

Independent Auditor's Report

To the Members of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and 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 Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

Other Matter

9. The audit of financial statements for the year ended 31 March 2017 was carried out and reported by SAS & Co., Chartered Accountants *vide* their unmodified audit report dated 25 April 2017 whose audit report has been furnished to us by the management of the Company. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 23 April 2018 as per Annexure II expresses an unmodified opinion;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

per **Lalit Kumar**
Partner
Membership No.: 095256

Place: Gurugram
Date: 23 April 2018

Annexure I to the Independent Auditor's Report of even date to the members of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited), on the financial statements for the year ended 31 March 2018

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

Annexure I to the Independent Auditor's Report of even date to the members of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited), on the financial statements for the year ended 31 March 2018

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a *Nidhi* Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of non-convertible debentures. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. During the year, the Company has not made any preferential allotment or private placement of shares.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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

per **Lalit Kumar**
Partner
Membership No.: 095256

Place: Gurugram
Date: 23 April 2018

Annexure II to the Independent Auditor's Report of even date to the members of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited) on the financial statements for the year ended 31 March 2018

Annexure II

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

1. In conjunction with our audit of the financial statements of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited) ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Annexure II to the Independent Auditor's Report of even date to the members of IVL Finance Limited (Formerly known as Shivshakti Financial Services Limited) on the financial statements for the year ended 31 March 2018

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

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

per **Lalit Kumar**
Partner
Membership No.: 095256

Place: Gurugram
Date: 23 April 2018

IVL Finance Limited
(Formerly known as Shivshakti Financial Services Limited)
Balance Sheet as at 31 March 2018
(All amounts in Rs. unless stated otherwise)

	Note No.	As at 31 March 2018	As at 31 March 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	300,515,650	52,190,000
(b) Reserves and surplus	5	16,478,199,780	2,033,656,041
		<u>16,778,715,430</u>	<u>2,085,846,041</u>
(2) Non-current liabilities			
(a) Long-term borrowings	6	24,591,270,707	-
(b) Other long-term liabilities	7	18,304,239	-
(c) Long-term provisions	8	148,954,107	17,326,152
		<u>24,758,529,053</u>	<u>17,326,152</u>
(3) Current liabilities			
(a) Short-term borrowings	9	6,000,000,000	-
(b) Trade payables	10		
(i) total outstanding dues to micro and small enterprises		719,695	-
(ii) total outstanding dues of creditors other than micro and small enterprises		276,537,658	36,300
(c) Other current liabilities	11	7,283,415,682	54,956,668
(d) Short-term provisions	12	107,514,890	11,532,587
		<u>13,668,187,925</u>	<u>66,525,555</u>
	TOTAL	<u>55,205,432,408</u>	<u>2,169,697,748</u>
II. ASSETS			
(1) Non - current assets			
(a) Fixed assets			
(i) Property, plant and equipments	13	155,103,786	70,110
(ii) Intangible assets		307,468,124	-
(iii) Intangible asset under development		5,804,250	-
		<u>468,376,160</u>	<u>70,110</u>
(b) Non-current investments	14	677,225,356	-
(c) Deferred tax assets (net)	15	8,029,409	6,922,024
(d) Long-term loans and advances	16	30,879,099,909	661,596,780
		<u>31,564,354,674</u>	<u>668,518,804</u>
(2) Current assets			
(a) Current investments	17	3,764,446,817	1,125,000,000
(b) Cash and bank balances	18	9,486,608,593	14,504,784
(c) Short-term loans and advances	19	9,532,557,549	361,604,050
(d) Other current assets	20	389,088,615	-
		<u>23,172,701,574</u>	<u>1,501,108,834</u>
	TOTAL	<u>55,205,432,408</u>	<u>2,169,697,748</u>

Notes 1 - 41 form an integral part of these financial statements

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

For Walker Chandiook & Co LLP
Chartered Accountants

For and on behalf of the board of directors

per Lalit Kumar
Partner

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 23 April 2018

Place: Mumbai
Date: 23 April 2018

Place: Gurugram
Date: 23 April 2018

IVL Finance Limited
(Formerly known as Shivshakti Financial Services Limited)
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in Rs. unless stated otherwise)

	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
I. Revenue from operations	21	4,974,897,677	568,104,932
II. Other income	22	2,025,807,931	4,326,563
III. Total revenue (I + II)		7,000,705,608	572,431,495
IV. Expenses			
Employee benefits expense	23	421,998,801	4,435,245
Finance costs	24	1,367,950,855	45,023
Depreciation and amortisation	13	56,082,267	94,772
Other expenses	25	2,656,852,320	490,976,137
Total expenses		4,502,884,243	495,551,177
V. Profit before tax (III - IV)		2,497,821,365	76,880,318
VI. Tax expense:			
(1) Current tax		587,589,000	19,727,000
Less: MAT credit entitlement		-	(3,027,000)
(2) Tax credit for earlier years		(3,870,524)	(870,000)
(3) Deferred tax		(1,107,385)	(5,890,029)
		582,611,091	9,939,971
VII. Profit for the year (V-VI)		1,915,210,274	66,940,347
VIII. Earnings per equity share:			
(1) Basic	28	125.57	27.75
(2) Diluted		97.01	27.75
Face value per equity share		10.00	10.00

Notes 1 - 41 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

For and on behalf of the board of directors

per **Lalit Kumar**
Partner

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Nafees Ahmed **Rajeev Lochan Agrawal**
Director Chief Financial Officer
DIN: 03496241

Manish Rustagi
Company Secretary

Place: Gurugram
Date: 23 April 2018

Place: Mumbai
Date: 23 April 2018

Place: Gurugram
Date: 23 April 2018

IVL Finance Limited
(Formerly known as Shivshakti Financial Services Limited)
Cash Flow Statement for the year ended 31 March 2018
(All amounts in Rs. unless stated otherwise)

	<u>Year ended 31 March 2018</u>	<u>Year ended 31 March 2017</u>
A Cash flow from operating activities:		
Net profit before tax	2,497,821,365	76,880,318
Adjustments for:		
Depreciation and amortisation expenses	56,082,267	94,772
Provision for loan assets	262,549,532	414,431,645
Provision for gratuity and compensated absences	14,411,702	282,545
Finance costs	1,367,950,855	-
	<u>1,700,994,356</u>	<u>414,808,962</u>
Operating profit	4,198,815,721	491,689,280
Adjustments for:		
Decrease in trade and other receivables	(40,020,566,332)	(482,509,316)
Increase in investments	(3,316,672,173)	(1,125,000,000)
Increase in fixed deposits	(672,635,616)	-
Increase in other liabilities and provisions	<u>6,857,270,240</u>	<u>54,869,339</u>
	<u>(37,152,603,881)</u>	<u>(1,552,639,977)</u>
Cash used in operating activities	(32,953,788,160)	(1,060,950,697)
Income taxes paid (including tax deducted at source)	(522,378,503)	(55,269,449)
Net cash used in operating activities	<u>(33,476,166,663)</u>	<u>(1,116,220,146)</u>
B Cash flow from investing activities:		
Purchase of fixed assets including movement for capital advances	(540,090,872)	-
Intangible asset under development	(5,804,250)	-
Net cash used in investing activities	<u>(545,895,122)</u>	<u>-</u>
C Cash flow from financing activities:		
Proceeds from issue of equity shares (including securities premium)	10,027,659,115	1,100,009,600
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	2,750,000,000	-
Proceeds from term loans from banks	30,750,000,000	-
Repayment of term loans from banks	(2,840,288,433)	-
Proceeds from issue of non convertible debentures	1,000,000,000	-
Proceeds from issue of commercial papers	2,500,000,000	-
Finance costs paid	(1,365,840,704)	-
Net cash generated from financing activities	<u>42,821,529,978</u>	<u>1,100,009,600</u>
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,799,468,193	(16,210,546)
E Cash and cash equivalents at the beginning of the year	14,504,784	30,715,330
F Cash and cash equivalents at the close of the year (D + E)*	<u>8,813,972,977</u>	<u>14,504,784</u>

*These includes fixed deposits amounting to Rs. 3,201,223,032 (previous year: Rs. Nil) pledged with banks for overdraft facilities availed by the Company.

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IVL Finance Limited**(Formerly known as Shivshakti Financial Services Limited)****Cash Flow Statement for the year ended 31 March 2018**

(All amounts in Rs. unless stated otherwise)

Notes :

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

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

Cash in hand	42,125	3,605
Balances with banks:		
- in current accounts	5,612,707,820	14,501,179
- in fixed deposits with original maturity of less than three months	3,201,223,032	-
Cash and cash equivalents at the end of the year	<u>8,813,972,977</u>	<u>14,504,784</u>

Notes 1 - 41 form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

For and on behalf of the board of directors

per **Lalit Kumar**
Partner

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

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Company Secretary

Place: Gurugram
Date: 23 April 2018

Place: Mumbai
Date: 23 April 2018

Place: Gurugram
Date: 23 April 2018

IVL Finance Limited

(Formerly known as Shivshakti Financial Services Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note - 1

Company overview:

IVL Finance Limited (formerly Shivshakti Financial Services Limited) was incorporated on 27 October 1994 and is engaged in the business of financing and allied activities. The Company was registered under section 45-IA of the Reserve bank of India Act, 1934 to carry on the business of a Non banking Financial Company but does not have permission from the Reserve bank of India to accept public deposits.

IVL Finance Limited was incorporated with name of Malpani Securities Private Limited to carry on its business of stock and share broking, financing & related activities. In accordance with the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, the members of the company at their Extraordinary General Meeting held on 12 January 2010, accorded their approval to change the name of the company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 13 January 2010 in respect of the said change. Accordingly, the name of the Company was changed from Malpani Securities Private Limited to Shivshakti Financial Services Private Limited ("SFSPL" or "the Company"). In accordance with the provisions of Section 17 and other applicable provisions of the Companies Act, 1956, the members of the company at their Extraordinary General Meeting held on 24 December 2009, accorded their approval to amend in main objects of the company to carry the business of investment in various subsidiaries and also to invest, acquire, hold, purchase or procure equity shares, debentures, bonds, mortgages, obligations, securities of any kind issued or guaranteed by any company and provides loans and other credit facilities. In accordance with the provisions of Section 18 and other applicable provisions of the Companies Act, 2013, the members of the company at their Extraordinary General Meeting held on 7 October 2014, accorded their approval for conversion from private limited company to public limited company. The Company has since received a fresh certificate of incorporation consequent upon conversion from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 5 February 2015 in respect of the said change. Accordingly, the name of the Company was changed from Shivshakti Financial Services Private Limited to Shivshakti Financial Services Limited ("SFSL" or "the Company").

In accordance with the provisions of Section 4, 13 & 14 and other applicable provisions of the Companies Act, 2013, the members of the Company at their Extraordinary General Meeting held on 14 October 2016, accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies, National Capital Territory of Delhi & Haryana dated 19 October 2016 in respect of the said change. Accordingly, the name of the Company was changed from Shivshakti Financial Services Limited to IVL Finance Limited ("IVLFL" or "the Company")

Note - 2

Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Note - 3

Significant accounting policies:

a) Prudential norms:

The Company follows Reserve Bank of India ("RBI") Directions in respect of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17)" (RBI Directions, 2016), dated 1 September 2016, 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 in so far as they are not inconsistent with the RBI Directions, 2016.

b) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. 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.

c) Revenue recognition:

- i. Interest income from financing activities and others is recognised on an accrual basis. In terms of the RBI directions, 2016, interest income on Non-performing assets ("NPAs") is recognised only when it is actually realised.
- ii. Processing fees received in respect of loans given is recognised in the year in which loan is disbursed.
- iii. Additional interest/ overdue charges is recognised on realisation basis.
- iv. Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Instalments (EMI) comprising principal and interest. EMIs commence once the loan is disbursed. In case of pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.
- v. Income from Fee Income from Services is recognised on accrual basis.
- vi. Income from interest from fixed deposits is recognised on accrual basis.
- vii. Dividend income on units of mutual fund held by the Company are recognised on receipt basis as per the RBI directions, 2016

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

d) Fixed assets:

(i) Property, plant and equipment:

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation/ impairment losses, if any. Cost comprises purchase price and expense directly attributable to bringing the asset to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repaired and maintenance costs are recognised in the Statement of Profit and Loss.

(ii) Intangible assets:

Intangible assets are stated at their cost of acquisition less accumulated amortisation/ impairment losses, if any. Cost comprises purchase price and expense directly attributable to bringing the asset to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

e) Depreciation/ amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/ scrapping, as the case may be. Assets costing Rs. 5,000 or less per item are fully depreciated in the year of capitalisation.

Intangible assets consisting of software are amortised on a straight line basis over a period of four years from the date when the assets are available for use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

f) Impairment of assets:

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets, to the extent the amount was previously charged to the Statement of Profit and Loss.

g) Investments:

Investments are classified as long-term and current investments. Long-term investments are carried at cost less provision if any for any diminution other than temporary in their value. Current investments are valued at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

h) Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on 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 enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

i) Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised during the time period that is necessary to complete and prepare an asset for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

j) Employee benefits

i. Defined contribution plans:

The Company has a defined contribution plans namely provident fund, employees state insurance, labour welfare fund and employees national pension scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss. In respect of these contributions, the Company has no further obligations beyond making the contribution and hence, such employee benefit plans are classified as defined contribution plans.

ii. Defined benefits plan:

The Company has unfunded gratuity as defined benefit where the amount that employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. The liability recognised in the balance sheet for defined benefit plan is the present value of defined benefit obligation at the reporting date. The present value of defined benefit obligation is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method. Actuarial gains/ losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

iii. Other long-term benefit:

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains/ losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses as applicable.

k) Earnings per share

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

l) Equity index/ stock futures:

In accordance with the Guidance Note on 'Accounting for Equity Index and Equity Stock Futures and Options' issued by the Institute of Chartered Accountants of India, which is more fully explained below:

i. Initial Margin - Equity Index/ Stock Futures, representing the initial margin paid, and Margin Deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index/ stock futures which are released on final settlement / squaring-up of the underlying contract, are disclosed under Loans and Advances.

ii. Equity index/ stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin - Equity Index/ Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of index/ stock futures till the balance sheet date.

iii. As on the balance sheet date, profit/loss on open positions in equity index/ stock futures is accounted for as follows:

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

iv. On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in "Mark-to-Market Margin - Equity Index/Stock Futures Account" after adjustment of the provision for anticipated losses is recognised in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of equity index/stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring-up.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

n) Provisions and contingencies:

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

o) Cash and cash equivalents:

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

Note - 4

Share capital:

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of Rs. 10 each	58,500,000	585,000,000	5,219,000	52,190,000
Compulsorily convertible preference shares of Rs. 10 each	5,500,000	55,000,000	4,781,000	47,810,000
	64,000,000	640,000,000	10,000,000	100,000,000
Issued, subscribed and paid up				
Equity shares of Rs. 10 each	24,551,565	245,515,650	5,219,000	52,190,000
Compulsorily convertible preference shares of Rs. 10 each	5,500,000	55,000,000	-	-
	30,051,565	300,515,650	5,219,000	52,190,000

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

Equity shares

	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	5,219,000	52,190,000	2,316,600	23,166,000
Add: Issued during the year	19,332,565	193,325,650	2,902,400	29,024,000
Outstanding at the end of the year	24,551,565	245,515,650	5,219,000	52,190,000

Compulsorily convertible preference shares

	No. of shares	Amount	No. of shares	Amount
Opening balance at the beginning of the year	-	-	-	-
Add: Issued during the year	5,500,000	55,000,000	-	-
Outstanding at the end of the year	5,500,000	55,000,000	-	-

b. Terms/rights attached to equity shares/ compulsory convertible preference shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received 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.

The Company has only one class of preference shares having a par value of Rs. 10 per share. These can be converted in equity shares at any time up to 20 years from date of issuance. These shares carry 0.001% as dividend percentage which is to be paid as and when declare and approve by Board of directors.

c. Shares held by Holding Company

No. of shareholders	As at 31 March 2018		As at 31 March 2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	24,551,565	100%	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	5,219,000	100%

d. Shares held by shareholders holding more than 5% shares:

No. of shareholders	As at 31 March 2018		As at 31 March 2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	24,551,565	100%	-	-
Indiabulls Distribution Services Limited and its nominees	-	-	5,219,000	100%

e. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

f. Employee stock option schemes: (refer note 37)

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

	As at 31 March 2018	As at 31 March 2017
Note - 5		
Reserves and surplus:		
Securities premium reserve		
Balance as at the beginning of the year	1,862,985,600	792,000,000
Add: Additions during the year on account of issuance of shares	12,529,333,465	1,070,985,600
Balance at the end of the year	<u>14,392,319,065</u>	<u>1,862,985,600</u>
Capital redemption reserve		
Balance as at the beginning of the year	10,000,000	10,000,000
Balance at the end of the year	<u>10,000,000</u>	<u>10,000,000</u>
Reserve fund (U/s 45-IC of the Reserve Bank of India Act, 1934)		
Balance at the beginning of the year	35,641,366	22,253,297
Add: Amount transferred during the year *	383,042,055	13,388,069
Balance at the end of the year	<u>418,683,421</u>	<u>35,641,366</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	125,029,075	71,476,797
Add: Profit for the year	1,915,210,274	66,940,347
Amount available for appropriation (A)	<u>2,040,239,349</u>	<u>138,417,144</u>
Appropriations:		
Amount transferred during the year to Reserve Fund (U/s 45-IC of the RBI Act,1934) (B)*	383,042,055	13,388,069
Surplus balance carried forward (A)-(B)	1,657,197,294	125,029,075
	<u><u>16,478,199,780</u></u>	<u><u>2,033,656,041</u></u>

* In terms of Section 45-IC of the R.B.I. Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. As at the year end, the Company has transferred an amount of Rs. 383,042,055 (previous year Rs. 13,388,069) to the reserve fund.

Note - 6

Long-term borrowings

Secured		
Term loan from banks (refer note a)	25,403,846,154	-
Vehicle loans from banks (refer note b)	5,865,413	-
Less: Amount disclosed as current maturities of long-term debt (refer note 11)	(818,440,860)	-
	<u><u>24,591,270,707</u></u>	<u><u>-</u></u>

a) Term loans from banks* as at 31 March 2018 includes:

Particulars	Balances as at 31 March 2018
This loan is repayable in 13 quarterly installments commencing from December 2017 with last installment falling due in year 2020-21.	423,076,924
This loan is repayable in 16 quarterly installments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last installment falling due in year 2022-23.	1,000,000,000
This loan is repayable in 13 quarterly installments commencing from December 2017 with last installment falling due in year 2020-21.	1,480,769,230
This loan is repayable in payable in one installment in April 2019.	1,500,000,000
This loan is repayable in 2 equal annual installments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.	3,000,000,000
This loan is repayable in 2 equal annual installments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.	3,000,000,000
This loan is repayable in 2 equal annual installments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last installment falling due in year 2022-23.	5,000,000,000
This loan is repayable in Payable in one installment in September 2019.	10,000,000,000
Total	25,403,846,154

*** Notes:**

- Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash & cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts.
- Interest rate on term loans varies from 8.00% to 9.50% per annum.

(b) The vehicle loans are secured against hypothecation of the vehicles purchased. Such loans are repayable in equated monthly instalments for a period upto five years. Vehicle loans carries interest rate of 7.75% per annum.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts in Rs. unless stated otherwise)

	As at 31 March 2018	As at 31 March 2017
Note - 7		
Other long-term liabilities		
Lease equalisation reserve	18,304,239	-
	<u>18,304,239</u>	<u>-</u>
Note - 8		
Long-term provisions		
Provision for employee benefits		
Provision for gratuity (refer note 33)	15,558,403	729,384
Provision for compensated absences (refer note 33)	6,113,721	183,920
Other provisions		
Provision for loan assets	2,373,256	13,785,299
Contingent provisions against standard assets	124,908,727	2,627,549
	<u>148,954,107</u>	<u>17,326,152</u>
Note - 9		
Short-term borrowings		
Secured		
Term loans from bank (refer note a below)	2,500,000,000	-
8.50% non- convertible debentures (refer note b below)	1,000,000,000	-
Unsecured		
Commercial papers	2,500,000,000	-
	<u>6,000,000,000</u>	<u>-</u>
a) This loan is repayable in one installment in September 2018. The term loan is secured by way of first pari-passu charge on loan receivables & all current assets (including cash & cash equivalents) of the Company, both present and future; and on present and future loan assets of the Company. It carries interest rate of 8.35% per annum.		
b) Non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivables for the principal amount and interest thereon. These debentures are repayable in one installment in March 2019.		
Note - 10		
Trade payables		
Total outstanding dues of		
- micro and small enterprises (refer note 32)	719,695	-
- others	276,537,658	36,300
	<u>277,257,353</u>	<u>36,300</u>
Note - 11		
Other current liabilities		
Current maturities of long-term borrowings (refer note 6)	818,440,860	-
Interest accrued but not due	1,409,977	-
Statutory liabilities	119,179,040	54,956,668
Employee related payables	9,335,054	-
Temporary overdrawn balances as per books	6,308,386,391	-
Other payables	26,664,360	-
	<u>7,283,415,682</u>	<u>54,956,668</u>
Note - 12		
Short-term provisions		
Provision for employee benefits		
Provision for gratuity (refer note 33)	334,356	19,848
Provision for compensated absences (refer note 33)	98,967	5,171
Other provisions		
Provision for loan assets	-	5,502,735
Contingent provisions against standard assets	38,107,075	1,048,850
Provision for taxation	68,974,492	4,955,983
[Net of tax deducted at source/advance tax of Rs. 518,614,508 (previous year Rs. 81,368,369)]	<u>107,514,890</u>	<u>11,532,587</u>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

Note - 13

Fixed assets:

Particulars	Gross block (at cost)			Depreciation and amortisation			Net block	
	As at 1 April 2017	Additions	As at 31 March 2018	As at 1 April 2017	Additions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Property, plant and equipments								
Computers	353,652	113,738,700	114,092,352	321,214	12,055,983	12,377,197	101,715,155	32,438
Office equipments	343,392	22,285,540	22,628,932	305,720	1,411,729	1,717,449	20,911,483	37,672
Furniture	-	24,264,689	24,264,689	-	668,212	668,212	23,596,477	-
Vehicles	-	9,443,622	9,443,622	-	562,951	562,951	8,880,671	-
Sub total (A)	697,044	169,732,551	170,429,595	626,934	14,698,875	15,325,809	155,103,786	70,110
Intangible assets								
Softwares	-	348,851,516	348,851,516	-	41,383,392	41,383,392	307,468,124	-
Sub total (B)	-	348,851,516	348,851,516	-	41,383,392	41,383,392	307,468,124	-
Total (A)+(B)	697,044	518,584,067	519,281,111	626,934	56,082,267	56,709,201	462,571,910	70,110

Intangible assets under development, at cost							5,804,250	-
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Particulars	Gross block (at cost)			Depreciation and amortisation			Net block	
	As at 1 April 2016	Additions	As at 31 March 2017	As at 1 April 2016	Additions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Property, plant and equipments								
Computers	353,652	-	353,652	304,514	16,700	321,214	32,438	49,138
Office equipments	343,392	-	343,392	227,648	78,072	305,720	37,672	115,744
Total	697,044	-	697,044	532,162	94,772	626,934	70,110	164,882

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(All amounts in Rs. unless stated otherwise)

	As at 31 March 2018	As at 31 March 2017
Note - 14		
Non-current investments		
Investment in quoted equity shares of Reliance Industries Limited [No of shares 820,000 (previous year : nil) face value of Rs. 10 each]	677,225,356	-
	<u>677,225,356</u>	<u>-</u>
Aggregate book value of quoted investments	677,225,356	-
Aggregate market value of quoted investments	723,814,000	-
Note - 15		
Deferred tax assets (net):		
Deferred tax assets		
Arising on account of temporary differences due to:		
- Contingent provisions against standard assets	20,127,008	6,622,942
- Disallowances under Income-tax Act, 1961	7,650,253	270,613
- On account of lease equalisation reserve	6,334,731	-
- Difference between net block of fixed assets as per Companies Act, 2013 and written down value as per Income-tax Act, 1961	-	28,469
Deferred tax liabilities		
- Difference between net block of fixed assets as per Companies Act, 2013 and written down value as per Income-tax Act, 1961	26,082,583	-
Deferred tax assets (net)	<u>8,029,409</u>	<u>6,922,024</u>
Note - 16		
Long term loans and advances:		
(i) Loans and other credit facilities		
(considered good)		
Secured loans	15,924,308,212	-
Unsecured loans	14,856,346,220	656,887,307
(ii) Other unsecured loans and advances		
(unsecured and considered good)		
Capital advances	21,506,805	-
Security deposits	66,379,359	-
Prepaid expenses	10,559,313	-
Minimum alternative tax (MAT) credit entitlement	-	4,709,473
	<u>30,879,099,909</u>	<u>661,596,780</u>
Note - 17		
Current investments		
Investment in mutual funds- Unquoted		
- Indiabulls Liquid Fund - Direct Growth [No of units 589,508.14 (Previous year : 708,350.680) NAV Rs. 1,698.2479 (Previous year : Rs. 1588.50) per unit]	1,001,130,970	1,125,000,000
- Indiabulls Short Term Fund - Direct Plan - Growth [No of units 141,599.705 (Previous year : nil) NAV Rs. 1,512.3023 (Previous year : Rs. nil) per unit]	214,141,560	-
- Invesco India Liquid Fund - Direct Plan Growth [No of units 511,333.461 (Previous year : nil) NAV Rs. 2,445.9619 (Previous year : Rs. nil) per unit]	1,250,702,164	-
- JM Equity Fund-Monthly Dividend Option [No of units 35,793,030.381 (Previous year : nil) NAV Rs. 11.9538 (Previous year : Rs. nil) per unit]	428,030,954	-
- JM Balanced Fund - Direct - Annual Dividend [No of units 43,853,812.56 (Previous year : nil) NAV Rs. 19.8487 (Previous year : Rs. nil) per unit]	870,441,169	-
	<u>3,764,446,817</u>	<u>1,125,000,000</u>
Aggregate book value of unquoted investments	3,764,446,817	1,125,000,000
Aggregate market value of unquoted investments	-	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

	As at 31 March 2018	As at 31 March 2017
Note - 18		
Cash and bank balances		
Cash and cash equivalents		
Cash on hand	42,125	3,605
Balance with banks		
- in current accounts	5,612,707,820	14,501,179
- in fixed deposits with original maturity of less than three months ⁽ⁱ⁾	3,201,223,032	-
	<u>8,813,972,977</u>	<u>14,504,784</u>
Other bank balances		
- in deposits with original maturity of more than 3 months but remaining maturity of less than twelve months from balance sheet date ⁽ⁱ⁾	672,635,616	-
	<u>9,486,608,593</u>	<u>14,504,784</u>

(i) Fixed deposits includes:

- a. Rs. 2,500,000 (previous year: Rs. nil) pledged with the banks against bank guarantees issued by banks in favour of Unique Identification Authority of India.
- b. Rs. 120,000,000 (previous year: Rs. nil) pledged with the National Securities Clearing Corporation Limited (NSCCL) as margin money for trading account maintained with Indiabulls Ventures Limited.
- c. Rs. 3,751,358,648 (previous year: Rs. nil) pledged with banks for overdraft facilities availed by the Company.

Note - 19

Short-term loans and advances

(i) Loans and other credit facilities

(considered good)

Secured loans	2,868,344,256	-
Unsecured loans	6,369,320,293	262,212,430

(ii) Other unsecured loans and advances

(unsecured and considered good)

Advance to suppliers	81,958,928	-
Prepaid expenses	68,712,982	-
Goods and service tax credit and cenvat credit receivables	59,836,936	-
Advance income tax/ tax deducted at source	79,969,636	81,947,998
[Net of provision for taxation Rs. 29,191,106 (previous year Rs. 26,058,148)]		
Loan and advances to employees	4,414,518	-
Others	-	17,443,622
	<u>9,532,557,549</u>	<u>361,604,050</u>

Note - 20

Other current assets

Investment hedge accounting adjustments	46,588,644	-
Margin money desposits	41,798,170	-
Interest accrued but not due on:		
- Loans	289,104,138	-
- Deposits with banks	11,597,663	-
	<u>389,088,615</u>	<u>-</u>

IVL Finance Limited**(Formerly known as Shivshakti Financial Services Limited)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in Rs. unless stated otherwise)

	For the year ended 31 March 2018	For the Year ended 31 March 2017
Note - 21		
Revenue from operations		
Interest from financing activities	3,362,165,545	78,696,070
Bad debts recovered	-	89,408,862
Financial and other service fees	1,573,511,740	400,000,000
Foreclosure fees and other related income	39,220,392	-
	<u>4,974,897,677</u>	<u>568,104,932</u>
Note - 22		
Other income		
Dividend income on current investments	1,969,244,280	465,353
Profit on redemption of mutual funds	-	3,656,732
Interest on income tax refund	260,060	179,429
Interest on fixed deposits	26,343,786	-
Interest on bonds investments	23,695,205	-
Interest on commercial paper investments	6,264,600	-
Miscellaneous income	-	25,049
	<u>2,025,807,931</u>	<u>4,326,563</u>
Note - 23		
Employee benefits expense		
Salaries	398,200,631	4,075,983
Contribution to provident funds and other funds	5,551,189	720
Provision for gratuity (refer note 33)	10,164,214	307,892
Provision for compensated absences (refer note 33)	4,247,488	50,650
Staff welfare expenses	3,835,279	-
	<u>421,998,801</u>	<u>4,435,245</u>
Note - 24		
Finance costs		
Interest on intercorporate deposits	23,357,220	-
Interest on term loans	1,262,894,268	-
Interest on commercial papers	20,219,000	-
Interest on bank overdrafts	793,995	-
Interest on vehicle loans	270,940	-
Interest on non convertible debentures	932,000	-
Interest on taxes	700,174	-
Other borrowing costs	58,783,258	45,023
	<u>1,367,950,855</u>	<u>45,023</u>
Note - 25		
Other expenses		
Lease rent (refer note 29)	85,564,697	50,144
Rates and taxes	6,543,982	27,314
Professional charges	267,931,659	76,281,163
Membership fees	190,187	-
Electricity expenses	6,215,220	-
Business promotion	138,364,782	-
Commission expense	249,789,333	-
Loss on sale of investments	1,518,957,952	-
Communication expenses	23,330,408	-
Office maintenance	34,409,975	-
Printing and stationery	3,938,488	16,701
Stamp paper expenses	28,626,514	3,400
Auditors' remuneration*	1,000,000	25,000
Travelling expenses	5,067,786	1,866
Provision for loan assets	262,549,532	414,431,645
Repair and maintenance	6,633,132	128,904
Software expenses	13,334,184	-
Corporate social responsibility expenses (refer note 38)	656,000	-
Donations	150,000	-
Web hosting charges	2,890,995	-
Miscellaneous	707,494	10,000
	<u>2,656,852,320</u>	<u>490,976,137</u>
* Auditor's remuneration		
As auditor		
Statutory audit	1,000,000	25,000

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(All amounts in Rs. unless stated otherwise)

Note - 26
Segment reporting:

The Company operates in one reportable business segment namely – financing and investing related activities and one reportable geographical segment, i.e. “within India”. Hence, no separate information for segment wise disclosure is required primary segment information (by business segments) as per AS- 17 "Segment Reporting".

Note - 27
Related party disclosures:

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

(a) Details of related parties:
Description of relationship
Names of related parties

Ultimate holding company	Indiabulls Ventures Limited (upto 18 May 2017)
Holding company	Indiabulls Distribution Services Limited (upto 18 May 2017) Indiabulls Ventures Limited (w.e.f. 19 May 2017)
Fellow subsidiary companies (with whom transactions took place)	Gyansagar Buildtech Limited Pushpanjali Fincon Limited India Land and Properties Limited (upto 16 March 2017)
Key management personnel	Mr. Pinank Jayant Shah, Whole Time Director (w.e.f. 14 September 2017) and Chief Executive Officer Mr. Gagan Banga, Director (w.e.f. 22 March 2018) Mr. Alok Kumar Mishra, Director (w.e.f. 22 March 2018) Mr. Nafees Ahmed, Director (w.e.f. 14 September 2017) Mr. Ajit Kumar Mittal, Director (w.e.f. 14 September 2017) Mr. Ravinder, Whole Time Director (upto 14 September 2017) Mr. Jogender Singh, Whole Time Director (upto 14 September 2017) Mr. Sanjeev Kasyap, Director (upto 14 September 2017) Mr. Sameer Gehlaut, Individual exercising significant influence Mr. Divyesh B Shah, Chief Executive Officer and Whole Time Director of Indiabulls Ventures Limited

(b) Statement of transactions with related parties during the year ended 31 March 2018:

Particulars	Holding company		Fellow subsidiaries		Key management personnel	
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance						
Loans given						
(Maximum balance outstanding during the year):						
- Pushpanjali Fincon Limited	-	-	-	87,817,591	-	-
- Gyansagar Buildtech Limited	-	-	80,333,526	194,190,000	-	-
- Indiabulls Distribution Services Limited	130,000,000	130,000,000	-	-	-	-
Loans taken						
(Maximum balance outstanding during the year):						
- Indiabulls Ventures Limited	2,449,500,000	-	-	-	-	-
- Indiabulls Distribution Services Limited	2,625,000,000	-	-	-	-	-
Share Capital						
Issue of equity shares						
- Indiabulls Ventures Limited	10,027,659,115	-	-	-	-	-
- Indiabulls Distribution Services Limited	-	1,100,009,600	-	-	-	-
Issue of preference shares						
- Indiabulls Distribution Services Limited	-	-	2,750,000,000	-	-	-
Contingent liabilities						
Fixed deposits pledged						
- Indiabulls Ventures Limited	120,000,000	-	-	-	-	-
Corporate guarantees taken						
- Indiabulls Ventures Limited	31,000,000,000	-	-	-	-	-
Interest income						
- Pushpanjali Fincon Limited	-	-	-	7,741,442	-	-
- Gyansagar Buildtech Limited	-	-	484,174	10,616,407	-	-
- Indiabulls Distribution Services Limited	865,479	32,055	-	-	-	-
Expenses						
Brokerage paid						
- Indiabulls Ventures Limited	3,545,736	-	-	-	-	-
Interest expense						
- Indiabulls Ventures Limited	17,527,439	-	-	-	-	-
- Indiabulls Distribution Services Limited	5,829,781	-	-	-	-	-
Professional / consultancy fees						
- Pushpanjali Fincon Limited	-	-	-	7,500,000.00	-	-
- India Land and Properties Limited	-	-	-	62,500,000.00	-	-
Reimbursement of expenses paid						
- Indiabulls Ventures Limited	4,092,400	-	-	-	-	-
Remuneration						
- Pinank Jayant Shah	-	-	-	-	20,019,591	-
- Joginder Singh	-	-	-	-	337,714	765,000
- Ravinder	-	-	-	-	337,714	765,000

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Note - 27 (Continued)**(c) Outstanding at year ended 31 March 2018:**

Nature of transaction	Holding company		Fellow subsidiaries		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Loans given	-	130,000,000	-	272,337,591	-	402,337,591
Deposits	26,655,371	-	-	-	26,655,371	-
Corporate guarantees taken	31,000,000,000	-	-	-	31,000,000,000	-
Fixed deposits pledged	120,000,000	-	-	-	120,000,000	-

In accordance with AS 18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships are given above as identified by the Company and relied upon by the Auditors.

Note - 28**Earnings per share:**

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

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Net profit available for equity shareholders (Rs.)	1,915,210,274	66,940,347
Weighted average number of equity shares used for computing basic earnings per equity share	15,252,024	2,412,021
Weighted average number of equity shares used for computing diluted earnings per equity share	19,742,435	2,412,021
Face value of equity shares - (Rs.)	10.00	10.00
Earnings per equity share - basic (Rs.)	125.57	27.75
Earnings per equity share - diluted (Rs.)	97.01	27.75

Note - 29

The Company has taken office premises on operating lease at various locations and lease rent amounting to Rs. 85,564,697 (previous Year Rs. 50,144) in respect of the same have been charged to Statement of Profit and Loss. The agreements have been executed for a period ranging from 5 years to 9 years with a renewable clause and also provide for termination at will by either party giving a prior notice period of 30 to 90 days. The minimum lease rental outstanding are as under:

Particulars	As at 31 March 2018	As at 31 March 2017
Within one year	138,975,414	-
One to five years	547,723,221	-
More than five years	303,025,990	-

Note - 30**Expenditure in foreign currency:**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Software charges	2,121,249	-

Note - 31

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) - Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

Capital commitments at the balance sheet date as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Capital commitments	12,604,027	-

Note - 32**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	719,695	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are	-	-

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

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Note - 33
Employee benefits:
Defined contribution plans

Contribution are made to Government Provident Fund, National pension scheme, 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. 5,551,189 (previous year Rs. 720) in the Statement of Profit and Loss towards Employers contribution for the above mentioned funds.

Defined benefits plan

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

Disclosures in respect of defined benefit plan i.e. unfunded gratuity and other long-term benefits i.e. compensated absences:

Particulars	Gratuity (unfunded)		Compensated absences	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Reconciliation of liability recognized in the balance sheet				
Present value of commitments (as per actuarial valuation)	15,882,759	749,232	6,097,669	189,091
Fair value of plans	-	-	-	-
Net liability in the balance sheet (actuals)	15,882,759	749,232	6,097,669	189,091
Movement in net liability recognized in the balance sheet				
Net liability as at beginning of the year	749,232	517,337	189,091	138,441
Net expense recognized in the statement of profit and loss	10,164,214	231,895	4,857,191	50,650
Acquisition adjustments (on account of transfer of employees)	5,969,313	-	1,061,387	-
Benefits paid during the year	(1,000,000)	-	(10,000)	-
Contribution during the year	-	-	-	-
Net liability as at end of the year	15,882,759	749,232	6,097,669	189,091
Expense recognized in the statement of profit and loss				
Current service cost	3,562,460	69,643	1,549,893	20,655
Interest cost	177,351	41,387	49,722	11,075
Past service cost	2,336,326	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial losses	4,088,077	120,865	3,257,576	18,920
Expense charged to the statement of profit and loss	10,164,214	231,895	4,857,191	50,650
Reconciliation of defined-benefit commitments				
As at beginning of the year	749,232	517,337	189,091	138,441
Current service cost	3,562,460	69,643	1,549,893	20,655
Interest cost	177,351	41,387	49,722	11,075
Past service cost	2,336,326	-	-	-
Actuarial losses	4,088,077	120,865	3,257,576	18,920
Acquisition adjustments (on account of transfer of employees)	5,969,313	-	1,061,387	-
Benefits paid during the year	(1,000,000)	-	(10,000)	-
Commitments as at end of the year	15,882,759	749,232	6,097,669	189,091

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate - gratuity and compensated absences	7.80%	7.35%
Expected rate of salary increase	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

Experience adjustment:	Gratuity (unfunded)				
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
On plan liabilities (gain)	(8,374,150)	(54,367)	1,828	(235,912)	-
On plan assets (gain/ (loss))	-	-	-	-	-
Present value of benefit obligation	15,882,759	749,232	517,337	483,965	158,746
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	15,882,759	749,232	517,337	483,965	158,746

Experience adjustment:	Compensated absences				
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
On plan liabilities (gain)	(3,903,414)	(1,300)	18,028	21,490	(65,264)
On plan assets (gain/ (loss))	-	-	-	-	-
Present value of benefit obligation	6,097,669	189,091	138,441	124,098	113,927
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligation	6,097,669	189,091	138,441	124,098	113,927

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Note - 34

In terms of RBI/2014-15/299 DNBR (PD) CC.No. 002/03.10.001/2014-15 dated 10 November 2014 as amended, every Non Banking Financial Company ("NBFC") is required to make a general provision on standard assets at 0.40 percent (Previous year 0.30 percent) of the outstanding standard assets as at the year end. Accordingly, the Company has recognized contingent provisions against standard assets of Rs. 163,309,375 as at 31 March 2018 (Previous year Rs. 3,676,399).

Note - 35

Schedule in terms of Annex I of Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank)

Directions, 2015;

Particulars	As at 31 March 2018		As at 31 March 2017	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:				
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	1,000,932,000	-	-	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans	27,904,324,131	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	2,500,000,000	-	-	-
(f) Other loans - vehicle loan	5,865,413	-	-	-

Assets side:	Amount outstanding as at 31 March 2018	Amount outstanding as at 31 March 2017
(2) Break-up of loans and advances including bills receivables [other than those included in (4) below]:		
(a) Secured (net of provisions)	18,792,652,468	-
(b) Unsecured (net of provisions)	21,225,666,513	919,099,737
(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	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments :		
Current investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	3,764,446,817	1,125,000,000
(iv) Government securities	-	-
(v) Others (please specify)	-	-
Long-term investments:		
1. Quoted:		
(i) Shares: (a) Equity	677,225,356	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
2. Unquoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-

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Note - 35 (Continued)
(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

Category	Amount net of provisions as at 31 March 2018			Amount net of provisions as at 31 March 2017		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	18,792,652,468	21,225,666,513	40,018,318,981	-	919,099,737	919,099,737
Total	18,792,652,468	21,225,666,513	40,018,318,981	-	919,099,737	919,099,737

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 March 2018		As at 31 March 2017	
	Market Value	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	4,488,260,817	4,441,672,173	1,125,000,000	1,125,000,000
Total	4,488,260,817	4,441,672,173	1,125,000,000	1,125,000,000

(7) Other information:

Particulars	As at 31 March 2018	As at 31 March 2017
(I) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	20,796,822	-
(II) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	18,717,140	-

(III) Assets acquired in satisfaction of debt

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

(i) Disclosure for capital to risk assets ratio (CRAR):-

Items	As at 31 March 2018	As at 31 March 2017
(i) CRAR (%)	36.67%	90.04%
(ii) CRAR - Tier I Capital (%)	36.31%	88.93%
(iii) CRAR - Tier II Capital (%)	0.36%	1.11%

(ii) Exposure to real estate sector:-

Category	As at 31 March 2018	As at 31 March 2017
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	-	-
(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;	18,620,600,330	-
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the management for its regulatory submission which have been relied upon by the auditors.

(iii) Maturity pattern of assets and liabilities as at 31 March 2018:

	1 day to 30/31 days (1 month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	91,122	91,713	173,169,227	2,673,357,427	471,731,372	13,214,085,146	11,377,185,560	-
Market borrowings	-	-	2,500,000,000	-	1,000,000,000	-	-	-
Assets								
Advances	773,500,000	1,137,400,000	643,700,000	2,104,000,000	4,774,200,000	16,713,400,000	8,420,700,000	5,451,418,981
Investments	-	-	2,500,000,000	1,264,446,817	-	677,225,356	-	-

(iii) Maturity pattern of assets and liabilities as at 31 March 2017:

	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years
Liabilities								
Borrowings from banks	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-
Assets								
Advances	-	-	-	-	262,200,000	656,899,737	-	-
Investments	1,125,000,000	-	-	-	-	-	-	-

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Note - 35 (Continued)

The Company has complied with the Reserve Bank of India ("RBI") Directions in respect of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, dated 1 September 2016.

(iv) Capital to Risk Assets Ratio (CRAR)(Proforma)

CRAR (Proforma) (considering NIL risk weightage on Mutual fund investments):

Items	As at 31 March 2018	As at 31 March 2017
(i) Adjusted CRAR (%) - Proforma	40.00%	198.18%
(ii) Adjusted CRAR - Tier I Capital (%) - Proforma	39.61%	195.73%
(iii) Adjusted CRAR - Tier II Capital (%) - Proforma	0.39%	2.45%

Note - 36

Additional disclosures in terms of Annexure 4 of RBI Revised Regulatory Framework DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014, as at 31 March 2018:

i. Investments

Particulars	As at 31 March 2018	As at 31 March 2017
Value of investments		
A. Gross value of investments		
a) In India	4,441,672,173	-
b) Outside India	-	-
Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
Net value of investments		
a) In India	4,441,672,173	-
b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments.	-	-

ii. Disclosures relating to derivatives:

The Company has no investment in forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (previous year Rs. Nil)

iii. Disclosures relating to Securitisation:

The Company has no securitisation during the year. (previous year Rs. Nil)

iv. Exposure to capital markets

Particulars	As at 31 March 2018	As at 31 March 2017
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;	1,975,697,479	-
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;	-	-
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;	172,153,581	-
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;	-	-
v. secured and unsecured advances to stockbrokers and guaranties issued on behalf of stockbrokers and market makers;	-	-
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;	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-
Total exposure to capital market	2,147,851,060	-

v. Registration under other regulators

The Company is not registered under any other regulator other than Reserve Bank of India.

vi. Penalties imposed by RBI and other Regulators

No penalties have been imposed by RBI during the financial year 2017-18 (FY 2016-17 - NIL).

vii. Details of financing of parent company products

There is no financing during the current year.

viii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded

The Company has not exceeded the single borrower limit as set as Reserve Bank of India.

ix. Advance against intangible securities

The Company has not given any loans against intangible securities.

x. Draw down from reserves

The Company has made no drawdown from reserves.

IVL Finance Limited

(Formerly known as Shivshakti Financial Services Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

Note - 36 (Continued)
xi. Concentration of advances, exposures & NPA's
a. Concentration of advances

Particulars	As at 31 March 2018	As at 31 March 2017
Total advances to twenty largest borrowers	4,017,950,905	-
Percentage of advances to twenty largest borrowers to total advances of the NBFC	10.04%	-

b. Concentration of exposures

Particulars	As at 31 March 2018	As at 31 March 2017
Total exposures to twenty largest borrowers	4,017,950,905	-
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers	10.04%	-

c. Concentration of NPA's

Particulars	As at 31 March 2018	As at 31 March 2017
Total exposure to top four NPA accounts	16,129,428	-

d. Sector-wise distribution of NPA's

Particulars	Percentage of NPA's to total advances in that sector	
	As at 31 March 2018	As at 31 March 2017
Agriculture & allied activities	0.00%	-
MSME	0.00%	-
Corporate borrowers	0.02%	-
Services	0.03%	-
Unsecured personal loans	0.00%	-
Auto loans	0.00%	-
Other personal loans	0.00%	-

xii. Movement of NPAs

Particulars	As at 31 March 2018	As at 31 March 2017
a. Net NPAs to Net Advances (%)	0.05%	-
b. Opening gross NPA	-	-
Add : Addition during the year	20,796,822	-
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Gross NPA	20,796,822	-
c. Opening Net NPAs	-	-
Add: Addition during the year	20,796,822	-
Less: Upgraded during the year	-	-
Less: Recoveries during the year	-	-
Less: Write off	-	-
Closing Net NPAs	20,796,822	-
d. Movement of provisions for NPA (excluding provisions on standard assets)		
Opening balance	19,288,034	-
Provision made during the year	103,043,147	-
Write off/write back of excess provisions	-	-
Less: Write off	119,957,925	-
Closing balance	2,373,256	-

xiii. Overseas assets

There are no overseas asset owned by the Company.

xiv. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.

xv. The Company has been assigned the following credit ratings:

Instruments	As at 31 March 2018	As at 31 March 2017
Non-convertible debentures of Rs. 1,500 crores	CARE AA; Stable [Double A; Outlook: Stable]	-
Commercial paper facility of Rs. 750 crores	CARE A1+ (A One plus)	-
Bank loan facilities (Short-term and long-term) of Rs. 5,250 crores	CARE AA; Stable/Care A1+ [Double A; Outlook: Stable/A]	-
Commercial paper facility of Rs. 350 crores	BWR A1+	-

xv. Customer complaints

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	59	-
No. of complaints redressed during the year	58	-
No. of complaints pending at the end of the year	1	-

IVL Finance Limited**(Formerly known as Shivshakti Financial Services Limited)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in Rs. unless stated otherwise)

Note - 37**Employee Stock Option Scheme of Indiabulls Ventures Limited (IVL) "the holding Company":****a) Employees Stock Option Scheme - 2008**

During the financial year ended 31 March 2009, IVL had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, IVL was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of IVL. Employees covered by the plan were granted an option to purchase shares of IVL subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of IVL administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 17.40, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 24.15, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the eligible employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Expected volatility *	79.00%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
Option Life (Weighted Average) (in years)	11	6	6	6
Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended March 31, 2010, IVL had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IVL ESOP - 2009"). Under the Scheme, IVL was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of IVL and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 35.25, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in IVL, at an exercise price of Rs. 31.35, being the latest available closing market price on the National Stock Exchange of India Limited, as on 9 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended March 31, 2016, the Compensation Committee had regranted under the IVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in IVL, at an exercise price of Rs. 27.45, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, IVL had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 16.00 and Rs. 24.15 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 2 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, IVL has received request from various option holders to surrender 10,000,000 stock options, which has been accepted by IVL.

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in IVL, to the Eligible Employees, at an exercise price of Rs. 219.65 and Rs. 254.85 respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

IVL Finance Limited

(Formerly known as Shivshakti Financial Services Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

Note - 37 (Continued)

Particulars	IVL ESOP - 2009						
	10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

The other disclosures in respect of the above stock option schemes are as under:

Options granted (Nos.)	IVL ESOP - 2008			
	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting period and percentage	Ten years, 1st Yr. - 15% 2nd yr. to 9th yr. - 10% each yr. 10th yr. -	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.
Vesting date	Jan 25 th each year, commencing	Jul 2 nd each yr., commencing 2 July 2017	Sept 2 nd each yr., commencing 2 September	Mar 25 th each yr., commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding at the beginning of the year (Nos.)	1,526,316	9,700,000	-	-
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Expired during the year (Nos.)	9,299	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding at the end of the year (Nos.)	1,268,567	9,700,000	500,000	880,600
Vested and exercisable at the end of the year (Nos.)	922,314	1,940,000	-	-
Remaining contractual life (weighted months)	56	75	89	96

Options granted (Nos.)	IVL ESOP - 2009						
	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Uniformly over a period of Ten yrs.	Uniformly over a period of Ten yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.	Uniformly over a period of Five yrs.
Vesting date	Dec 2 nd each year, commencing 2 December 2010	Apr 13 th each year, commencing 13 April 2011	Aug 26 th each year, commencing 26 August 2016	May 13 th each year, commencing 13 May 2017	Jul 2 nd each year, commencing 2 July 2017	Sept 2 nd each year, commencing 2 September 2018	Mar 25 th each year, commencing 25 March 2018
Exercise price (Rs.)	-	-	-	-	-	-	-
Outstanding at the beginning of the year (Nos.)	-	450,000	-	9,153,000	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	242,400	-	30,000	-
Outstanding at the end of the year (Nos.)	-	150,000	-	7,152,500	-	9,970,000	669,400
Exercisable at the end of the year (Nos.)	-	-	-	72,500	-	-	-
Remaining contractual life (Weighted Months)	-	72	-	79	-	89	96

* Net of options surrendered before vesting.

IVL Finance Limited**(Formerly known as Shivshakti Financial Services Limited)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

(All amounts in Rs. unless stated otherwise)

Note - 38**Corporate social responsibility**

In terms of section 135 of the Companies Act, 2013, the Company was to spend a sum of Rs. 656,000 (previous year Rs. Nil) towards CSR activities during the year ended 31 March 2018. The details of amount actually spent by the Company are:

	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Gross amount required to be spent by the Company	656,000	-
(b) Amount spent on		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above*	656,000	-
- Yet to be paid	-	-
	656,000	-

*Contribution towards donation/corpus fund paid to Indiabulls Foundation

Note - 39**Financial risk management****Market risk- Price risk****a) Exposure**

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the balance sheet.

The Company's risk management policy is to hedge 100% of its market price fluctuation in respect of equity securities. The Company hedges its exposure to variability of expected fair value of the investments by entering into equity futures contract on a recognised stock exchange as part of its risk management policies with a maturity of less than one year from the reporting date. Such contracts are generally designated as fair value hedges.

The Company's equity investment are publicly traded and are included in the NSE Nifty 50 index.

Valuation techniques used to measure fair values

Specific valuation technique used to arrive at fair value of derivative contracts include the use of quoted market prices or dealer quotes or similar instruments.

Impact of hedging activities**a) Disclosure of effects of hedge accounting on financial position:**

Type of hedge and risk	Changes in fair value of hedging instrument	Maturity date	Hedge ratio	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Fair value hedge				
Market price risk				
Equity futures (loss)/gain	(44,029,709)	24 April 2018	1:1	46,588,644

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in fair value of hedging instrument	Change in fair value of hedged item	Hedge ineffectiveness recognised in Statement of Profit and Loss
Fair value hedge			
Equity futures (loss)/gain	(44,029,709)	46,588,644	2,558,935

The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed.

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IVL Finance Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(All amounts in Rs. unless stated otherwise)

Note - 40

In respect of amounts as mentioned under Section 124 (5) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2018 (previous year Rs. nil).

Note - 41

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

In terms of our report of even date attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

For and on behalf of the board of directors

per **Lalit Kumar**

Partner

Pinank Jayant Shah
Whole Time Director &
Chief Executive Officer
DIN: 07859798

Nafees Ahmed
Director
DIN: 03496241

Rajeev Lochan Agrawal
Chief Financial Officer

Manish Rustagi
Company
Secretary

Place: Gurugram
Date: 23 April 2018

Place: Mumbai
Date: 23 April 2018

Place: Gurugram
Date: 23 April 2018