Private 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.) |
|--|---|---|
| (5) Long-term borrowings | | |
| Secured⁽¹⁾ | | |
| Loan taken from Holding Company (Refer note no. 3(iv) and 26) | 460,000,000 | 3,998,000,000 |
| - Indiabulls Housing Finance Limited ^(2 & 3) | | |
| Loan taken from Fellow Subsidiaries (Refer note no. 26) | - | 430,000,000 |
| - Indiabulls Commercial Credit Limited | | |
| | <u>460,000,000</u> | <u>4,428,000,000</u> |
| <p>(1) Secured by hypothecation of loan receivables, current assets (including cash and cash equivalents) of the Company. (2) Repayable at the end of 60 months from the date of disbursement. The balance tenure for this loan is 43 months from the Balance Sheet date. (3) Linked to IHFL LFRR.</p> | | |
| (6) Long-term provisions | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
| Provision for employee benefits (Refer note no. 20(1)) | | |
| Provision for gratuity | 2,839,411 | 684,391 |
| Provision for compensated absences | 1,520,151 | 471,745 |
| Contingent provisions against standard assets (Refer note no. 31(c)) | 15,266,220 | 17,384,284 |
| | <u>19,625,782</u> | <u>18,540,420</u> |
| (7) Short-term borrowings | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
| Unsecured | | |
| Commercial Papers* | 5,000,000,000 | - |
| | <u>5,000,000,000</u> | <u>-</u> |
| <p>* Maximum balance outstanding during the year Rs. 5,000,000,000 (Previous year Rs. 1,700,000,000)</p> | | |
| (8) Other current liabilities | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
| Other current liabilities for statutory dues and expense provisions | 23,506,878 | 13,537,409 |
| Temporary overdrawn balance as per books | - | 109,817,405 |
| Due to customer | 2,299,902 | - |
| | <u>25,806,780</u> | <u>123,354,814</u> |
| (9) Short-term provisions | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
| Provision for employee benefits (Refer note no. 20(1)) | | |
| Provision for gratuity | 65,343 | 4,103 |
| Provision for compensated absences | 50,000 | 62,180 |
| Contingent provision against standard assets (Refer note no. 31(c)) | 4,818,050 | 1,705,572 |
| Provision for taxation (net of Tax deducted at source/ Advance tax Rs. 304,207,932 (Previous year Rs. 242,548,078)) | 14,685,407 | 76,345,261 |
| | <u>19,613,800</u> | <u>78,117,116</u> |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(10) FIXED ASSETS

| Particulars | GROSS BLOCK AT COST | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-----------------|----------------------------|----------------------------------|--|-----------------------------|----------------------------|---------------------------------|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at April 1, 2014 Rs. | Additions during the year Rs. | Adjustments/Sales during the year Rs. | As at March 31, 2015 Rs. | As at April 1, 2014 Rs. | Provided during the year Rs. | Adjustments during the year Rs. | As at March 31, 2015 Rs. | As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
| Tangible Assets | | | | | | | | | | |
| Computers | - | 88,413 | - | 88,413 | - | 3,054 | - | 3,054 | 85,359 | - |
| Total | - | 88,413 | - | 88,413 | - | 3,054 | - | 3,054 | 85,359 | - |
| Previous Year | - | - | - | - | - | - | - | - | - | - |



Indiabulls Finance Company Private 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.) |
|---|---|---|
| (11) Deferred tax assets (net) | | |
| Deferred Tax Liabilities | | |
| On difference between book balance and tax balance of fixed assets/other assets | 8,122 | - |
| On difference between accounting income and taxable income on investments | 3,514,738 | - |
| Deferred Tax Assets | | |
| Disallowance under Section 40A(7) of the Income-Tax Act, 1961 | 1,005,277 | 234,019 |
| Disallowance under Section 43B of the Income-Tax Act, 1961 | 543,398 | 181,481 |
| Provision for loan assets and contingent provision against standard assets | 13,266,724 | 6,486,642 |
| Deferred Tax Assets (Net) | 11,292,539 | 6,904,142 |

(1) In compliance with Accounting Standard (AS) – 22 'Accounting for Taxes on Income', the Company has credited an amount of Rs. 4,388,397 (Previous year Rs. 3,283,555) as deferred tax credit to the Statement of Profit and Loss on account of timing differences.

| | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
|---|---|---|
| (12) Long-term loans and advances (Unsecured unless otherwise stated) | | |
| (i) Loans and other credit facilities | | |
| (a) Secured loans (Refer note no. 31(a)) | | |
| - Considered good | 6,027,020,728 | 5,768,713,736 |
| (b) Unsecured loans | | |
| - Considered good | 79,467,397 | 1,185,000,000 |
| (ii) Other loans and advances | | |
| Capital Advance | 500,000 | - |
| Security Deposit for Rented Premises | 144,000 | - |
| Advance tax / tax deducted at source (net of provision for tax Rs. 272,350,000 (Previous year Rs. 204,550,000)) | 17,818,798 | 2,561,627 |
| | 6,124,950,923 | 6,956,275,363 |

| | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
|--------------------------------------|---|---|
| (13) Other non-current assets | | |
| Interest accrued on Loans | 40,967,091 | 38,933,829 |
| | 40,967,091 | 38,933,829 |

| | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
|---|---|---|
| (14) Current Investments | | |
| Investments in mutual funds: | | |
| JM Mutual Fund | | |
| - Arbitrage Advantage Fund - (Direct) Bonus Option - Bonus Units | 195,102,089 | - |
| No of units: 18,605,959.316 (Previous year NIL) | | |
| NAV : Rs. 10.486 (Previous year Rs. NIL) | | |
| | 195,102,089 | - |
| Aggregate market value of quoted Investments | - | - |
| Aggregate book value of quoted investments | - | - |
| Aggregate book value of unquoted investments | 195,102,089 | - |
| Aggregate provision for diminution in value of Investments | - | - |



Indiabulls Finance Company Private 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.) |
|---|---|---|
| (15) Cash and cash equivalents | | |
| Cash on hand | 5,957 | 8,781 |
| Cheques on hand | - | 591,413,581 |
| Balances with banks | | |
| - in current accounts | 180,822,201 | 1,073,278 |
| - in demand deposits accounts | 2,500,000 | 2,500,000 |
| | <u>183,328,158</u> | <u>594,995,640</u> |
| (16) Short-term loans and advances (Unsecured unless otherwise stated) | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
| (i) Loans and other credit facilities | | |
| (a) Secured loans (Refer note no. 31(a)) | | |
| - Considered good | 904,718,270 | 677,606,478 |
| (b) Unsecured Loans | | |
| - Considered Good | 1,205,001,692 | 4,622,386 |
| | <u>2,109,719,962</u> | <u>682,228,864</u> |
| Less: Provision for Loan Assets ⁽¹⁾ | <u>18,250,000</u> | <u>-</u> |
| | <u>2,091,469,962</u> | <u>682,228,864</u> |
| (ii) Other including Prepaid Expenses/ Cenvat Credit and Employee Advances | 48,414,853 | 2,341,498 |
| (iii) Amount receivable from Holding Company on assignment | 1,104,218 | - |
| | <u>2,140,989,033</u> | <u>684,570,362</u> |
| (1) Movement in Provision for Loan Assets is as under : | | |
| Opening Balance | - | - |
| Add: Transfer from Statement of Profit and Loss | 18,250,000 | - |
| Less: Utilised during the year | - | - |
| Closing Balance | <u>18,250,000</u> | <u>-</u> |
| (17) Other current assets | As at March 31, 2015 Amount (Rs.) | As at March 31, 2014 Amount (Rs.) |
| Interest accrued on loans | 201,567,724 | 59,654,747 |
| Interest accrued on deposit accounts | 41,353 | 43,151 |
| | <u>201,629,077</u> | <u>59,697,898</u> |



Indiabulls Finance Company Private 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.) |
|---|--|--|
| (18) Revenue from operations | | |
| (a) Income from financing and investing activities ⁽¹⁾ | 902,532,282 | 769,809,590 |
| (b) Income from other financial services | | |
| Other operating income ⁽²⁾ | 15,709,968 | 8,488,609 |
| | 918,242,250 | 778,298,199 |
| (1) Income on financing and investing activities includes: | | |
| Interest on loan financing | 902,301,484 | 744,649,716 |
| Interest on deposit accounts | 230,798 | 43,151 |
| Interest on bonds (Current investments) | - | 25,116,723 |
| | 902,532,282 | 769,809,590 |
| (2) Other operating income includes: | | |
| Loan processing fees | 15,709,968 | 8,000,000 |
| Foreclosure fees and other related income | - | 488,609 |
| | 15,709,968 | 8,488,609 |
| | For the year ended March 31, 2015 Amount (Rs.) | For the year ended March 31, 2014 Amount (Rs.) |
| (19) Other income | | |
| Dividend income on units of Mutual Funds | 5,908,918 | 871,268 |
| Profit on redemption of mutual funds | 14,889,092 | 65,224 |
| Gain on Mutual Fund Investments (Current Investments) | 10,155,853 | - |
| Provision for expenses no longer required written back | - | 114,327 |
| | 30,953,863 | 1,050,819 |
| | For the year ended March 31, 2015 Amount (Rs.) | For the year ended March 31, 2014 Amount (Rs.) |
| (20) Employee benefits expense | | |
| Salaries | 78,232,587 | 42,100,635 |
| Contribution to provident fund and other funds ⁽¹⁾ | 2,320,108 | 1,216,789 |
| Staff Welfare Expenses | 3,000 | - |
| Provision for gratuity and compensated absences ⁽¹⁾ | 1,947,367 | 434,159 |
| | 82,503,062 | 43,751,583 |

(1) Employee Benefits – Provident Fund, Employees State Insurance Scheme (ESIC), Gratuity and Compensated Absences disclosures as per Accounting Standard (AS) 15 (Revised) – Employee Benefits, are as under:

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees under applicable Acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary. The Company has recognised an amount of Rs. 2,308,509 (Previous year Rs. 1,206,370) in the Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon an actuarial valuation carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Accounting Standard (AS) 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 in Rs.) | | | |
|---|------------------------|---------|------------------------------------|---------|
| | Gratuity (Unfunded) | | Compensated Absences (Unfunded) | |
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Reconciliation of liability recognised in the Balance Sheet: | | | | |
| Present Value of commitments (as per Actuarial valuation) | 2,904,754 | 688,494 | 1,570,151 | 533,925 |
| Fair value of plan assets | - | - | - | - |
| Net liability in the Balance sheet (as per Actuarial valuation) | 2,904,754 | 688,494 | 1,570,151 | 533,925 |
| Movement in net liability recognised in the Balance Sheet: | | | | |
| Net liability as at the beginning of the year | 688,494 | 248,756 | 533,925 | 258,316 |
| Amount (paid) during the year | - | - | - | - |
| Net expenses recognised in the Statement of Profit and Loss | 1,331,520 | 245,703 | 615,847 | 188,456 |
| Acquisition Adjustment (on account of transfer of employees) | 884,740 | 194,035 | 420,379 | 87,153 |
| Net liability as at the end of the year | 2,904,754 | 688,494 | 1,570,151 | 533,925 |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

| Expenses recognised in the Statement of Profit and Loss: | | | | |
|---|------------------|----------------|----------------|----------------|
| Current service cost | 908,950 | 546,511 | 592,095 | 427,775 |
| Past service cost | - | - | - | - |
| Interest Cost | 130,369 | 19,900 | 83,828 | 20,665 |
| Expected return on plan assets | - | - | - | - |
| Actuarial (gains) / Losses | 292,201 | (320,708) | (60,076) | (259,984) |
| Expenses charged to the Statement of Profit and Loss | 1,331,520 | 245,703 | 615,847 | 188,456 |
| Return on Plan assets: | | | | |
| Expected return on plan assets | N.A. | N.A. | N.A. | N.A. |
| Actuarial (gains) / losses | N.A. | N.A. | N.A. | N.A. |
| Actual return on plan assets | N.A. | N.A. | N.A. | N.A. |
| Reconciliation of defined-benefit commitments: | | | | |
| Commitments as at the beginning of the year | 688,494 | 248,756 | 533,925 | 258,316 |
| Current service cost | 908,950 | 546,511 | 592,095 | 427,775 |
| Past service cost | - | - | - | - |
| Interest cost | 130,369 | 19,900 | 83,828 | 20,665 |
| (Paid benefits) | - | - | - | - |
| Acquisition Adjustment (on account of transfer of employees) | 884,740 | 194,035 | 420,379 | 87,153 |
| Actuarial (gains) / losses | 292,201 | (320,708) | (60,076) | (259,984) |
| Commitments as at the end of the year | 2,904,754 | 688,494 | 1,570,151 | 533,925 |
| Reconciliation of Plan assets: | | | | |
| Plan assets as at the beginning of the year | N.A. | N.A. | N.A. | N.A. |
| Expected return on plan assets | N.A. | N.A. | N.A. | N.A. |
| Contributions during the year | N.A. | N.A. | N.A. | N.A. |
| Paid benefits | N.A. | N.A. | N.A. | N.A. |
| Actuarial (gains) / losses | N.A. | N.A. | N.A. | N.A. |
| Plan assets as at the end of the year | N.A. | N.A. | N.A. | N.A. |

N.A. - Not Applicable

| Particulars | (Amount in Rs.) | | |
|---|----------------------|-----------|-----------|
| | Gratuity (Unfunded)* | | |
| | Financial Year | | |
| | 2014-15 | 2013-14 | 2012-13 |
| Experience adjustment | | | |
| On plan liabilities | (177,598) | 257,504 | - |
| On plan assets | - | - | - |
| Present value of benefit obligation | 2,904,754 | 688,494 | 248,756 |
| Fair value of plan assets | - | - | - |
| Excess of (obligation over plan assets) / plan assets over obligation | (2,904,754) | (688,494) | (248,756) |

| Particulars | (Amount in Rs.) | | |
|---|----------------------------------|-----------|-----------|
| | Compensated Absences (Unfunded)* | | |
| | Financial Year | | |
| | 2014-15 | 2013-14 | 2012-13 |
| Experience adjustment | | | |
| On plan liabilities | 60,076 | 216,337 | - |
| On plan assets | - | - | - |
| Present value of benefit obligation | 1,570,151 | 533,925 | 258,316 |
| Fair value of plan assets | - | - | - |
| Excess of (obligation over plan assets) / plan assets over obligation | (1,570,151) | (533,925) | (258,316) |

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

| Particulars | (Amount in Rs.) | | | |
|----------------------------------|---------------------|---------------|---------------------------------|---------------|
| | Gratuity (Unfunded) | | Compensated Absences (Unfunded) | |
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Discount Rate | 8.25% | 8.50% | 8.25% | 8.50% |
| Expected Return on plan assets | N.A. | N.A. | N.A. | N.A. |
| Expected rate of salary increase | 5.00% | 5.00% | 5.00% | 5.00% |
| Mortality | IALM(2006-08) | IALM(2006-08) | IALM(2006-08) | IALM(2006-08) |
| Retirement Age (Years) | 60 | 60 | 60 | 60 |

N.A. - Not Applicable

The employer's 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. 1,444,441 (Previous Year Rs. 725,290) Rs. 606,821 (Previous Year Rs. 425,455) respectively.

* This is the third year in which the liabilities are actuarially valued as per the Projected Unit Credit Method, as is required under Accounting Standard (AS) 15 - "Employee Benefits". Accordingly the previous years figures have been furnished to the extent available.



Indiabulls Finance Company Private 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.) |
|---|--|--|
| (21) Finance costs | | |
| Interest on loans (Refer note no. 26) | 536,279,858 | 221,302,811 |
| Interest on commercial papers | 60,011,133 | 29,698,900 |
| Interest on taxes | 2,036,390 | 1,847,123 |
| Bank charges towards borrowings | 106,180 | 106,180 |
| | <u>598,433,561</u> | <u>252,955,014</u> |
| | | |
| (22) Other expenses | | |
| Insurance premium | - | 12,930 |
| Rates and taxes | 21,070 | 30,843 |
| Repairs & Maintenance others | 63,120 | - |
| Electricity Expenses | 35,776 | - |
| Rent and Other Charges ⁽¹⁾ | 271,742 | - |
| Commission Expenses | 36,000 | - |
| Share Issue Expenses | 271,800 | - |
| Service charges | - | 265,450 |
| Depository charges | 48,418 | 21,236 |
| Membership fees | 10,618 | 69,017 |
| Legal and professional charges | 538,599 | 9,768,830 |
| Stamp Papers/Stamp Duty charges | 229,360 | 209,096 |
| Printing and stationery | 7,377 | 5,691 |
| Bank charges | 3,506 | 39,147 |
| Travelling and conveyance | 1,200 | 26,516 |
| Expenditure on Social Responsibility | 7,657,000 | - |
| Provision for loan assets | 18,250,000 | - |
| Contingent provision against standard assets(Refer note no. 31(c)) | 994,413 | 8,945,011 |
| Payment to the auditors comprises (net of service tax input credit Rs. 57,938) (Previous year Rs. 57,938) | | |
| As auditors - Statutory audit | 796,350 | 796,350 |
| For certification | 79,635 | 79,635 |
| Reimbursement of expenses | 119,453 | 119,453 |
| | <u>29,635,437</u> | <u>20,389,205</u> |

(1) The Company has taken office premises on Lease and Leave & License basis at one location in India. Lease rent / License fees aggregating to Rs. 271,742 (Previous Year Rs. NIL) in respect of the same have been charged to the Statement of Profit and Loss. The agreement is executed for period of 6 years with a renewable clause. The agreement also provides right to both the parties for termination at any time before expiry of lease period by giving 2 months notice to other party. The minimum lease rentals outstanding as at March 31, 2015, are as under:

| Particulars | Minimum Lease Rentals | |
|---|--|--|
| | For the Year ended March 31, 2015 Amount (Rs.) | For the Year ended March 31, 2014 Amount (Rs.) |
| Not later than One year | 445,587 | - |
| Later than One year but not later than Five years | 2,016,559 | - |
| Later than Five Years | 204,534 | - |
| | <u>2,666,680</u> | <u>-</u> |

(23) Contingent liabilities not provided for in respect of:

(i) For Rs. 411,480 with respect to FY 2008-09 (Previous Year Rs. NIL) against disallowance U/s 14A of the Income Tax Act, 1961, against which the department has filed appeal before the ITAT against the order of CIT (Appeal).

(ii) For Rs. 395,210 with respect to FY 2009-10 (Previous Year Rs. NIL) against disallowance U/s 14A of the Income Tax Act, 1961, against which the department has filed appeal before the ITAT against the order of CIT (Appeal).

(24) The Company has complied with the Reserve Bank of India ("RBI") Directions in respect of "Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Directions, 2015"), dated March 27, 2015.

(25) The Company operates in one reportable business segment namely financing including IPO financing and other credit activities, and one reportable geographical segment, i.e. "within India". Hence, no separate information for segment wise disclosure is required in accordance with the requirements of Accounting Standard (AS) -17 'Segment Reporting'.



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(26) Disclosures in respect of Related Parties as per Accounting Standard (AS) – 18 'Related Party Disclosures':

Nature of relationship

Related party

(a) Related parties where control exists:

Holding Company

Indiabulls Housing Finance Limited (Refer note no. 3(iv))

(b) Other related parties:

Fellow Subsidiaries

Indiabulls Asset Reconstruction Company Limited
(Subsidiary of Indiabulls Advisory Services Limited)
Indiabulls Commercial Credit Limited
(formerly Indiabulls Infrastructure Credit Limited)
Indiabulls Insurance Advisors Limited
Indiabulls Life Insurance Company Limited
Indiabulls Capital Services Limited
Indiabulls Collection Agency Limited
Indiabulls Sales Limited
Indiabulls Advisory Services Limited
Nilgiri Financial Consultants Limited
(Subsidiary of Indiabulls Insurance Advisors 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)

Key Management Personnel

Mr. Ashwini Omprakash Kumar, Director
Mr. Sachin Chaudhary, Director
Mr. Kunal Sharma, Manager
Mr. Gagan Banga, Person exercising significant influence over the Company

(c) Significant Transactions with Related Parties during the year ended March 31, 2015:

| Nature of transaction | (Amount in Rs.) | | |
|---|----------------------|---------------------|----------------------|
| | Holding Company | Fellow Subsidiaries | Total |
| Finance | | | |
| Loans taken (maximum balance outstanding during the year) | 4,781,500,000 | 380,000,000 | 5,161,500,000 |
| | <i>3,998,000,000</i> | <i>430,000,000</i> | <i>4,428,000,000</i> |
| Expenses | | | |
| Interest on loans taken | 534,701,776 | 1,578,082 | 536,279,858 |
| | <i>220,498,975</i> | <i>803,836</i> | <i>221,302,811</i> |
| Interest on commercial Papers | 37,707,500 | - | 37,707,500 |
| | <i>29,698,900</i> | - | <i>29,698,900</i> |
| Employee benefits taken over | - | 1,305,119 | 1,305,119 |
| | <i>281,188</i> | - | <i>281,188</i> |
| Service charges (excluding taxes) | - | - | - |
| | <i>250,000</i> | - | <i>250,000</i> |
| Others | | | |
| Issue of Equity Shares including Share Premium | 1,000,020,000 | - | 1,000,020,000 |
| | - | - | - |
| Dividend paid | 1,278,260,928 | - | 1,278,260,928 |
| | - | - | - |
| Issue of commercial papers | 1,962,292,500 | - | 1,962,292,500 |
| | <i>1,618,856,700</i> | - | <i>1,618,856,700</i> |
| Redemption of commercial papers | 2,000,000,000 | - | 2,000,000,000 |
| | - | - | - |
| Buy back of commercial papers | - | - | - |
| | <i>648,555,600</i> | - | <i>648,555,600</i> |
| Purchase of bonds | - | - | - |
| | <i>463,074,658</i> | - | <i>463,074,658</i> |
| Sale of bonds | - | - | - |
| | <i>666,361,677</i> | - | <i>666,361,677</i> |

(Figures in respect of Previous years are stated in italics)



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(d) Outstanding balances:

| Particulars | (Amount in Rs.) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2015 | As at March 31, 2014 |
| Loans taken | | |
| - Indiabulls Housing Finance Limited | 460,000,000 | 3,998,000,000 |
| - Indiabulls Commercial Credit Limited | - | 430,000,000 |
| Amount receivable on assigned loans | | |
| - Indiabulls Housing Finance Limited | 1,104,218 | - |

(e) Statement of material transactions:

| Particulars | (Amount in Rs.) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
| Loans taken (maximum balance outstanding) | | |
| - Indiabulls Housing Finance Limited | 4,781,500,000 | 3,998,000,000 |
| - Indiabulls Commercial Credit Limited | 380,000,000 | 430,000,000 |
| Interest on loans taken | | |
| - Indiabulls Housing Finance Limited | 534,701,776 | 220,498,975 |
| - Indiabulls Commercial Credit Limited | 1,578,082 | 803,836 |
| Employee benefits taken over | | |
| - Indiabulls Housing Finance Limited | - | 281,188 |
| - Ibulls Sales Limited | 1,305,119 | - |
| Service charges (excluding taxes) | | |
| - Indiabulls Housing Finance Limited | - | 250,000 |
| Issue of Equity Shares including Share Premium | | |
| - Indiabulls Housing Finance Limited | 1,000,020,000 | - |
| Dividend Paid | | |
| - Indiabulls Housing Finance Limited | 1,278,260,928 | - |
| Issue of commercial papers | | |
| - Indiabulls Housing Finance Limited | 1,962,292,500 | 1,618,856,700 |
| Redemption of commercial papers | | |
| - Indiabulls Housing Finance Limited | 2,000,000,000 | - |
| Buy back of commercial papers | | |
| - Indiabulls Housing Finance Limited | - | 648,555,670 |
| Interest on commercial papers | | |
| - Indiabulls Housing Finance Limited | 37,707,500 | 29,698,900 |
| Purchase of bonds | | |
| - Indiabulls Housing Finance Limited | - | 463,074,658 |
| Sale of bonds | | |
| - Indiabulls Housing Finance Limited | - | 666,361,677 |

Note: Related party relationships as given above are as identified by the Company.

(27) Earnings per Equity Share (EPS):

Earnings Per Equity Share (EPS) as per Accounting Standard (AS)-20 "Earnings Per Share":

The basic earnings per Equity Share are computed by dividing the net profit attributable to Equity Shareholders for the year by 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 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 |
|--|--------------------------------------|--------------------------------------|
| Profit available for Equity Shareholders (Rs.) | 175,209,396 | 327,436,771 |
| Weighted average number of Shares used in computing Basic earnings per share (Nos.) | 9,471,747 | 7,608,696 |
| Add Potential Number of Equity Shares on Share Application money | 9,133 | - |
| Weighted average number of shares used in computing Diluted Earnings per Equity Share (Nos.) | 9,480,880 | 7,608,696 |
| Face value of Equity Shares - (Rs.) | 10.00 | 10.00 |
| Basic Earnings Per Equity Share - (Rs.) | 18.50 | 43.03 |
| Diluted Earnings Per Equity Share - (Rs.) | 18.48 | 43.03 |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(28) Changes in capital structure:

In pursuance of Section 61 of the Companies Act, 2013 and the rules framed thereunder and other applicable provisions, if any, and the Articles of Association of the Company, members of the Company in their meeting held on September 08, 2014 granted their approval for increase in the authorised share capital from Rs. 80,000,000/- to Rs. 110,000,000/-, divided into 11,000,000 equity shares of face value of Rs.10 each.

Consequent upon the increase in authorised share capital, on September 08, 2014, members of the Company, at their meeting held on September 09, 2014 granted their approval and the Company issued and allotted 3,333,400 equity shares of face value Rs. 10 per share at the premium of Rs 290 per share to its Holding Company, Indiabulls Housing Finance Limited ("IHFL").

(29) Schedule in terms of Annex I of Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 as at March 31, 2015;

| | | (Rs. In lakhs) | |
|-------------|---|--------------------|----------------|
| Particulars | | Amount Outstanding | Amount Overdue |
| | Liabilities side: | | |
| (1) | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | |
| | (a) Debentures : Secured | NIL | NIL |
| | : Unsecured | NIL | NIL |
| | (other than falling within the meaning of public deposits) | | |
| | (b) Deferred Credits | NIL | NIL |
| | (c) Term Loans | NIL | NIL |
| | (d) Inter-corporate loans and borrowing | 4,600.00 | NIL |
| | (e) Commercial Paper | 50,000.00 | NIL |
| | (f) Other Loans – (specify nature) | NIL | NIL |
| | | | |
| | Assets side: | | |
| | | (Rs. In lakhs) | |
| | | Amount Outstanding | |
| (2) | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: | | |
| | (a) Secured | | 69,317.39 |
| | (b) Unsecured | | 12,844.69 |
| (3) | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| | (i) Lease assets including lease rentals under sundry debtors: | | |
| | (a) Financial lease | | NIL |
| | (b) Operating lease | | NIL |
| | (ii) Stock on hire including hire charges under sundry debtors: | | |
| | (a) Assets on hire | | NIL |
| | (b) Repossessed Assets | | NIL |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | | NIL |
| | (b) Loans other than (a) above | | NIL |
| (4) | Break-up of Investments: | | |
| | Current Investments: | | |
| | 1. Quoted: | | |
| | (i) Shares (a) Equity | | NIL |
| | (b) Preference | | NIL |
| | (ii) Debentures and Bonds | | NIL |
| | (iii) Units of mutual funds | | NIL |
| | (iv) Government Securities | | NIL |
| | (v) Others (please specify) | | NIL |
| | 2. Unquoted: | | |
| | (i) Shares (a) Equity | | NIL |
| | (b) Preference | | NIL |
| | (ii) Debentures and Bonds | | NIL |
| | (iii) Units of mutual funds | | 1,951.02 |
| | (iv) Government Securities | | NIL |
| | (v) Others (please specify) | | NIL |
| | Long Term investments: | | |
| | 1. Quoted: | | |
| | (i) Shares (a) Equity | | NIL |
| | (b) Preference | | NIL |
| | (ii) Debentures and Bonds | | NIL |
| | (iii) Units of mutual funds | | NIL |
| | (iv) Government Securities | | NIL |
| | (v) Others (please specify) | | NIL |
| | 2. Unquoted: | | |
| | (i) Shares (a) Equity | | NIL |
| | (b) Preference | | NIL |
| | (ii) Debentures and Bonds | | NIL |
| | (iii) Units of mutual funds | | NIL |
| | (iv) Government Securities | | NIL |
| | (v) Others (please specify) | | NIL |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

| Category | Amount net of provisions | | |
|---|--|-------------------------------|-----------|
| | Secured | Unsecured | Total |
| (5) Borrower group-wise classification of assets financed as in (2) and (3) above: | | | |
| 1. Related Parties | | | |
| (a) Subsidiaries | NIL | NIL | NIL |
| (b) Companies in the same group | NIL | NIL | NIL |
| (c) Other related parties | NIL | NIL | NIL |
| 2. Other than related parties* | 69,317.39 | 12,662.19 | 81,979.58 |
| Total | 69,317.39 | 12,662.19 | 81,979.58 |
| * Excluding contingent provision against standard assets | | | |
| (6) Investor group-wise classification of all investments (current and long term) in Shares and securities (both quoted and unquoted): | | | |
| Category | Market Value / Break up or fair value or NAV | Book Value (Net of Provision) | |
| 1. Related Parties | | | |
| (a) Subsidiaries | NIL | | NIL |
| (b) Companies in the same group | NIL | | NIL |
| (c) Other related parties | NIL | | NIL |
| 2. Other than related parties | | | |
| Bonds | NIL | | NIL |
| Units of Mutual Funds | 1,951.02 | | 1,951.02 |
| Total | NIL | | NIL |
| (7) Other information | | | |
| Particulars | | | |
| (i) Gross Non-Performing Assets | | | |
| (a) Related parties | | | NIL |
| (b) Other than related parties | | | 1,825.00 |
| (ii) Net Non-Performing Assets | | | |
| (a) Related parties | | | NIL |
| (b) Other than related parties | | | 1,642.50 |
| (iii) Assets acquired in satisfaction of debt | | | |
| | | | NIL |

(30) Disclosures in terms of Paragraph 9.6 read with Annexure 4 of Revised Regulatory Framework for NBFC dated November 10, 2014 vide circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15:

(i) Capital

| Items | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|
| i) CRAR (%) | 38.85% | 47.90% |
| ii) CRAR - Tier I Capital (%) | 38.62% | 47.65% |
| iii) CRAR - Tier II Capital (%) | 0.23% | 0.25% |
| iv) Amount of subordinated debt raised as Tier-II capital | NIL | NIL |
| v) Amount raised by issue of Perpetual Debt Instruments | NIL | NIL |

(ii) Investments

| (Amount in Rs. crore) | | Current Year | Previous Year |
|-----------------------|--|--------------|---------------|
| Particulars | | | |
| (1) | Value of Investments | | |
| (i) | Gross Value of Investments | | |
| (a) | In India | 19.51 | - |
| (b) | Outside India | - | - |
| (ii) | Provisions for Depreciation | | |
| (a) | In India | - | - |
| (b) | Outside India | - | - |
| (iii) | Net Value of Investments | | |
| (a) | In India | 19.51 | - |
| (b) | Outside India | - | - |
| (2) | Movement of provisions held towards depreciation on investments. | | |
| (i) | Opening balance | - | - |
| (ii) | Add : Provisions made during the year | - | - |
| (iii) | Less : Write-off / write-back of excess provisions during the year | - | - |
| (iv) | Closing balance | - | - |

(iii) Forward Rate Agreement / Interest Rate Swap

| (Amount in Rs crore) | | Current Year | Previous Year |
|---|---|--------------|---------------|
| Particulars | | | |
| (i) | The notional principal of swap agreements | NIL | NIL |
| (ii) | Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | NIL | NIL |
| (iii) | Collateral required by the NBFC upon entering into swaps | NIL | NIL |
| (iv) | Concentration of credit risk arising from the swaps \$ | NIL | NIL |
| (v) | The fair value of the swap book @ | NIL | NIL |
| Note : Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed. | | | |
| \$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies. | | | |
| @ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date. | | | |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(iv) Exchange Traded Interest Rate (IR) Derivatives

| (Amount in Rs. crore) | | |
|-----------------------|--|--------|
| S. No. | Particulars | Amount |
| (i) | Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise) | NIL |
| (ii) | Notional principal amount of exchange traded IR derivatives outstanding as on 31st March (instrument-wise) | NIL |
| (iii) | Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) | NIL |
| (iv) | Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) | NIL |

(v) Disclosures on Risk Exposure in Derivatives

Quantitative Disclosures

| (Amount in Rs. crore) | | | |
|-----------------------|---|----------------------|---------------------------|
| Sl. No. | Particular | Currency Derivatives | Interest Rate Derivatives |
| (i) | Derivatives (Notional Principal Amount) | | |
| | For hedging | NIL | NIL |
| (ii) | Marked to Market Positions [1] | | |
| | a) Asset (+) | NIL | NIL |
| | b) Liability (-) | NIL | NIL |
| (iii) | Credit Exposure [2] | NIL | NIL |
| (iv) | Unhedged Exposures | NIL | NIL |

(vi) Disclosures relating to Securitisation

| S. No. | Particulars | No. / Amount in crore |
|--------|---|-----------------------|
| 1 | No of SPVs sponsored by the NBFC for securitisation transactions* | NIL |
| 2 | Total amount of securitised assets as per books of the SPVs sponsored | NIL |
| 3 | Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet | |
| | a) Off-balance sheet exposures | NIL |
| | First loss | NIL |
| | Others | NIL |
| | b) On-balance sheet exposures | NIL |
| | First loss | NIL |
| | Others | NIL |
| 4 | Amount of exposures to securitisation transactions other than MRR | |
| | a) Off-balance sheet exposures | |
| | i) Exposure to own securitizations | NIL |
| | First loss | NIL |
| | Loss | NIL |
| | ii) Exposure to third party securitisations | NIL |
| | First loss | NIL |
| | Others | NIL |
| | b) On-balance sheet exposures | |
| | i) Exposure to own securitisations | NIL |
| | First loss | NIL |
| | Others | NIL |
| | ii) Exposure to third party securitisations | NIL |
| | First loss | NIL |
| | Others | NIL |

*Only the SPVs relating to outstanding securitisation transactions may be reported here

(vii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

| (Amount in Rs. crore) | | | |
|-----------------------|---|--------------|---------------|
| | Particulars | Current year | Previous Year |
| (i) | No. of accounts | NIL | NIL |
| (ii) | Aggregate value (net of provisions) of accounts sold to SC / RC | NIL | NIL |
| (iii) | Aggregate consideration | NIL | NIL |
| (iv) | Additional consideration realized in respect of accounts transferred in earlier years | NIL | NIL |
| (v) | Aggregate gain / loss over net book value | NIL | NIL |



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(viii) Details of Assignment transactions undertaken by NBFCs

| (Amount in Rs. crore) | | | |
|-----------------------|---|--------------|---------------|
| | Particulars | Current year | Previous Year |
| (i) | No. of accounts | NIL | NIL |
| (ii) | Aggregate value (net of provisions) of accounts sold | NIL | NIL |
| (iii) | Aggregate consideration | NIL | NIL |
| (iv) | Additional consideration realized in respect of accounts transferred in earlier years | NIL | NIL |
| (v) | Aggregate gain / loss over net book value | NIL | NIL |

(ix) Details of non-performing financial assets purchased :

| (Amount in Rs. crore) | | | |
|-----------------------|---|--------------|---------------|
| | Particulars | Current year | Previous Year |
| 1 | (a) No. of accounts purchased during the year | NIL | NIL |
| | (b) Aggregate outstanding | NIL | NIL |
| 2 | (a) Of these, number of accounts restructured during the year | NIL | NIL |
| | (b) Aggregate outstanding | NIL | NIL |

(x) Details of Non-performing Financial Assets sold :

| (Amount in Rs. crore) | | | |
|-----------------------|----------------------------------|--------------|---------------|
| | Particulars | Current year | Previous Year |
| (i) | No. of accounts sold | NIL | NIL |
| (ii) | Aggregate outstanding | NIL | NIL |
| (iii) | Aggregate consideration received | NIL | NIL |

(xi) Maturity pattern of certain items of assets and liabilities as at March 31, 2015:

| (Amount in Rs. crore) | | | | | | | | | |
|------------------------------|--------------------------------|----------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|--------------|--------|
| | 1day to 30/31 days (one month) | Over one month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
| Deposits | - | - | - | - | - | - | - | - | - |
| Advances | 14.08 | 5.29 | 4.35 | 15.32 | 195.22 | 308.20 | 270.71 | 86.89 | 900.06 |
| | 6.94 | 2.09 | 2.11 | 29.54 | 33.77 | 461.29 | 132.38 | 105.85 | 773.97 |
| Investments | 19.51 | - | - | - | 0.25 | - | - | - | 19.76 |
| | - | - | - | - | 0.25 | - | - | - | 0.25 |
| Borrowings | 106.00 | 94.00 | - | - | - | 300.00 | 46.00 | - | 546.00 |
| | - | - | - | - | - | 442.80 | - | - | 442.80 |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - |

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission. (Figures in respect of Previous years are stated in italics)

(xii) Exposure to Real Estate Sector:-

| (Amount in Rs. crore) | | | As at March 31, 2015 | As at March 31, 2014 |
|---|---|-------------|----------------------|----------------------|
| Category | | | | |
| Direct Exposure | | | | |
| (i) | Residential Mortgages - | | | |
| | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | | 279.26 | 71.12 |
| (ii) | Commercial Real Estate - | | | |
| | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits. | | 307.67 | 377.94 |
| (iii) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | | | |
| | a. | Residential | - | - |
| | b. | Commercial | - | - |
| Total exposure to Real Estate Sector | | | 586.94 | 449.06 |

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission.



Indiabulls Finance Company Private Limited

Notes forming part of the financial statements for the Year ended March 31, 2015

(xiii) **Exposure to Capital Market**

| (Amount in Rs. crore) | | | |
|------------------------------|---|---------------------|----------------------|
| | Particulars | Current Year | Previous Year |
| (i) | direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | NIL | NIL |
| (ii) | advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | NIL | NIL |
| (iii) | advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | 86.23 | NIL |
| (iv) | advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | NIL | NIL |
| (v) | secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | NIL | 75.00 |
| (vi) | loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | NIL | NIL |
| (vii) | bridge loans to companies against expected equity flows / issues; | NIL | NIL |
| (viii) | all exposures to Venture Capital Funds (both registered and unregistered) | NIL | NIL |
| | Total Exposure to Capital Market | 86.23 | 75.00 |

(xiv) No Penalties has been imposed on the Company by RBI and other regulators for the Financial Year 2014-15.

(xv) The Company has been assigned the rating of "CRISIL A+" for 5 billion Commercial Paper Programme by CRISIL Ratings

(xvi) **Provisions and Contingencies**

| (Amount in Rs. crore) | | | |
|---|---------------------|----------------------|-------|
| Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account | | | |
| | Current Year | Previous Year | |
| Provisions for depreciation on Investment | - | - | - |
| Provision towards NPA | 1.83 | - | - |
| Provision made towards Income tax | 6.78 | - | 13.81 |
| Other Provision and Contingencies (with details) | | | |
| Provision for Standard Assets | 0.10 | - | 0.89 |

(xvii) **Concentration of Advances**

| (Amount in Rs. crore) | |
|--|--------|
| Total Advances to twenty largest borrowers | 617.90 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 75.21% |

(xviii) **Concentration of Exposures**

| (Amount in Rs. crore) | |
|--|--------|
| Total Exposure to twenty largest borrowers / customers | 617.90 |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers | 75.21% |

(xix) **Concentration of NPAs**

| (Amount in Rs. crore) | |
|---|-------|
| Total Exposure to top four NPA accounts | 18.25 |

(xx) **Sector-wise NPAs**

| Sl. No. | Sector | Percentage of NPAs to Total Advances in that sector |
|---------|---------------------------------|---|
| 1 | Agriculture & allied activities | NIL |
| 2 | MSME | NIL |
| 3 | Corporate borrowers | 2.24% |
| 4 | Services | NIL |
| 2 | Unsecured personal loans | NIL |
| 3 | Auto loans | NIL |
| 4 | Other personal loans | NIL |



(xxi) **Movement of NPAs**

| (Amount in Rs. crore) | | Current Year | Previous Year |
|-----------------------|---|--------------|---------------|
| (i) | Net NPAs to Net Advances (%) | 2.00% | 0.00% |
| (ii) | Movement of NPAs (Gross) | | |
| (a) | Opening balance | - | - |
| (b) | Additions during the year | 18.25 | - |
| (c) | Reductions during the year | - | - |
| (d) | Closing balance | 18.25 | - |
| (iii) | Movement of Net NPAs | | |
| (a) | Opening balance | - | - |
| (b) | Additions during the year | 16.42 | - |
| (c) | Reductions during the year | - | - |
| (d) | Closing balance | 16.42 | - |
| (iv) | Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| (a) | Opening balance | - | - |
| (b) | Provisions made during the year | 1.83 | - |
| (c) | Write-off / write-back of excess provisions | - | - |
| (d) | Closing balance | 1.83 | - |

(xxii) **Customer Complaints**

| | | |
|-----|--|-----|
| (a) | No. of complaints pending at the beginning of the year | NIL |
| (b) | No. of complaints received during the year | NIL |
| (c) | No. of complaints redressed during the year | NIL |
| (d) | No. of complaints pending at the end of the year | NIL |

(31) (a) Secured Loans and Other Credit Facilities given amounting to Rs. 6,931,738,998 (Previous year Rs. 6,446,320,214) are secured by Equitable mortgage of property and / or, pledge of shares, units, other securities, assignment of life insurance policies and / or, hypothecation of assets and / or, company guarantees or personal guarantees and / or, negative lien and include loans given against undertaking for creation of security.

(b) Provision for Loans and Other Credit Facilities in respect of Unsecured and Secured Loans granted is made as per the "Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Directions, 2015"), dated March 27, 2015.

(c) In terms of RBI Notification No. RBI/2010-11/370 DNBS.PD.CC.No.207/03.02.002/2010-11 dated January 17, 2011, every Non-Banking Financial Company is required to make an additional provision for standard assets at 0.25 percent of the outstanding standard assets. Accordingly, the Company has recognised Contingent Provisions against Standard Assets aggregating Rs. 20,084,270 (Previous year Rs. 19,089,856) as at March 31, 2015.

(32) Subsequent to the year end, the Board of Directors of the Company ("IFCPL"), Indiabulls Commercial Credit Limited ("ICCL") (formerly Indiabulls Infrastructure Credit Limited) (fellow subsidiary) have approved, the merger of IFCPL, on an ongoing basis, into ICCL, pursuant to and in terms of the provisions of Section 391 - 394 of the Companies Act, 1956, as amended from time to time. The merger is subject to approvals from regulatory authorities including Reserve Bank of India, the shareholder (Indiabulls Housing Finance Limited (the holding company)) and creditors of the Company and sanction by the Hon'ble High Court of Delhi at New Delhi.

The Appointed Date of the proposed merger is April 01, 2015 and shall be subject to all required regulatory and other statutory approvals, as applicable.

(33) 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 and Small 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.

(34) In terms of Circular no. RBI / 2010-11 /207 DNBS.(PD).CC. No. 200 /03.10.001/2010-11, dated September 17, 2010, every NBFC is required to become a member of at least one credit information Company. During the year, the Company has obtained the membership from Equifax Information Services Private Limited.

(35) The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.

(36) 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.

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

For and on behalf of the Board of Directors



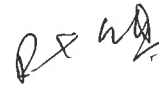
Kubeir Khara
Director
DIN : 03498226



Sachin Chaudhary
Director
DIN: 02016992



Amit Kumar Jain
Company Secretary



Akhil Gupta
CFO

Mumbai, April 24, 2015

