



ANNUAL REPORT

INDIABULLS
VENTURES
LIMITED

2017

Contents

Corporate Information	01
Letter from the CEO	02
Directors' Report	05
Management Discussion and Analysis	37
Report on Corporate Governance	41
Consolidated Financials	56
Standalone Financials	103
Statement Pursuant to Section 129 of the Companies Act, 2013	145

Corporate Information

1

Board of Directors:

Mr. Sameer Gehlaut
Mr. Divyesh B. Shah
Mr. Gagan Banga
Mr. Ajit Kumar Mittal
Mr. Pinank Jayant Shah
Mrs. Vijayalakshmi Rajaram Iyer
Mr. Shyam Lal Bansal
Mr. Alok Kumar Misra
Mr. Aishwarya Katoch
Mr. Prem Prakash Mirdha
Retd. Brig. Labh Singh Sitara

Company Secretary:

Mr. Lalit Sharma

Chief Financial Officer:

Mr. Rajeev Lochan Agrawal

Statutory Auditors:

Deloitte Haskins & Sells LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
32nd Floor, Elphinstone Mill Compound,
Senapati Bapat Marg, Elphinstone (W),
Mumbai – 400 013

Internal Auditors:

N.D. Kapur & Co.
Chartered Accountants
0-24B, LGF, Jangpura Extension,
New Delhi – 110 014.

Secretarial Auditors:

A. K. Kuchhal & Co.
Company Secretaries,
C-154, Sector-51,
Noida- 201301

Registered Office:

M- 62 & 63, First Floor,
Connaught Place, New Delhi – 110 001
Email: helpdesk@indiabulls.com
Tel: 0124-6681199, Fax: 0124-6681240
Website: www.indiabullsventures.com

Corporate Offices:

Indiabulls House,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013

Indiabulls House, 448-451,
Udyog Vihar, Phase V,
Gurugram – 122 016

Registrars & Transfer Agents:

Karvy Computershare Pvt. Ltd.,
Unit: Indiabulls Ventures Limited,
Karvy Selenium, Tower B,
Plot No. 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032

Bankers:

Allahabad Bank
Andhra Bank
Axis Bank Ltd.
Bank of Baroda
Bank of India
Canara Bank
Citi Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IDFC Bank
IndusInd Bank
Kotak Mahindra Bank
Karnataka Bank Ltd.
Karur Vysya Bank
Oriental Bank of Commerce
Punjab and Sind Bank
Punjab National Bank
RBL Bank Ltd.
State Bank of India
Syndicate Bank
UCO Bank
Union Bank of India
Vijaya Bank
Yes Bank Ltd.

Letter from the CEO

Dear Shareholders and Friends,

It gives me great pleasure to share with you your Company's progress in the year under review and thoughts on the path ahead. The Company continues to consolidate and build its retail equity & broking and wealth management businesses supported by strong macroeconomic drivers. The Company is now also poised to scale new frontiers in other business areas that the country's changing demographics, economic landscape and the digital ecosystem present. Two major new business initiatives your Company has launched are consumer & MSME lending and asset reconstruction businesses.

Financial year 2016-17 was a momentous year dominated by the government's decision in November 2016 to demonetise high denomination currency notes. Belying initial apprehensions, economic activity bounced back to pre-demonetisation levels within the subsequent March 2017 quarter. Very importantly, the positive aftereffects of demonetisation are proving to be transformational. Digital payments' ecosystem received a tremendous fillip as industry participants increased focus and investments. End-customers and businesses too readily adopted and adapted to digital transactions. Today, the atmosphere in digital payments industry is charged up and is ripe for a future where digital distribution and fulfilment models will come to be the mainstay of retail credit and banking sectors.

Another immensely beneficial outcome of demonetisation has been the acceleration in disintermediation of Indian retail savings and investments. In a matter of three months demonetisation sucked nearly ₹ 15 trillion of currency in circulation into the banking system leading to a surge in banks' current account and savings account (CASA) balances. Since then this enormous liquidity has moved into more lucrative investments such as equity markets and mutual funds and from there into bond markets, especially as banks have cut CASA interest rates.

On the larger macroeconomic front, India is on very sound financial footing. The government met its fiscal deficit target of 3.5% of GDP and current account deficit contracted to 0.7% of GDP down from 1.1% in FY 2015-16. CPI inflation for the year ending March 2017 stood at 3.8% and slipped further to 2.2% in June 2017. GST implementation was smoothly accomplished and the government has been expending considerable efforts in increasing tax compliance. Early indicators point towards a very healthy expansion in tax base and tax collections boosting the government's ability to keep fiscal deficit in check.

The very positive outlook for fiscal deficit, contracting current account deficit, falling inflation and vastly increased bond market liquidity will ensure interest rates remain low and the outlook benign for an extended period of time. This represents a very marked shift for equity markets and also the lending industry where the advantage that banks enjoyed for the longest time in the form of low-cost CASA and deposits is now moving to non-banks through the bond markets in a low interest rate environment.

Retail Equity and Broking Business

The year saw a strong resurgence in capital markets propelled by demonetisation driven influx of liquidity into equity and debt markets. The capital markets brought cheer as they reached close to breaking the 30,000 barrier in March 2017; finally crossing this mark in April 2017. The resounding victory of the BJP in Uttar Pradesh state elections, the most populous and politically crucial state, and the passage of the GST bill in Rajya Sabha, also contributed to the scaling of this peak. India can look forward to a stable political regime and a continuation of economic policy.

Indiabulls Distribution Services Limited

As I write this, the Real Estate Regulation Act has been rolled out effective May 1 2017. With this the sector is



Mr. Divyesh B. Shah
CEO, Indiabulls Ventures Limited

expected to be more transparent, credible and attractive. With home ownership always being a priority ambition, these reforms should have a positive impact on the sector and boost buyer confidence. Demand is expected to go up as lending rates are expected to drop owing to surplus liquidity and lower cost of funds. Your Company is geared up to meet this change and reap the benefits in its wealth management business.

IVL Finance Limited

Digital Driven Consumer Lending: A Lucrative Business Opportunity

The consumer lending business is propelled by favourable demographics of an aspiring population supported by steady economic growth. 65% of India's 1.32 billion population is below 35 years of age, employment opportunities in burgeoning urban centres is driving urbanisation which is expected to rise to 40% from the present 31%. Disposable income is rapidly rising and per capita income grew by 9.7% in FY 2016-17 compared with 7.4% the year before. As an indication of the depth of the opportunity, India's household debt to GDP stands at 10.6% the lowest amongst BRICS countries compared with 44.4% for China and 60%+ for developed countries.

Consumer lending ecosystem has also transformed over the last decade. Credit bureaus have truly come of age and provide access to customer credit behaviour going back several years across all types of credit facilities availed by the customer. Detailed bureau data permits inference of repayment behaviour, amounts of EMIs serviced through the years, types of credit products and assets purchased - a house, a car etc. Advanced analytical tools, both provided by the bureau and customised solutions developed by lenders, allow construction of credit and behavioural scorecards. Resultantly, underwriting efficacy and efficiency have vastly improved: delinquencies in consumer lending products, especially in unsecured products like personal loans, are at an all-time low for the industry.

Another crucial business challenge in consumer lending has been operating expenses. Here again digital channels of fulfilment are proving to be transformational. The reach multiplies manifold and the inherent low transaction costs of a low-manpower channel is further pared down by scale. The government is deserving of immense credit on this front. The adoption of Aadhar platform is driving digital credit and banking transformation by enabling crucial elements such as e-signature, e-payments, online EMI repayment mandates and online customer verification. Demonetisation driven push towards digital payments has ensured that these crucial elements have not remained restricted to a few marginal early adopters but is now actively used by the mainstream.

To tie all of this together, I am very enthused by the opportunity that digital driven consumer lending represents. Fortuitously, Indiabulls group is a reservoir of deep lending expertise and enjoys immense support and goodwill amongst important stakeholders like banks and debt market participants, and our long standing shareholders like yourselves. Our strong IT expertise, a crucial component in all of the group's businesses, has proven execution capabilities. We are in the process of building the digital platform to address this vast consumer lending opportunity and this vertical is expected to significantly add to the consolidated bottom line of the Company. This business will be conducted under 'IVL Finance Ltd', a wholly owned subsidiary of your Company which is an NBFC registered with RBI.

MSME Lending: A Vast Opportunity That Has Come of Age

IVL Finance Ltd will also cater to meet the funding requirements of small and medium businesses (Business Loans). There are more than 51 million medium and small enterprises (MSME) in the country, employing circa 117.1 million people. 95% of these are micro enterprises and the remainder 5% are small and medium enterprises. In our country, MSMEs account for 37.5% of GDP, 45% industrial output and 40% of exports. As per an IFC report, there is a capital shortfall of ₹ 32.5 trillion in the MSME sector, of which the debt shortfall is ₹ 26 trillion. Bank funding to this sector is only ₹ 8 trillion. Hence, this represents a huge opportunity.

In the MSME sector also demonetisation and GST represent transformational steps. Sections of MSMEs dominated by cash transactions have to now move to dealing through formal banking channels and bring their transactions on-books. Clients of MSME firms will insist on GST compliance as otherwise they will not be able to avail of tax credits and will have to bear the entire GST burden. This will pull the MSME sector business dealings into the formal sphere permitting proper credit assessment. This represents an immense opportunity and one that we are fully prepared to address.

Analytics Backbone

Over the last decade data sources, data availability and data quality have tremendously improved. Credit bureaus and start-ups that provide access to tax data bases and customer bank accounts, permit comprehensive credit assessment at computing speeds. Data solutions and advanced analytics tools have enabled predictive analytics to anticipate customer needs and offer tailor-made credit solutions. Analytics, backed by the top-of-the-line technology, is going to be the backbone of our lending business. Business analytics, credit scoring and credit bureau data will be used to process loan applications in real-time.

Indiabulls Asset Reconstruction Company Ltd.

Your Company is also entering the Asset Reconstruction Business (ARC) under its wholly owned subsidiary, Indiabulls Asset Reconstruction Co. Ltd (ARC). IVL, as a sponsor, owns 100% equity in the ARC, and has already infused ₹ 100 Crs as equity in it. I am very happy to share that we have recently been granted the Certificate of Registration (CoR) by the Reserve Bank of India and the core team is already on board. We are all set to commence operations shortly. This business offers a very attractive opportunity given the current thrust and resolve of the Government and RBI to resolve the stressed assets situation in the banking industry. Here again the depth of lending and real estate expertise within the Indiabulls Group will stand us in good stead.

Corporate Social Responsibility: Indiabulls Foundation

Your Company prides itself in being a responsible corporate citizen. CSR initiatives are close to my heart and we carry along all employees of the organisation, seeking their active participation and keeping them abreast of our CSR efforts. Indiabulls' CSR arm, Indiabulls Foundation, has focused on areas like healthcare, education, art and culture, nutrition, sanitation and rural development. In healthcare, the foundation operates 20 mobile vans. The Foundation's healthcare outreach has helped diagnose and treat 765,000 patients to date. The Foundation conducts free cleft and palate surgeries in impoverished rural areas of the country and 600 such successful surgeries were performed this year.

An important area of focus for the Foundation is rural education. The Foundation contributed 1,000 computers to tribal ashram schools, night schools and shelter homes across Maharashtra state. Scholarships were offered to over 600 meritorious students enabling them to pursue higher studies.

I wish to assure you that the organisation is hard at work rising to the opportunities presented across our business lines. I have every confidence that your Company will achieve a new growth trajectory and emerge as an integrated financial services provider, straddling securities, third party distribution/non-discretionary wealth management products, consumer lending and asset reconstruction businesses. I convey my deep gratitude to all our stakeholders including our lenders and customers for their support and their faith in us. I am also grateful to our regulators for their wholehearted support and guidance. I especially thank our every shareholder for your continuing confidence and faith in us.

Thank you!

Divyesh B. Shah

Whole-time Director & CEO

Directors' Report

5

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Second Annual Report and the audited statement of accounts of the Company for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The highlights of the standalone financial results for the financial year ended March 31, 2017 are as under:

	Year ended 31-Mar-17 (Amount in Rs.)	Year ended 31-Mar-16 (Amount in Rs.)
Profit before Depreciation & Amortisation expenses and Tax	609,004,115	286,998,928
Less: Depreciation & Amortisation expenses	16,226,995	25,677,731
Profit before Tax	592,777,120	261,321,197
Less: Provision for Taxation & prior period tax adjustments	121,847,591	92,668,834
Profit after Tax and prior period tax adjustment	470,929,529	168,652,363
Add: balance of profit brought forward	81,63,762	864,671,275
Amount available for appropriation	479,093,291	1,033,323,638
Appropriations		
Interim Dividend on Equity Shares	320,206,920	877,132,756
Corporate Dividend Tax on Interim Dividend on Equity Shares	15,269,644	148,027,120
Transfer to General Reserves	—	—
Balance of profit carried forward to Balance Sheet	143,616,727	8,163,762

The Total Revenue of the Company during the financial year ended March 31, 2017 was Rs. 151.42 crores with a net profit of Rs. 47.09 crores. The Company proposes to retain the entire amount of Rs. 143,616,727 in the statement of profit & loss. The consolidated revenue of the Company was Rs. 509.11 crores and the consolidated net profit was Rs. 102.25 crores.

DIVIDEND

In keeping with the Company's policy of rewarding its shareholders, the Board of Directors of the Company, had, for the financial year 2016-17, declared interim dividend of Re. 1/- per share on shares of face value Rs. 2/- each, in its meeting held on March 17, 2017.

During the financial year 2016-17, the unclaimed dividend pertaining to the financial year ended March 31, 2009, got transferred to Investor Education and Protection Fund, after giving due notice to the members. Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or Karvy Computershare Private Limited.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

To achieve the highest standards of Corporate Governance in its management and to introduce a true sense of professionalism in the Board of the Company (the Board), the following individuals have been appointed as the Additional Directors on the Board with effect from August 28, 2017:

- Mr. Sameer Gehlaut (DIN: 00060783), as Non - Executive Chairman of the Company.
- Mr. Gagan Banga (DIN: 00010894), as Non-Executive Director of the Company.
- Mr. Ajit Kumar Mittal (DIN: 02698115), as Non-Executive Director of the Company.
- Mr. Pinank Jayant Shah (DIN: 07859798), as Whole-Time Director and Key Managerial Personnel of the Company, designated as its Executive Director.

Directors' Report (contd.)

- (e) Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960), Ex-Member, Finance & Investment and Enforcement, Insurance Regulatory and Development Authority of India, and Ex-Chairman & Managing Director of Bank of India, as Independent Director of the Company.
- (f) Mr. Shyam Lal Bansal (DIN: 02910086), Ex-Chairman & Managing Director of Oriental Bank of Commerce, as Independent Director of the Company.
- (g) Mr. Alok Kumar Misra (DIN: 00163959), Ex-Chairman & Managing Director of Bank of India, as Independent Director of the Company.

Being Additional Directors, the respective appointments of all the above mentioned individuals, on the Board is upto the date of ensuing Annual General Meeting. Keeping in view of their leadership and guidance abilities, wide and rich professional knowledge and experience, in diverse fields viz. finance, banking, regulatory and public policy etc., the Board recommends the appointment of all these Directors at the ensuing Annual General Meeting of the Company.

During the year Mr. Ashok Kumar Sharma (DIN: 00010912) had resigned from the Board w.e.f. August 26, 2016. Mr. Amiteshwar Choudhary (DIN: 01679090) (who was appointed on the Board on September 28, 2016) and Ms. Pia Johnson (DIN: 00722403) have resigned from the Board w.e.f. August 28, 2017. The Board has placed on record its appreciation for the contribution made by Mr. Sharma, Mr. Choudhary and Ms. Johnson, during their tenure of office.

All the Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act, 2013 (the Act).

In accordance with the provisions of Section 152 of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. Divyesh B. Shah (DIN: 00010933), Whole-time Director and CEO of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment. The Board recommends his re-appointment.

Present composition of the Board is provided in the Report on Corporate Governance, presented in a separate section forming part of this Annual Report. The brief resume of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, terms of appointment and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, are provided in the Notice convening the 22nd Annual General Meeting of the Company.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2017, was Rs. 640,413,840 comprising of 320,206,920 equity shares of face value of Rs. 2/- each.

Subsequently, during the current financial year till the date of this report, the Company has issued and allotted the following securities:

- (i) Pursuant to and in terms of shareholders' approval dated July 15, 2016 and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (ICDR Regulations), the Company, on April 10, 2017, had allotted 33,650,000 fully Paidup equity shares of face value of Rs. 2/- each against conversion of 33,650,000 convertible warrants earlier issued on preferential basis to certain promoter group entities and Whole-time Director and CEO of the Company.
- (ii) Pursuant to and in terms of shareholders' approval dated April 25, 2017 and in terms of Chapter VII of ICDR Regulations, the Company, on April 28, 2017, has issued and allotted an aggregate of 33,800,000 warrants, convertible into equivalent number of equity shares of face value of Rs. 2 each at a conversion price of Rs. 43.75 (including a premium of Rs. 41.75) per equity share, to certain promoter group entities of the Company.
- (iii) Pursuant to and in terms of shareholders' approval dated May 6, 2017 and in terms of Chapter VII of ICDR Regulations, the Company, on May 10, 2017, has issued and allotted an aggregate of 38,865,582 fully paid up equity shares of face value of Rs. 2/- each of the Company, at an issue price of Rs. 58.40 (including a premium of Rs. 56.40) per equity share, to Cinnamon Capital Limited, a Category III foreign portfolio investor registered with the Securities and Exchange Board of India.

Directors' Report (contd.)

7

- (iv) The Company, on May 15, 2017, has issued and allotted 519,900 fully paid up equity shares of face value Rs. 2/- each of the Company, to eligible employees upon exercise of options vested in their favour under –'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008' and 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'.
- (v) Pursuant to and in terms of shareholders' approval dated May 22, 2017 and in terms of Chapter VII of ICDR Regulations, the Company, on June 6, 2017, has issued and allotted an aggregate of 47,390,000 fully paid up equity shares of face value of Rs. 2/- each of the Company, at an issue price of Rs. 94.70 (including a premium of Rs. 92.70) per equity share, to Tamarind Capital Pte Ltd, a company incorporated in Singapore.
- (vi) The Company, on June 20, 2017, has issued and allotted 1,758,600 fully paid up equity shares of face value Rs. 2/- each of the Company, to eligible employees upon exercise of options vested in their favour under –'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008' and 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'.

As a result of the aforesaid allotments of equity shares, the paid up share capital of the Company stands increased to Rs. 884,782,004 comprising of 442,391,002 equity shares of Rs. 2/- each.

EMPLOYEE STOCK OPTIONS

During the year under review, on May 12, 2016, the Company had granted 9,500,000 Stock Options under "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009", to certain eligible employees, at an exercise price of Rs. 16/- per option. Further, on July 1, 2016, the Company had granted an aggregate of 19,700,000 Stock Options, (9,700,000 Stock Options under "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" and 10,000,000 Stock Options under "Indiabulls Ventures Limited Employees Stock Option Scheme – 2009") to certain eligible employees, at an exercise price of Rs. 24.15 per option. All these schemes are in compliance with SEBI (Share Based Employee Benefits) Regulation 2014.

The disclosures required to be made in compliance with the applicable regulations are set out in the Annexure to this Report and have been placed on the website of the Company <http://www.indiabullsventures.com/>.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2017-18 have been paid. The GDRs issued by the Company continue to remain listed on Luxembourg Stock Exchange.

AUDITORS

(a) Statutory Auditors

In compliance with the applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the existing term of M/s Deloitte Haskins & Sells LLP (Firm Regn. No. 117366W / W-100018), Chartered Accountants, as the Statutory Auditors of the Company shall come to an end at the conclusion of the ensuing Annual General Meeting of the Company and are not eligible for re-appointment as the Statutory Auditors of the Company. The Board places on record its appreciation for the services rendered by M/s. Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company.

The Board, on the proposal of the Audit Committee, have recommended for the appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants (ICAI Registration No.: 001076N/N500013), (a member of Grant Thornton International), as the Statutory Auditors of the Company for a term of 5 years, subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s Walker Chandiok & Co LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in

Directors' Report (contd.)

accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Walker Chandiok & Co LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation.

(b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s A. K. Kuchhal & Co., a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2016-17. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2016-17, is annexed as "Annexure 1" and forming part of this Report. The Report is self – explanatory and therefore do not call for any further explanation.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Education, Animal Welfare/Development and Health, as per its CSR Policy (available on your Company's website <http://www.indiabullsventures.com/>) and the details are contained in the Annual Report on CSR Activities given in "Annexure 2", forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), Management's Discussion and Analysis Report (MDA), for the year under review, is presented in a separate section forming part of this Annual Report. The disclosures made under MDA is to be read together with this Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 24 of SEBI LODR Regulations, a separate section on Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, form part of this Annual Report, which is to be read together with this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2017 and the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.