

Indiabulls Wholesale Services Limited

2015-2016
**ANNUAL
REPORT**



Indiabulls

Indiabulls Wholesale Services Limited

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Company Information

Board of Directors

Col. Surinder Singh Kadyan (Retd.)
Mr. Mehul Johnson
Ms. Pia Johnson
Mr. Shamsher Singh Ahlawat
Mr. Joginder Singh Kataria
Mr. Rajinder Singh Nandal

Company Secretary

Ms. Priya Jain

Chief Financial Officer

Mr. Saurabh Garg

Statutory Auditors

M/s Agarwal Prakash & Co.
Chartered Accountants
508, Indra Prakash,
21, Barakhamba Road,
New Delhi - 110 001

Internal Auditors

MRKS and Associates
Chartered Accountants
610, Best Sky Towers,
Netaji Subhash Place,
Pitampura, New Delhi-110034

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032

Registered Office

M – 62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001
CIN: L51101DL2007PLC166209
Website: www.indiabulls.com/wholesale
E-mail: helpdesk@indiabulls.com
Tel: 0124-6681199, Fax: 0124-6681240

Corporate Offices

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

Indiabulls Finance Center,
Tower 1, Elphinstone Mills,
Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013
Maharashtra

Bankers

HDFC Bank Limited
State Bank of India
IDBI Bank Limited
Yes Bank Limited
Axis Bank Limited

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report together with audited statement of accounts for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The highlights of the standalone financial results of the Company for the financial year ended March 31, 2016 are as under:

Particulars	Amount in ₹	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Profit before Tax and Depreciation	5,347,330	178,403,902
<i>Less:</i> Depreciation and amortization expense	1,046,595	2,016,984
Profit before Tax	4,300,735	176,386,918
<i>Less:</i> Provision for Tax	(3,233,612)	42,684,699
Profit after Tax	7,534,347	133,702,219
Profit/ (Loss) brought forward	195,834,507	66,234,839
<i>Less:</i> Adjustments due to depreciation*	—	1,675,453
Amount available for appropriation	203,368,854	198,261,605
<i>Less:</i> Appropriations:		
Proposed dividend on preference shares	2,265,930	2,265,930
Corporate dividend tax thereon	95,834	161,168
Interim dividend on equity shares	—	—
Corporate dividend tax thereon	—	—
Transfer to general reserve	—	—
Balance carried forward to Balance Sheet	201,007,090	195,834,507

* Impact of transitional provision provided in Note 7(b) of Schedule II of Companies Act 2013.

OPERATIONS AND BUSINESS REVIEW

The total income of the Company during the year was ₹ 1719.00 lacs with a profit after tax of ₹ 75.34 lacs. The consolidated revenue of the Company was ₹ 31,267.48 lacs with a profit after tax of ₹ 707.64 lacs. The Company, directly and through its subsidiaries, is primarily engaged in the businesses of real estate development, providing management and maintenance services, construction advisory and other related services, charter business of aircraft, trade in all kinds of sculptures, paintings and art graphics etc. Your directors believe that all of these businesses have huge potential & scope for further business development.

DIVIDEND

In order to utilize the profits for future business requirements of the Company, your Directors do not recommend any dividend.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Col. Surinder Singh Kadyan (Retd)

Directors' Report (contd.)

(DIN: 03495880), Executive Director, retire by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board of Directors recommends his re-appointment.

The present composition of the Board along with the brief resume of Col. Surinder Singh Kadyan (Retd) (DIN: 03495880), nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, are provided in the Report on Corporate Governance forming part of this Annual Report.

EMPLOYEES STOCK OPTIONS

No Employees Stock Options were outstanding as on March 31, 2016.

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 (ISIN: INE126M01010) 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 2016-17 have been paid.

AUDITORS

(a) Statutory Auditors

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were appointed by the members in their Seventh Annual General Meeting, held on September 26, 2014, for a period of five years i.e. until the conclusion of the Twelfth Annual General Meeting of the Company. The Company has received a certificate from the Auditors to the effect that their continuation as such from the conclusion of this Annual General Meeting until the conclusion of Tenth Annual General Meeting is in accordance with the provisions of the Section 141(3)(g) of the Companies Act, 2013. The Board recommends the ratification of the appointment of M/s Agarwal Prakash & Co., as Statutory Auditors of the Company till the conclusion of Tenth Annual General Meeting of the Company.

The Auditors' Report is self-explanatory and therefore do not call for any further explanation.

(b) Secretarial Auditor & 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 Mr. B.D. Tapriya, a practicing Company Secretary as its Secretarial Auditor, to conduct the secretarial audit of the Company, for the Financial Year 2015-16. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the Financial Year 2015-16, is annexed as Annexure 1, 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 and Rural Development, as per its CSR Policy (available on your Company's website www.indiabulls.com/wholesale) 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.

Directors' Report (contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), Management's Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual 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, is presented in a separate section forming part of this Annual 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 financial statements for the year ended March 31, 2016, 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 have 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, 2016 and the profit and loss of the company for the year ended on that date;
- c) that proper and sufficient care has 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 financial statements have 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 systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES AND SEBI LODR REGULATIONS

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013, read with the relevant rules (to the extent applicable) and SEBI LODR Regulations, not elsewhere mentioned in this Report, are given in Annexure A, forming part of this Report.

GREEN INITIATIVES

Electronic copies of the Annual Report 2016 and Notice of the Ninth AGM will be sent to all the members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016 and Notice of the Ninth AGM will be sent in the permitted mode.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the Ninth AGM. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015, and the SEBI LODR Regulations. The instructions for e-voting are provided in the AGM Notice.

Directors' Report (contd.)

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made and committed services rendered by the employees of the Company at various levels. Your Directors also wish to express their gratitude for the continuous assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year.

For and on behalf of the Board of Directors

Date: August 12, 2016

Place : Gurgaon

Surinder Singh Kadyan

Executive Director

(DIN: 03495880)

Mehul Johnson

Director

(DIN: 00016075)

Annexure to the Directors' Report

ANNEXURE A

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2016, pursuant to Section 92(3) of the Companies Act, 2013, in form MGT-9, are given in Annexure 3, forming part of this Report.

BOARD MEETINGS

During the FY 2015-16, 7 (Seven) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information required to be made available to the Board were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on January 22, 2016, without the presence of Non-Independent Directors and the members of the Company Management.

BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out an evaluation of its performance, the directors individually as well as the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this Annual Report.

REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report forming part of this Annual Report.

LOANS, GUARANTEES OR INVESTMENTS

During the FY 2015-16, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies.

The Company's investment / loans / guarantees, during FY 2015-16, were in compliance with the provisions of Section 186 of the Companies Act, 2013, particulars of which are captured in financial statement of the Company.

RELATED PARTY TRANSACTIONS

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Details of all related party transactions are disclosed in the Annual report and/or financial statements of the Company. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company: www.indiabulls.com/wholesale.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with regulatory directives, efficacy of its operating systems, adherence to the accounting procedures and policies of the Company and its subsidiaries. Wherever required, the internal audit efforts are supplemented by audits conducted by specialized consultants/audit firms. Based on the report of the Internal Auditors, process owners undertake corrective actions, in their respective areas and thereby strengthen the controls.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2016 and the date of this Report.

Further, no significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, is as under:

Annexure to the Directors' Report (contd.)

A. Conservation of Energy

The Company uses energy for its office equipment such as computers, lighting and utilities at its work premises. As an ongoing process the following measures are undertaken to conserve energy:

- a) Implementation of viable energy saving proposals.
- b) Installation of automatic power controllers to save maximum charges and energy.
- c) Awareness and training sessions, at regular intervals, to concerned operational personnel on opportunities of energy conservation and their benefits.

B. Technology Absorption

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience and efficient Human resource management, by implementing world class HRMS application and empowering them by providing mobile platform to manage their work while on the go.

The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities.

C. Foreign Exchange Earnings and Outgo

There was no earning and outgo in foreign exchange during the year under review and the previous year.

BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013, the Company has formulated robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence. The requirement of constituting Risk Management Committee in terms of SEBI LODR Regulations is not applicable to the Company.

PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in Annexure 4, forming part of this Report. There were no employees of the Company, employed by the Company throughout the year or part thereof, information in respect of which is required to be made in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FAMILIARIZATION PROGRAM FOR NON-EXECUTIVE DIRECTORS

Non-Executive Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of non-executive directors including independent directors. The details of the familiarization programs have been hosted on the website of the company and can be accessed on the link: www.indiabulls.com/wholesale/pdfIBWSL_Familiarisation_Programme.pdf

Annexure to the Directors' Report (contd.)

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulation came into effect from December 1, 2015. Accordingly, all listed entities were required to enter into afresh Listing Agreement within six months from the effective date and thus the Company entered into Listing Agreement with National Stock Exchange of India Limited and BSE Limited during the FY 2015-16.

SUBSIDIARY COMPANIES

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statement along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing Ninth Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiaries, for the year ended March 31, 2016, form part of this Annual Report.

For the performance and financial position of each of the subsidiaries of the Company, along with other related information required pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the Members are requested to refer to the Financial Statements of the Company.

COMMITTEES OF THE BOARD

The Company has following Board constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee

The details with respect to composition, power, role, terms of reference, etc. of each of these committees are given in the Corporate Governance Report forming part of this Annual Report.

Apart from the above, the Board has also constituted Compensation Committee for administration of stock option scheme(s).

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee of the Company. The Company's Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

During the financial year 2015-16, no case of sexual harassment was reported.

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistleblowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company(<http://www.indiabulls.com/wholesale/>).

Annexure to the Directors' Report (contd.)

ANNEXURE 1

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2016

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

Indiabulls Wholesale Services Limited (the Company)

**M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001**

I have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls Wholesale Services Limited (**hereinafter referred as 'Company'**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing my opinion thereupon.

Based on my verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company, has during the audit period covering the financial year ended on 31.03.2016 complied with various Statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Year ended 31.03.2016 according to the provisions of the following, to the extent these are applicable :-

- i. The Companies Act, 2013 (to the extent applicable) and Rules made there under and various allied acts warranting compliance primarily originating on account of action taken/initiated under Companies Act itself;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- iii. The Depositories Act, 1996 and the Regulations and Bye – Laws framed thereunder ;
- iv. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 15th May, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

Annexure to the Directors' Report (contd.)

- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 2nd December, 2015, (Provisions of sub-regulation (4) of Regulation 23 and Regulation 31A become effective from 2nd September, 2015).
- vi. Other laws applicable to the Company as a business unit and other offices:
 - a) **Taxation Laws** – For reporting on this segment we bestowed our trust and relied on the expert knowledge of Company's Auditor; our report is strictly based on affirmative Audit report (being expert in his realm) of the Company thus inhibit to add further inputs.
 - b) **Environment Laws** – The Environment (Protection) Act, 1986; Air (Prevention and Control of Pollution) Act, 1981; Water (Prevention and Control of Pollution) Act, 1974; Water (Prevention and Control of Pollution) Cess Act, 1977;
 - c) **Labour and Social Security Laws** – Employees State Insurance Act, 1948; Payment of Wages Act, 1936; Minimum Wages Act, 1948; Industrial Disputes Act, 1947; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labor (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952.
 - d) **IT Related Laws** – Information Technology Act, 2000;
 - e) **Miscellaneous Laws** – Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) upto the time period applicable and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

During the period under review the Company has been regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

It is further reported that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors, Woman Director and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not carried out any major strategic action warranting compliance of specific/special nature, except transaction(s) (originating either on Company's action or otherwise) as hereunder :

- a. During the financial year 2015-16, a new subsidiary company, Ashva Stud and Agricultural Farms Limited, was incorporated with the paid-up capital of ₹ 5 Lacs.

B. D. TAPRIYA

Company Secretary

C.P. No.: 2059

FCS No.: 1416

Place : New Delhi

Date : July 22, 2016

Disclaimer: This is Secretarial Audit as required to be carried out pursuant to provisions of Section 204 of the Companies Act, 2013, read with applicable rules, and has been carried out accordingly, hence must be construed and interpreted accordingly.

Annexure to the Directors' Report (contd.)

ANNEXURE 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- A brief outline of the Company's CSR Policy, including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards education and rural development etc. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

CSR Policy is as posted at the below web-link:

www.indiabulls.com/wholesale/pdf/CSR_Policy_IBWSL.pdf

- Composition of the CSR Committee**

Mr. Shamsher Singh Ahlawat, Chairman (Independent Director)

Col. (Retd.) Surinder Singh Kadyan, Member (Executive Director)

Mr. Mehul Johnson, Member (Non-executive Director)

- Average Net Profit of the Company for last three financial years:** ₹ 1.61 crores

- Prescribed CSR expenditure (two percent of the amount as in item 3 above):** ₹ 3.30 lacs (rounded off)

- Details of CSR expenditure for the financial year 2015-16 :**

a. **Total amount spent for the financial year:** ₹ 3.30 lacs

b. **Amount unspent, if any:** Nil

c. **Manner in which the amount spent during the financial year is detailed below:** (Amount in ₹)

1	2	3	4		5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs		Amount outlay (budget) projects or programs-wise	Amount spent on projects or programs Sub Heads:	Cummulative expenditure up to 31st March, 2016	Amount spent directly or through implementing agency
			District	State				
1	Scholarship Distribution Sets	Education	Thane Raigad Mumbai Palgar	Maharashtra	330,000	-	-	Implementing Agency (Indiabulls Foundation)
	TOTAL				330,000	-	-	

- In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.**

During the financial year 2015-16, the Company has contributed its entire CSR expenditure aggregating to ₹ 3.30 lacs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf.

- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.**

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2015-16, the implementation and monitoring of CSR Policy of the Company were environmental friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For Indiabulls Wholesale Services Limited

Date: April 25, 2016

Place : Mumbai

Surinder Singh Kadyan
Executive Director
(DIN: 03495880)

Shamsher Singh Ahlawat
Chairman – CSR Committee
(DIN: 00017480)

Annexure to the Directors' Report (contd.)

ANNEXURE 3

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS

i	CIN	L51101DL2007PLC166209
ii	Registration Date (Date of Incorporation)	24-July-2007
iii	Name of the Company	Indiabulls Wholesale Services Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	M - 62 & 63, First Floor, Connaught Place, New Delhi 110001 Tel: (011) 30252900 Fax: (011) 30252901
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any	Karvy Computershare Private Limited Unit: Indiabulls Wholesale Services Limited Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Tel : 040-67162222, Fax: 040-23001153 E-mail: einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Development of Real Estate Projects	70105	77.74%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Store One Retail India Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	L52190DL2005PLC181536	Subsidiary	73.85	Section 2(87) of Companies Act, 2013
2	Lucina Infrastructure Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70109DL2006PLC151156	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
3	Sentia Properties Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U45400DL2007PLC169097	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
4	Albasta Wholesale Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U51101DL2008PLC177216	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
5	Mahabala Infracon Private Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70102DL2014PTC272579	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
6	Ashva Stud And Agricultural Farms Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2015PLC288217	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
7	Airmid Aviation Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U62200DL2007PLC166080	Subsidiary	Nil	Section 2(87) of Companies Act, 2013
8	Store One Infra Resources Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70200DL2015PLC287160	Subsidiary	Nil	Section 2(87) of Companies Act, 2013

Annexure to the Directors' Report (contd.)

IV (i) Shareholding Pattern (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares		
A. PROMOTERS										
(1) Indian										
a) Individual/HUF	150,000	0	150,000	0.29	150,000	0	150,000	0.29	0.00	
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corporate	15,296,175	0	15,296,175	30.16	15,296,175	0	15,296,175	30.16	0.00	
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00	
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
SUB TOTAL:(A) (1)	15,446,175	0	15,446,175	30.45	15,446,175	0	15,446,175	30.45	0.00	
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00	
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	15,446,175	0	15,446,175	30.45	15,446,175	0	15,446,175	30.45	0.00	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00	
b) Banks/FI	86	0	86	0.00	86	0	86	0.00	0.00	
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00	
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	
g) FIIs	130,527	0	130,527	0.26	104,608	0	104,608	0.21	-0.05	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
i) Others (specify)										
Foreign Portfolio Investors	24,235	0	24,235	0.05	22,865	0	22,865	0.05	0.00	
SUB TOTAL (B)(1):	154,848	0	154,848	0.31	127,559	0	127,559	0.26	-0.05	

Annexure to the Directors' Report (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	6,147,929	0	6,147,929	12.12	5,336,498	0	5,336,498	10.52	-1.60
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	14,216,939	5244	14,222,183	28.04	16,756,445	5,239	16,761,684	33.05	5.01
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	12,700,731	0	12,700,731	25.04	11,498,672	0	11,498,672	22.67	-2.37
c) Others (specify)									
i) Non-Resident Indians	1,752,813	125,701	1,878,514	3.70	1,087,807	125,701	1,213,508	2.39	-1.31
ii) Foreign Nationals	34,000	65,000	99,000	0.20	0	65,000	65,000	0.13	-0.07
iii) Clearing Members	69,113	0	69,113	0.14	93,436	0	93,436	0.18	0.04
iv) NBFCs registered with RBI	0	0	0	0.00	175,961	0	175,961	0.35	0.35
SUB TOTAL (B)(2):	34,921,525	195,945	35,117,470	69.24	34,948,819	195,940	35,144,759	69.29	0.05
Total Public Shareholding (B)= (B)(1)+(B)(2)	35,076,373	195,945	35,272,318	69.55	35,076,378	195,940	35,272,318	69.55	0.00
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0.00
Public	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	50,522,548	195,945	50,718,493	100.00	50,522,553	195,940	50,718,493	100.00	0.00

Annexure to the Directors' Report (contd.)

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1.	Sameer Gehlaut	150,000	0.29	0.00	150,000	0.29	0.00	0.00
2.	Kritikka Infrastructure Private Limited	6,965,763	13.73	0.00	6,965,763	13.73	0.00	0.00
3.	Jyestha Infrastructure Private Limited	8,330,412	16.43	0.00	8,330,412	16.43	0.00	0.00
4.	Powerscreen Media Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
5.	Karanbhumi Estates Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
6.	Meru Minerals Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
7.	Calleis Real Estate Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
8.	Calleis Constructions Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
9.	Calleis Properties Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
10.	Dahlia Infrastructure Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
11.	Galax Minerals Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
TOTAL		15,446,175	30.45	0.00	15,446,175	30.45	0.00	0.00

*Acting as PACs with the Promoters

(iii) Change in Promoters' Shareholding (specify if there is no change)

	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	15,446,175	30.45		
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
At the end of the year	15,446,175	30.45		

*No change in shareholding

Annexure to the Directors' Report (contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRS & ADRS)

Sl No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Chatura M Rao [#]	1,555,000	3.07	0	0.00
2	Ashish Choudhary [#]	760,169	1.50	125,700	0.25
3	Sumesh Menon K P [#]	510,007	1.01	0	0.00
4	Ashish Damani*	508,121	1.00	508,121	1.00
5	Vibgyor Investors And Developers Pvt Ltd*	500,000	0.99	500000	0.99
6	Manish Rathi*	500,000	0.99	500,000	0.99
7	Runner Marketing Pvt Ltd*	500,000	0.99	500,000	0.99
8	Nafees Ahmed*	500,000	0.99	500,000	0.99
9	Affluence Shares And Stocks Private Limited [#]	440,823	0.87	0	0.00
10	Kalpana S Khandelwal*	438,091	0.86	434091	0.86
11	Anil Bansilal Lodha ^{\$}	0	0.00	898254	1.77
12	ABL Infrastructure Private Limited ^{\$}	0	0.00	456,368	0.90
13	Ashok Mehta ^{\$}	367630	0.72	440,823	0.87
14	Gajesh Ganpatraj Abani ^{\$}	404,832	0.80	404,832	0.80

*Top 10 shareholders as on April 1, 2015 and March 31, 2016

[#] Top 10 Shareholders as on April 1, 2015 only

^{\$}Top 10 Shareholders as on March 31, 2016 only

Annexure to the Directors' Report (contd.)

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding			Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease	Cumulative Shareholding during the year (01-Apr-2015 to 31-Mar-2016)	
		Date [beginning of the year (01-Apr-2015)/ end of the year (31-Mar-2016)]	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
A. Shareholding of Directors							
1.	Col. (Retd.) Surinder Singh Executive Director	01-Apr-2015 31-Mar-2016	0 0	0.00 0.00	-	0	0.00
2.	Mr. Mehul Johnson Non-Executive Director	01-Apr-2015 31-Mar-2016	24,375 24,375	0.05 0.05	-	24,375	0.05
3.	Ms. Pia Johnson Non - Executive Director	01-Apr-2015 31-Mar-2016	0 0	0.00 0.00	-	0	0.00
4.	Mr. Shamsher Singh Ahlawat Independent Director	01-Apr-2015 31-Mar-2016	0 0	0.00 0.00	-	0	0.00
5.	Mr. Joginder Singh Kataria Independent Director	01-Apr-2015 31-Mar-2016	25 25	0.00 0.00	-	25	0.00
6.	Mr. Rajinder Singh Nandal Independent Director	01-Apr-2015 31-Mar-2016	0 0	0.00 0.00	-	0	0.00
B. Shareholding of KMPs other than MD/ WTD/ Manager							
1	Mr. Saurabh Garg Chief Financial Officer	01-Apr-2015 31-Mar-2016	0 0	0.00 0.00	-	0	0.00
2	Ms. Priya Jain Company Secretary	01-Apr-2015 31-Mar-2016	0 0	0.00 0.00	-	0	0.00

Annexure to the Directors' Report (contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Amount (in ₹)			
		Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
	Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year					
Additions / (Reduction)					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
	Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
	Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Amount (in ₹)

Sl. No.	Particulars of Remuneration	Col. (Retd.) Surinder Singh Kadian, Executive Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission (as % of profit/others)	-
5	Others	-
	Total (A)	-
	Ceiling as per the Act	₹ 2.15 lacs (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

Annexure to the Directors' Report (contd.)

B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount (In ₹)
1	Independent Directors	Mr. Shamsher Singh Ahlawat	Mr. Joginder Singh Kataria	Mr. Rajinder Singh Nandal	
	(a) Fee for attending board/ committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Mr. Mehul Johnson		Ms. Pia Johnson	
	(a) Fee for attending board/ committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-			
	Overall ceiling as per the Act	₹ 4.73 lacs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (In ₹)
		Ms. Priya Jain, Company Secretary	Mr. Saurabh Garg, Chief Financial Officer	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,139,342.00	0.00	1,139,342.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32,400.00	0.00	32,400.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission(as % of profit/ others)	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	1,171,742.00	0.00	1,171,742.00

Annexure to the Directors' Report (contd.)

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

Annexure to the Directors' Report (contd.)

ANNEXURE 4

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under –

Ratio of the remuneration of each director to the median employees' remuneration, for FY 2015-16

Not applicable because no remuneration was paid to any of the Directors during the FY 2015-16.

Percentage increase in remuneration of each director and Key Managerial Personnel, in FY 2015-16

Designation	Increase in Remuneration (%)
Company Secretary	23.00%

No remuneration was paid to any of the Directors and other KMPs, except as aforesaid, during the FY 2015-16.

The percentage increase in the median remuneration of employees in the FY 2015-16

The percentage increase in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY 2015-16 and FY 2014-15 was 27.96%.

Number of permanent employees on the rolls of Company

The Company had 6 employees on its permanent rolls, as of March 31, 2016.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2015-16 is around 7.72%, while the average increases in the remuneration of key managerial personnel is around 23.00%. The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee.

The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

The Company reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company.

It is hereby affirmed that the aforesaid remuneration paid by the Company, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company.

Management Discussion and Analysis

Economic and Industry Overview

Over the past decade, the Indian economy has passed through phases of growth and slowdown. The macroeconomic situation in India has improved significantly during last couple of financial years. The markets have begun to respond to this favorable change, with the national indices hitting all time high. The new government has already indicated its desire to revive the investment cycle and to empower the bureaucracy to ensure successful execution of the government's plans. To achieve the same, Government has taken various measures and initiatives to revive the economy by reforming policy environment, improving the ease of doing business, accelerating the project related approvals, easing FDI policies, pushing hard for infrastructure, creating smart cities. RBI's monetary policy has also reflected accommodative stance, having lowered the interest rates through the last year and also taken various steps to improve liquidity in the economy. Last year turned out to be favorable, with positive factors such as moderating inflation, strengthening fiscal situation and improving external current balance. All this has helped India to emerge as the world's fastest growing economy, and is expected to remain so in the medium term. The reformation of public distribution system and upliftment of Tier II cities with a well developed civic infrastructure will boost the economy.

Business Overview

The Company, directly and through its subsidiaries, is primarily engaged in the businesses of real estate development, providing management and maintenance services, construction advisory and other related services, charter business of aircraft, trade in all kinds of sculptures, paintings and art graphics etc. Your directors believe that all of these businesses have huge potential & scope for further business development.

Business Outlook, Strengths & Strategy

The Company aims to build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the industry. Your directors believe that due to increased demand from high-end service sectors like healthcare, banking, hospitality, education, infrastructure, aviation etc. and due to increased number of multi storied high-end residential, commercial & retail space, there is huge business opportunities and potential in all the businesses of the Company, being undertaken by the Company and its subsidiaries, i.e. real estate development, providing management and maintenance services, construction advisory and other related services, charter business of aircraft, trade in all kinds of sculptures, paintings and art graphics etc.

Although all these businesses are highly fragmented and diverse, we believe that we are well positioned to take advantage of this environment because, as a larger company, we have more extensive resources and certain compelling competitive advantages. In addition, our size gives us greater purchasing power, the ability to provide customers with a broader range of product and services.

The Company believes that following are its key strengths that provide competitive advantages in managing its business activities:

(a) Presence of dynamic leadership and professional management team:

The Company has an experienced professional management team with the leaders, having vision & strong capabilities, which enables the Company to operate and integrate the front and backend operations efficiently. In the unorganised sectors, existence of strong professional leaders and management team is a key strength for the Company.

(b) Robust systems and process:

The Company believes that the systems and processes are its major strength. The Company has strong focus on systems and processes and continue to invest in its front and back end process and systems and believe that continuous investment in process, systems and technology results into substantial growth.

(c) Business portfolio:

The Company, through its subsidies, enjoys a vast & diversified business portfolio and thus capitalizing the existing potential in various businesses. The Company has diversified in the businesses of providing management and maintenance services, construction advisory and other related services, charter business of aircraft, trade in all kinds of sculptures, paintings and art graphics etc. Thus the diversified business portfolio of the Company is a real key strength for its business expansion and future growth.

Management Discussion and Analysis (contd.)

(d) Competitive bargaining approach:

Purchase of large amounts of equipment, contractor services and other items enables the Company to negotiate favorable pricing, warranty and other terms with our vendors.

(e) Execution capabilities:

The Company has put together an experienced team that has strong capabilities in various aspects of project execution, as well as in-depth knowledge of the core business.

(f) Strong brand recognition:

The Company is a part of the Indiabulls Group, one of the country's leading business houses with business interests in several businesses, from financial services to real estate development. The Company believes that the brand recognition and trust associated with the brand "Indiabulls" has a cascading effect on company's business and allows the Company to attract customers, command a premium in the marketplace and build customer loyalty.

The Company's strategy for long term profitable growth is based on continuously scaling its various businesses in India, while investing in new markets and industries.

Opportunities and Threats / Risks & Concerns

There is huge growth potential with opportunities existing in multiple sectors and segments in the Industry segment in which the Company is carrying on its business operations. The Company believes that following are the key growth drivers that exist in the current market for various business operations and business opportunities for the Company:

- (a) highly attractive demographics,
- (b) changes in consumer behavior,
- (c) encouraging FDI regulations,
- (d) technological advances,
- (e) electronic media, and
- (f) favorable government policies to boost commerce and trade.

The presence of small unorganised players in the market may be a threat in achieving the expected growth. Further the business sectors, in which your Company is engaged, requires major reforms and recognition, and the Government policies and reforms, if any, can adversely affect Company's business. However, your Directors firmly believe that organised structure, skilled professionally managed team, strong systems and process provide competitive advantage for facing such regulatory reforms and managing its business efficiently.

The corporate sector, especially IT/ITES, BPO/KPO and banking and finance sectors are rapidly inclining towards outsourcing the services. It is expected that this trend will create a rapid demand of the services being offered by the Company and its subsidiaries, as companies are increasingly concerned about the skills of the manpower provided to them with changing needs of their customer.

Your Company is well positioned to gain from the high demand of service sectors, specifically, hospitality, education, aviation, tourism & travel, banking etc. Further, the infrastructure services industry is one of the highest growing industries in India, thereby having huge untapped business potential for sustenance and growth of the rental business of plant and machinery.

In particular, we have focused on customer segmentation, customer service differentiation, rental rate management, fleet management and operational efficiency. We believe these efforts will lead to even better service of our target customers, primarily large construction and industrial customers, as well as select Tier II customers.

Our fleet team's analyses are aligned with these objectives to identify trends in equipment categories and define action plans that can generate improved returns.

Human Resources

Your Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for

Management Discussion and Analysis (contd.)

their continuous development. The structured recruitment process, which the Company employs, focuses on recruiting people who have the right mindset for working, supported by structured training programmes and internal growth opportunities. The basic objective has been to unlock the people potential and further developing their functional operational and behavioural competencies so as to build a team of dedicated employees who work with passion, zeal and a sense of belongingness and play a defining role in the overall growth and transformation of the Company.

Internal Controls and their Adequacy

The Company has a proper and adequate system of internal controls commensurate with the size of the Company and the nature of its business to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly and adequately.

The Company's internal controls are supplemented by internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the Company.

Cautionary Statement

Statements in this Report on Management's Discussion and Analysis describing the Company's objectives, estimates and expectations may be forward looking statements based on certain assumptions and expectations of future events. Actual results might differ substantially or materially from those expressed or implied.

The Company cannot guarantee that the assumptions and expectations are accurate or will be realized and hence the actual results, performance or achievements could thus differ materially from those expressed in the statements. The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Report on Corporate Governance

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sound Corporate Governance practices and responsible corporate behavior contribute to long term performance of companies. Best practices on governance issues are an evolutionary and continuing process. There is no single template to define good governance. Broadly, however, Corporate Governance practices should aim at striking a balance between interests of various stakeholders on the one hand and the duties and responsibilities of the Board and senior management in overseeing the affairs of the Company on the other.

The Corporate Governance policy in Indiabulls Wholesale Services Limited ("IBWSL" or "the Company") encompasses the simple tenets of integrity, transparency and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable statutes while at the same time ensuring a complete commitment to values and the highest ethical standards in every facet of its operations and in each of the functional areas. This in turn ensures that best in the class concept of Corporate Governance practices become a way of life in the Company.

Your Company has complied with the requirements of Corporate Governance as laid down in the Clause 49 of the Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from April 1, 2015 to November 30, 2015 and Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) for the period from December 1, 2015 to March 31, 2016.

In line with the nature and size of operations of the Company, the Corporate Governance framework of the Company is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- Independent verification and assured integrity of financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management and internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulation in letter and spirit.

2. BOARD OF DIRECTORS (BOARD)

(A) Composition and size of the Board

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, Listing Agreement executed by the Company with the Stock Exchange and SEBI LODR and in accordance with highest standards of Corporate Governance in its management. The Board of the company has been constituted in a manner which ensures appropriate mix of executive/ non-executive and independent directors to ensure proper governance and management. The Board members have collective experience in diverse fields.

The Board consists of six directors of whom one is executive director and the remaining five directors are non-executive directors, with three of such directors being Independent Directors and one Woman Director.

The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various Board Committees, as on March 31, 2016 are depicted in the table given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
				As Member#	As Chairman
1.	Col. Surinder Singh Kadian (DIN: 03495880)	Executive Director	9	1	0
2.	Mr. Mehul Johnson (DIN: 00016075)	Non-Executive Director	8	5	1

Report on Corporate Governance (contd.)

Sl. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in the Board Committeees of various companies (including the Company)**	
				As Member#	As Chairman
3.	Ms. Pia Johnson (DIN: 00722403)	Non-Executive Director	3	1	0
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	Non-Executive Independent Director	6	10	5
5.	Mr. Joginder Singh Kataria (DIN: 05202673)	Non-Executive Independent Director	8	10	5
6.	Mr. Rajinder Singh Nandal (DIN: 03094903)	Non-Executive Independent Director	8	9	1

* Does not include directorships held in foreign companies and private limited companies and Companies under section 8 of the Companies Act, 2013.

** Only memberships/ chairmanships of the Audit Committees and Stakeholders Relationship Committees in various public limited companies, considered.

This includes the chairmanship in the Committees.

Ms. Pia Johnson and Mr. Mehul Johnson, being spouse, are related to each other.

None of the Non-Executive Director held any equity share and convertible security of the Company during the financial year ended March 31, 2016, except Mr. Mehul Johnson and Mr. Joginder Singh Kataria holding 24,375 Equity shares & 25 Equity shares, respectively, in the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. the familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company (<https://www.indiabulls.com/wholesale/>).

(B) Details of Board Meetings and the last Annual General Meeting (AGM) and attendance record of Directors thereat

During the financial year 2015-16, the Board met 7 (Seven) times. The dates of the meetings were May 04, 2015, June 24, 2015, August 3, 2015, August 28, 2015, October 21, 2015, December 28, 2015 and January 22, 2016. During the year separate meeting of the Independent Directors was held on January 22, 2016 without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting.

The last Annual General Meeting (AGM) of the Company was held on September 28, 2015.

A table depicting the attendance of Directors at various Board Meetings and the Annual General Meeting held during FY 2015-16 is given below:

Sl. No.	Name of the Director	Meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
1.	Col. Surinder Singh Kadyan (DIN: 03495880)	7	7	Yes
2.	Mr. Mehul Johnson (DIN: 00016075)	7	7	Yes
3.	Ms. Pia Johnson (DIN: 00722403)	7	5	No
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	7	5	Yes
5.	Mr. Joginder Singh Kataria (DIN: 05202673)	7	5	Yes
6.	Mr. Rajinder Singh Nandal (DIN: 03094903)	7	3	Yes

Report on Corporate Governance (contd.)

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. Some of these committees were re-constituted, re-named and terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015.

The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under.

(A) Audit Committee

Composition

The Audit Committee currently comprises of three members namely Mr. Joginder Singh Kataria as the Chairman, Mr. Shamsher Singh Ahlawat and Mr. Mehul Johnson, as other two members, all Non-Executive Directors. Two out of three members namely Mr. Shamsher Singh Ahlawat and Mr. Joginder Singh Kataria are Independent directors. Ms. Priya Jain, Secretary of the Company also acts as the Secretary of the Audit Committee.

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee, inter-alia, includes:

- To oversee the financial reporting process and disclosure of financial information.
- To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board.
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations.
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration.
- To hold discussions with the statutory and internal auditors.
- To review and monitor auditor's independence and performance, and effectiveness of audit process;
- To examine the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also the reviewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate.

Meetings and Attendance during the year

During the FY 2015-16, the Audit Committee met four times. The dates of the meetings being May 04, 2015, August 03, 2015, October 20, 2015 and January 22, 2016.

The attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	No. Meetings held during the tenure	No. of Meetings attended
Mr. Joginder Singh Kataria	4	4
Mr. Shamsher Singh Ahlawat	4	4
Mr. Mehul Johnson	4	3

The Chief Financial Officer and Auditors attended the meetings by invitation.

Report on Corporate Governance (contd.)

(B) Nomination & Remuneration Committee

Composition

The Nomination & Remuneration Committee (N&R Committee) of the Board currently comprises of three Non-Executive Directors as its members namely Mr. Shamsher Singh Ahlawat as the Chairman, Mr. Rajinder Singh Nandal and Mr. Mehul Johnson. Two out of the three members namely, Mr. Rajinder Singh Nandal and Mr. Shamsher Singh Ahlawat, are Independent Directors.

Terms of reference

The terms of reference of N&R Committee, inter-alia, includes:

- to recommend to the Board, compensation terms of the Executive Directors;
- to assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.
- identifying the persons who are qualified to become directors and those who may be appointed in senior management in accordance with the criteria laid down by it and recommending to the Board their appointment and removal and carrying out the evaluation of the performance of every director;
- formulating the criteria for determining the qualifications, positive attributes and independence of a director.

Meetings and Attendance during the year

During the FY 2015-16, the Committee met once on July 15, 2015 and the meeting was attended by all the members.

Policy for selection and appointment of Directors

The N&R Committee has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Executive Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, real estate, retail, facility management, hospitality, taxation, law, governance and general management.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Executive Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the N&R Committee has laid down the criteria for performance evaluation of Independent Directors and Executive Directors, which inter-alia covers level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the Non-Independent Directors. The performance evaluation of the Chairman and the non-Independent Directors was carried out by the Independent Directors in their separate meeting held on January 22, 2016. The Directors expressed their satisfaction with the evaluation process.

Report on Corporate Governance (contd.)

Policy on Board Diversity

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

Remuneration of Directors

(i) Remuneration of Executive Directors

Col. Surinder Singh Kadyan, Executive Director does not draw any remuneration from the Company.

(ii) Remuneration of Non-Executive Directors

Non-Executive Directors have not been paid any remuneration/ sitting fees during the FY 2015-16.

(C) Stakeholders Relationship Committee

Composition

The Stakeholders Relationship Committee currently comprises of three members namely Mr. Rajinder Singh Nandal, an Independent Non-Executive Director, as the Chairman and Mehul Johnson and Col. Surinder Singh Kadyan, as the other two members.

Terms of Reference

The primary functions carried out by the Committee are to approve requests for share transfers and transmissions, to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. and for this purpose the required authority has been delegated to Col. Surinder Singh Kadyan.

The Committee oversees all matters encompassing the shareholders / investors related issues.

Meetings and Attendance during the year

During the FY 2015-16, the Committee met four times. The dates of the meetings were April 06, 2015, July 06, 2015, October 05, 2015 and January 04, 2016.

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Rajinder Singh Nandal	4	4
Mr. Shamsher Singh Ahlawat*	4	4
Col. Surinder Singh Kadyan	4	4

*During the current Financial Year, On April 25, 2016, Mr. Mehul Johnson was inducted as Member of the Committee in place of Mr. Shamsher Singh Ahlawat.

Name and designation of Compliance Officer

Ms. Priya Jain, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI(LODR) Regulations, 2015.

Details of queries / complaints received and resolved during the year 2015-16

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1.	Letters from SEBI / Stock Exchange	0	1	1	0
2.	Non-receipt of dividend	0	3	3	0
3.	Non-receipt of annual report	0	1	1	0
	Total	0	5	5	0

(D) Corporate Social Responsibility (CSR) Committee

Composition

The Corporate Social Responsibility Committee comprises of three members namely Mr. Shamsher Singh Ahlawat, an Independent & Non-Executive Director, as the Chairman and member, and Mr. Mehul Johnson and Col Surinder Singh Kadyan as the other two members.

Report on Corporate Governance (contd.)

Terms of Reference of Corporate Social Responsibility

The Terms of reference of the CSR Committee, inter-alia, includes:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity;
- To ensure compliance of all related applicable regulatory requirements.

Meetings and Attendance during the year

During the FY 2015-16, the Committee met two times. The dates of the meetings being August 1, 2015 and March 31, 2016.

The attendance record of Committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Shamsher Singh Ahlawat	2	2
Mr. Mehul Johnson	2	2
Col. Surinder Singh Kadyan	2	2

4. GENERAL BODY MEETINGS

(A) Location and time of last three Annual General Meetings (AGMs)

The details of the last three AGMs, are as under:

Year	Location	Date	Time
2012-13	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2013	10:15 A.M.
2013-14	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 26, 2014	01:00 P.M.
2014-15	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 28, 2015	05:00 P.M.

(B) Details of special resolutions passed in the previous three AGMs

1. *In the AGMs for the year 2012-13, no special resolution was passed.*

2. *In the AGM for the year 2013-14, special resolutions as per detail hereunder, were passed:*

- (i) Special Resolution seeking consent of the members pursuant to the provisions of sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and applicable Rules framed thereunder, read with Schedule V to the Act, to the re-appointment of Col Surinder Singh Kadyan (DIN: 03495880) as Whole-time Director of the Company, for a further period of five years, with effect from April 25, 2014, without any remuneration.
- (ii) Special Resolution seeking approval of the members pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder, authorizing the Board for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 500 crore.
- (iii) Special Resolution seeking approval of the members pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder, authorizing the Board to the creation of mortgages, charges and hypothecations or creation of security, in any other form or manner, as may be necessary, on such of the assets of the Company, both present and future, in such manner as the Board may direct, in favour of financial institutions, investment institutions and

Report on Corporate Governance (contd.)

their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings.

- (iv) Special Resolution seeking approval of the members pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder, to alter the Article 1 of the Articles of Association of the Company.

3. In the AGM for the year 2014-15, special resolution as per detail hereunder, was passed:

- i. Special resolution in terms of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder, for authorizing Board of Directors of the Company for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures, including Bonds, and/or hybrid instruments, on private placement basis, in one or more tranches from time to time, during a period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Company, as approved by the Members, from time to time.

(C) Special resolution passed during FY 2015-16 through postal ballot

During the FY 2015-16, no resolution was passed by the Company through Postal Ballot.

(D) Procedure for postal ballot

For conducting a postal ballot, notice specifying the resolutions proposed to be passed through postal ballot as also the relevant explanatory statement and the postal ballot forms, are dispatched to all the shareholders along with self addressed postage pre paid envelope. The shareholders are requested to send back the postal ballot forms duly filled up and signed, in the postage pre paid envelopes provided to them by the Company, so as to reach the Scrutinizer (in whose name the envelopes are marked) on or before the 30th day from the date of issue of notice by the Company.

The Scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hands over the results to the Chairman. The Chairman thereupon declares the result of the postal ballot and the same is also displayed on a notice board at the Registered office of the Company.

5. DISCLOSURES

(i) Subsidiary Companies

The Company did not have any material unlisted subsidiary during the previous financial year. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, which is available on the website of the Company: www.indiabulls.com/wholesale.

(ii) Related Party Transactions

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Details of all related party transactions are disclosed in the Annual report and/or financial statements of the Company. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company: www.indiabulls.com/wholesale.

(iii) Executive Director / CFO Certification

- (a) The Executive Director and CFO have issued certificate pursuant to the Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015, certifying that the financial statements do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- (b) The Executive Director and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Report on Corporate Governance (contd.)

certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs, and is annexed to and forms a part of this Report.

(iv) (a) **Code of Conduct and Ethics**

The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company: www.indiabulls.com/wholesale. All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Executive Director to this effect is enclosed at the end of this Report.

The Code seeks to ensure that the Board Members and Senior Management personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes along with business values and ethics.

(b) **Code of Conduct for Prevention of Insider Trading**

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of the Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trading in Securities of the Company by its directors, designated persons and employees.

(v) **Whistle Blower Policy**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company: www.indiabulls.com/wholesale.

(vi) **Strictures and penalties**

During the FY 2014-15, NSE & BSE levied fine of ₹ 8,000/- and ₹ 8,989/- respectively, on the Company, alleging delayed compliance of clause 31 of the listing agreement. The Company though clarified to Exchanges regarding due compliance of relevant clause, however, deposited fines with Exchanges under protest. Except as aforesaid, there has not been any other instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty has been imposed on the Company or no strictures have been passed against it, by SEBI or Exchanges or any other statutory authorities on any such matters.

(vii) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (LODR) Regulations, 2015.**

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the Non mandatory requirements are given at the end of the Report.

6. MEANS OF COMMUNICATION

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- (i) **Publication of Results:** The quarterly / annual results of the Company are published in leading newspapers like Financial Express, Business Standard and Jansatta.
- (ii) **News, Release, etc:** The Company has its own website: www.indiabulls.com/wholesale and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. is regularly posted on the website.
- (iii) **Management Discussion and Analysis Report:** The same has been included in a separate section, which forms a

Report on Corporate Governance (contd.)

part of this Annual Report.

- (iv) **Investors' Relation:** The Company's website contains a separate dedicated section 'Investor Relations' and 'News & Media' where general information is available for shareholders.

7. GENERAL SHAREHOLDERS' INFORMATION

(A) Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51101DL2007PLC166209.

(B) Date, Time and Venue of Annual General Meeting (AGM)

The date, time and venue of the ensuing AGM has been indicated in the Notice convening the AGM, which is annexed to the Annual Report.

(C) Financial year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

(D) Date of Book Closure

Book Closure dates have been provided in the Notice convening the AGM forming part of this Annual Report.

(E) Dividend Payment date

No dividend has been recommended by the Board for the financial year 2015-16.

(F) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following stock exchanges:

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

The listing fees for the financial year 2016-17, have been paid to BSE and NSE.

(G) Stock Code

BSE Limited - 533520

National Stock Exchange of India Limited - IBWSL

ISIN for Dematerialisation - INE 126M01010

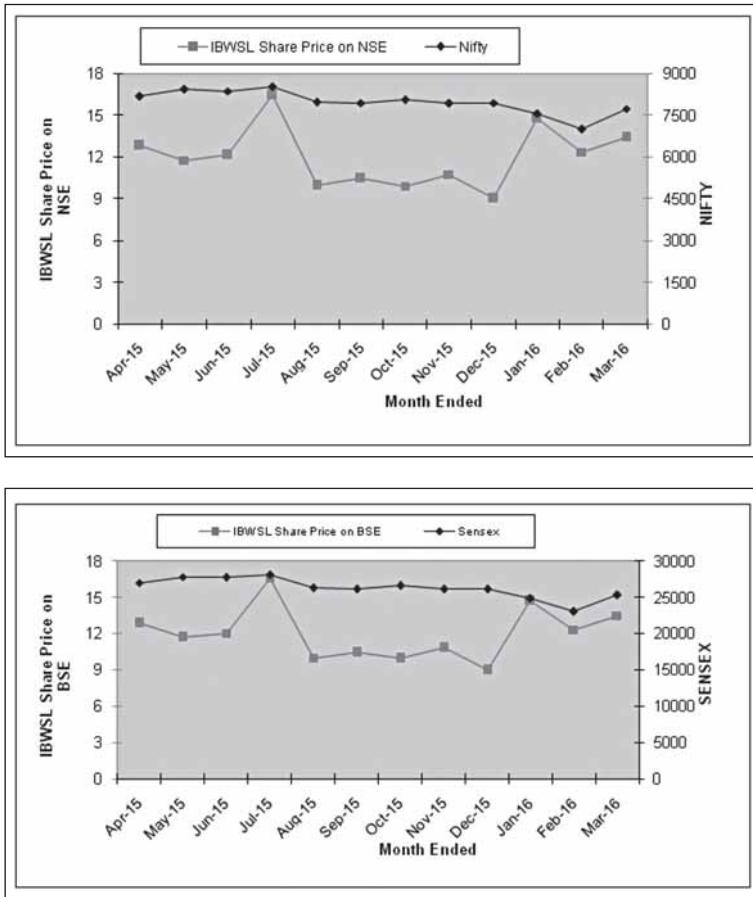
(H) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2016 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	15.70	12.15	15.70	12.20
May 2015	14.00	11.50	13.95	11.50
June 2015	13.70	9.05	13.69	9.26
July 2015	18.90	12.00	18.90	12.05
August 2015	17.20	9.20	16.90	8.90
September 2015	11.45	9.05	11.50	9.07
October 2015	12.95	9.55	12.98	9.00
November 2015	11.85	9.00	10.98	9.10
December 2015	11.50	8.65	11.85	8.65
January 2016	18.15	7.80	18.21	8.80
February 2016	15.65	11.40	15.68	11.35
March 2016	15.10	12.05	14.99	12.20

Report on Corporate Governance (contd.)

(I) Comparison of Company's share price with the broad-based indices viz. NSE Nifty & BSE Sensex.



(J) Registrar and Transfer Agents

Karvy Computershare Private Limited is the Registrar and Share Transfer Agents (RTA) of the Company for handling the share related matters, both in physical and the dematerialised mode.

The contact details are as under:

M/s. Karvy Computershare Private Limited

(Unit : Indiabulls Wholesale Services Limited)

Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032

Contact Person : Ms. Shobha Anand, AGM, Corporate Registry
Phone : 040-6716 2222
Fax : 040-23001153
E-mail : einward.ris@karvy.com

(K) Share Transfer System

The Board has delegated the authority for share transfers, transmissions, remat / demat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. to the Board constituted Stakeholders' Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders' Relationship Committee.

Report on Corporate Governance (contd.)

(L) (i) Distribution of equity shareholding as on March 31, 2016

Sl. No.	Shareholding of nominal value (in ₹)		No. of holders	% to total no. of holders	Value in ₹	% to nominal value
	From	To				
1.	1	- 5,000	62,466	97.62	10,486,286	10.34
2.	5,001	- 10,000	628	0.98	4,914,430	4.85
3.	10,001	- 20,000	399	0.62	6,119,528	6.03
4.	20,001	- 30,000	135	0.21	3,442,632	3.39
5.	30,001	- 40,000	82	0.13	3,000,362	2.96
6.	40,001	- 50,000	47	0.07	2,157,616	2.13
7.	50,001	- 100,000	125	0.20	9,028,376	8.90
8.	100,001 and above		107	0.17	62,287,756	61.40
	Total		63,989	100.00	101,436,986	100.00

(ii) Equity Shareholding pattern as on March 31, 2016

Sl.No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	15,446,175	30.45
2.	Banks	86	0.00
3.	FIIs/ FPIs	127,473	0.26
4.	NBFCs Registered with RBI	175,961	0.35
5.	Bodies Corporate	5,336,498	10.52
6.	Indian Public	28,260,356	55.72
7.	NRIs	1,213,508	2.39
8.	Foreign Nationals	65,000	0.13
9.	Clearing Members	93,436	0.18
	Total	50,718,493	100.00

(M) Dematerialisation of shares and liquidity

Shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2016, 99.61% Equity shares of the Company representing 50,522,553 out of a total of 50,718,493 Equity shares were held in dematerialised form and the balance 195,940 shares were held in physical form.

Further, as on March 31, 2016, 2,517,700 Preference shares of face value ₹ 10/- each of the Company were held in physical mode. Same are presently not listed on any Stock Exchange.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

(N) Outstanding Convertible Instruments

There are no outstanding convertible instruments as on date in the Company.

(O) Commodity price risk or foreign exchange risk and hedging activities

The Company does not go for commodity price risk hedging activities as the company is not engaged in any such activities during the year 2015-2016.

Foreign exchange risks are tracked and managed within the Risk Management framework. The Company has not entered into any foreign exchange derivative instruments during the year. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations.

Report on Corporate Governance (contd.)

(P) Plant Locations

The Company do not have any plant and thus there is no plant location.

(Q) Address for Correspondence

(i) 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.indiabulls.com/wholesale/

(ii) Corporate Offices:

- a) "Indiabulls House"
448-451, Udyog Vihar, Phase V,
Gurgaon – 122 016, Haryana
- b) "Indiabulls House"
Indiabulls Finance Center,
Tower 1, Elphinstone Mills, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013
Maharashtra

(R) Profile of Director retiring by rotation and seeking re-appointment, in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Col. Surinder Singh Kadyan (Retd) (DIN: 03495880), a distinguished retired army officer, had a career spanning of over 27 years in Indian Army. During his long stint with Indian Army, he held several prestigious positions on technical and operational matters both at Brigade and Division levels. He has also served as Director at Army Headquarters responsible for planning and monitoring of technical infrastructure development and accommodation for Indian Army operating in forward and remote areas.

During his long association with Indiabulls Group, he has provided leadership & guidance in the areas of administration, regulatory and projects execution. Col Kadyan passed out from the National Defence Academy, the country's prime defence training institute in 1983 and subsequently graduated from Indian Military Academy in 1984. He is also B. Tech (Civil Engineering) from Jawaharlal Nehru University and M. Sc (Strategic and Defence Studies) from Madras University.

Col. Surinder Singh Kadyan does not hold any shares in the Company and he is not related to any of the Directors on the Board of the Company.

Col. Surinder Singh Kadyan is also on the Board of Parmida Properties Limited, Lorena Developers Limited, Lorena Real Estate Limited, Lorena Builders Limited, Lorena Infrastructure Limited Lorena Constructions Limited, Parmida Real Estate Limited, Parmida Infrastructure Limited and Parmida Developers Limited. He is also a member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

8. COMPLIANCE CERTIFICATE FROM A PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary, certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement and Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, is annexed to and forms a part of this report.

9. DISCRETIONARY REQUIREMENTS/NON-MANDATORY REQUIREMENTS

Status of compliance of Non-mandatory requirements stipulated under Part E of Schedule II of Regulation 27(1) of SEBI (LODR) Regulations, 2015 is as under:

(A) Unmodified opinion in Audit Report

The Auditors' Report on the annual accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavour of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

Report on Corporate Governance (contd.)

(B) Shareholders Rights

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information pertaining to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

(C) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO/Group CFO and has direct access to the Audit Committee.

Except as set out above, the Company has not adopted the non-mandatory requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI (LODR) Regulations, 2015.

This Corporate Governance Report of the Company for the financial year ended 31st March, 2016 are in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges and as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR, to the extent applicable to the Company.

ANNUAL DECLARATION BY THE EXECUTIVE DIRECTOR PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As Executive Director of Indiabulls Wholesale Services Limited and as required under Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code for Board Members and Senior Management, for the FY 2015-16.

Surinder Singh Kadyan
Executive Director

Date : August 12, 2016

Place : Gurgaon

Report on Corporate Governance (contd.)

Executive Director/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

Indiabulls Wholesale Services Limited

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee that:
 - a) There were no significant changes in internal control over financial reporting during the year;
 - b) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 6, 2016

Place: Gurgaon

Surinder Singh Kadyan
Executive Director

Saurabh Garg
CFO

Report on Corporate Governance (contd.)

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Indiabulls Wholesale Services Limited,

We have examined the compliance of conditions of Corporate Governance by Indiabulls Wholesale Services Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges for the period from April 1, 2015 to November 30, 2015; and as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C , D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) for the period from December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ LODR.

We state that there were no outstanding investor grievances as on March 31, 2016 as per the records maintained by the Company and its Registrar and Share Transfer Agent.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **S. Khandelwal & Co.**
Company Secretaries

Sanjay Khandelwal
Proprietor

C.P. No. - 6128
Membership No.: FCS-5945

Date: May 5, 2016

Place: New Delhi

Independent Auditors' Report

To the Members of Indiabulls Wholesale Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Indiabulls Wholesale Services Limited** ("the Holding Company") and its subsidiary companies (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

Independent Auditors' Report (contd.)

- c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group Companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As detailed in Note 29 to the consolidated financial statements, the Group has disclosed the impact of pending litigations on its consolidated financial position.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

Gurgaon
May 06, 2016

Annexure A to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Indiabulls Wholesale Services Limited** ('the Holding Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting includes 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure A to the Auditor's Report (contd.)

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Agarwal Prakash & Co.**
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

Gurgaon
May 06, 2016

Consolidated Balance Sheet

as at March 31, 2016

(All Amounts in Indian ₹ except share data and where otherwise stated)

	Note		As at March 31, 2016		As at March 31, 2015
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	4		126,613,986		126,613,986
Reserves and surplus	5		8,766,132,235		8,698,274,343
Total of Shareholders' funds			8,892,746,221		8,824,888,329
Non-current liabilities					
Long-term borrowings	6A		3,169,548,924		466,109,653
Other Long term liabilities	7A		950,000,000		100,000,000
Long-term provisions	8A		19,809,944		13,800,667
Total of Non-current liabilities			4,139,358,868		579,910,320
Current liabilities					
Short-term borrowings	6B		1,000,000,000		2,203,000,000
Trade payables					
(a) Payable to micro enterprises and small enterprises	9A	-			
(b) Payable to others	9B	472,266,763	472,266,763	252,402,545	252,402,545
Other current liabilities	7B		6,094,988,456		441,444,776
Short-term provisions	8B		3,849,578		46,833,342
Total of Current liabilities			7,571,104,797		2,943,680,663
Total of Equity and Liabilities			20,603,209,886		12,348,479,312
II. ASSETS					
Non-current assets					
Goodwill on consolidation					
Fixed assets	10		3,466,373,308		3,463,465,078
Tangible assets					
Intangible assets			5,890,950,049	3,427,899,338	
Capital work-in-progress			8,915,073	6,121,457	
			-	62,590,800	3,496,611,595
Deferred tax assets, net	22				
Long-term loans and advances	11A		55,124,325		48,173,786
Other non-current assets	12A		363,193,549		653,665,778
			100,000		200,000
Total of Non-current assets			9,784,656,304		7,662,116,237
Current assets					
Inventories	13		203,176,750		160,927,556
Trade receivables	14		576,969,082		762,994,509
Cash and cash equivalents	15		156,715,786		72,102,681
Short-term loans and advances	11B		9,873,500,388		3,609,802,497
Other current assets	12B		8,191,576		80,535,832
Total of current assets			10,818,553,582		4,686,363,075
Total of Assets			20,603,209,886		12,348,479,312

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **Agarwal Prakash & Co.**

For and on behalf of the board of directors

Chartered Accountants

FRN: 005975N

Vikas Aggarwal
Partner

Mehul Johnson
Director
DIN: 00016075

Surinder Singh Kadyan
Whole Time Director
DIN: 03495880

Place: Gurgaon
Date: May 06, 2016

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(All Amounts in Indian ₹ except share data and where otherwise stated)

	Note		For the year ended March 31, 2016		For the year ended March 31, 2015
Revenue					
Revenue from operations	16		3,100,755,221		2,073,405,835
Other income	17		25,992,785		10,071,807
Total of Revenue			3,126,748,006		2,083,477,642
Expenses					
Cost of sales for real estate project under development and construction	18		30,349,945	54,554,445	
Cost incurred during the year			91,827,694	122,177,639	250,843,820
Decrease in real estate project under development					305,398,265
Cost of sales of trading goods			149,491,842		22,237,180
Purchase of stock-in-trade					
Increase in inventory of stock-in-trade, net			(132,532,215)	16,959,627	(17,022,557)
Employee benefits expense	19			222,171,217	5,214,623
Finance costs	20			449,221,973	324,920,726
Depreciation and amortisation expense	10			361,096,014	130,338,696
Other expenses	21			1,894,972,096	173,168,926
					996,794,779
Total of Expenses			3,066,598,566		1,935,836,015
Profit before tax			60,149,440		147,641,627
Tax expense:	22				
Current tax					
(including earlier year taxes)			(3,163,878)	21,066,119	
Less: Mat credit entitlement			(500,529)	(3,664,407)	21,062,035
Deferred tax				(6,950,539)	(4,084)
					(51,792,466)
Profit for the year before minority interest			70,764,386		178,372,058
Minority interest			-		(877,135)
Profit for the year after minority interest			70,764,386		177,494,923
Earnings per equity share	23				
- Basic				1.34	3.44
- Diluted				1.34	3.41
Face value per equity share				2	2

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Agarwal Prakash & Co.

Chartered Accountants
FRN: 005975N

For and on behalf of the board of directors

Vikas Aggarwal
Partner

Mehul Johnson
Director
DIN: 00016075

Surinder Singh Kadian
Whole Time Director
DIN: 03495880

Place: Gurgaon
Date: May 06, 2016

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(All Amounts in Indian ₹ except share data and where otherwise stated)

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash flow from operating activities:		
Net Profit before tax	60,149,440	147,641,627
Adjustments for Statement of Profit and Loss items:		
Bad debts /sundry balances /inventory written off	-	72,008
Depreciation and amortisation expense	361,096,014	173,168,926
Dividend income on units of mutual fund	(5,423,441)	(5,868,826)
Interest expenses on loans and advances taken	369,734,245	118,614,299
Interest expenses on optionally convertible debentures	-	402
Interest income on fixed deposit receipts	(3,534,539)	(676,285)
Liabilities written back	(8,107,629)	(61,540)
Loss on sale of fixed asset	5,020,088	5,741,574
Other borrowing cost	75,370,194	10,164,669
Provision for gratuity and compensated absences	5,786,112	4,701,815
Payment of gratuity and compensated absences	-	(180,149)
Unrealized foreign exchange loss/(gain), net	6,361,514	-
Operating profit / (loss) before working capital changes and other adjustments	866,451,998	453,318,520
Working capital changes and other adjustments		
Decrease in trade receivables	260,558,141	36,067,186
(Increase) in loans and advances	(5,843,190,345)	(478,848,339)
(Increase)/ decrease in inventories	(42,249,194)	231,019,051
Decrease in other non current assets	-	15,001
Increase/ (Decrease) in trade payables	213,502,704	(63,596,275)
Increase in other liabilities	6,391,264,962	51,633,647
Cash generated from operating activities	1,846,338,266	229,608,791
Income tax paid, net	(169,138,523)	(24,181,437)
Net cash generated from operating activities	1,677,199,743	205,427,354
B. Cash flow from investing activities:		
Dividend received from units of mutual fund	5,423,441	5,868,826
Investments in mutual funds	25,036,900,000	-
Proceeds from sale of mutual funds	(25,036,900,000)	-
Interest received on fixed deposit receipts	1,346,081	617,260
Interest received on loans and advances	-	211,618
Investments made in fixed deposit accounts with original maturity of more than 3 months	(49,448,900)	(75,000)
Sale of investments in subsidiary	-	142,000,000
Purchase of investments in subsidiary	-	(50,000,000)
Proceeds from sale of fixed assets	-	9,513,726
Purchase of fixed assets (including capital work in progress and capital advance)	(2,667,745,229)	(529,513,260)
Net cash used in investing activities	(2,710,424,607)	(421,376,830)
C. Cash flow from financing activities:		
Dividends paid on preference share capital, including corporate dividend tax	(2,899,480)	(2,803,056)
Interest paid on loans/ advances	(285,622,548)	(83,019,413)
Interest paid on optionally convertible debentures	-	(402)
Other borrowing costs	(75,370,194)	(10,164,669)
Proceeds from issue of equity share capital(including securities premium)	-	1,339,096
Share issue expenses paid	(2,908,230)	-
Proceeds from Secured borrowings	1,971,472,649	1,118,674,571
Repayment Secured borrowings	(343,383,128)	(2,143,545,493)
Proceeds from Unsecured borrowings	40,000,000	1,313,000,000
Repayment Unsecured borrowings	(233,000,000)	(1,765,084)
Net cash generated from financing activities	1,068,289,069	191,715,550

Consolidated Cash Flow Statement

for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

	For the year ended March 31, 2016	For the year ended March 31, 2015
D. Exchange difference on translation of balances denominated in foreign currency	-	(113,161)
E. Increase/ (decrease) in cash and cash equivalents, net (A+B+C+D)	35,064,205	(24,347,087)
F. Cash and cash equivalents at the beginning of the year	70,564,361	125,079,082
G. Closing cash and cash equivalents of subsidiaries sold during the year	-	(33,590,360)
H. Opening cash and cash equivalents of subsidiaries acquired during the year	-	3,422,726
I. Cash and cash equivalents at the end of the year (E+F+G+H)	105,628,566	70,564,361

Note:

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
b) Cash and cash equivalents includes:		
Cash on hand	1,783,191	1,909,309
Foreign currency on hand	-	181,368
Balances with banks:		
In current accounts	99,347,699	48,325,721
In fixed deposit accounts	55,537,220	21,738,320
In unclaimed dividend accounts	147,676	147,963
	156,815,786	72,302,681
Less: balances with bank in fixed deposit accounts with original maturity of more than 3 months	(51,187,220)	(1,738,320)
Total of cash and cash equivalents	105,628,566	70,564,361

- c) Fixed deposit with bank of ₹ 2,00,000 (previous year: ₹ 2,00,000) is pledged for the guarantee provided by the bank and ₹ 55,337,220 (previous year: ₹ 20,00,000) is under lien with bank against the term loan taken from the bank.
- d) Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the Company does not have any right on the said money.
- e) Previous year figures have been regrouped and/ or reclassified wherever necessary to conform to those of the current year grouping and/or classification.

This is the Cash Flow Statement referred to in our report of even date

For **Agarwal Prakash & Co.**
Chartered Accountants
FRN: 005975N

For and on behalf of the board of directors

Vikas Aggarwal
Partner

Mehul Johnson
Director
DIN: 00016075

Surinder Singh Kadian
Whole Time Director
DIN: 03495880

Place: Gurgaon
Date: May 06, 2016

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

(All Amounts in Indian ₹ except share data and where otherwise stated)

1. Company overview

Indiabulls Wholesale Services Limited ("the Holding Company") was incorporated on July 24, 2007.

Indiabulls Wholesale Services Limited ("the Holding Company"), together with its subsidiaries (collectively referred as "the Group" in following notes) is engaged in the business of real estate development. The Group is also engaged in the business of rendering management and maintenance services, equipment renting services, maintenance of farm house, aviation services and trade in all kinds of sculptures, paintings and art graphics.

2. Basis of consolidation and preparation of consolidated financial statements

a) Basis of accounting

The consolidated financial statements have been prepared on a going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Companies Act, 2013.

b) Basis of Preparation

The consolidated financial statements are prepared in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements' specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

c) Basis of Consolidation

The consolidated financial statements comprise of the financial statements of Holding Company and its subsidiary companies. The accounting policies have been consistently applied by the Group. Subsidiary companies acquired and held by the parent or its subsidiaries for disposal in the near future are excluded from the consolidated financial statements.

The consolidated financial statements are combined on a line-by-line basis by adding together the book values of items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

d) Goodwill/ Capital Reserve

The difference between the cost of investment in the subsidiaries and the net assets at the time of acquisition of subsidiaries is recognized in the consolidated financial statements as goodwill or capital reserve as the case may be. For this purpose, the share in net assets is determined on the basis of the latest financial statements of such subsidiaries, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill and capital reserve are presented on net basis in financial statements.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its net assets as of the date of disposal is recognized in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.

e) Minority interest

Minority interest represents the amount of net assets attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in net assets since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of net assets attributable to the minority shareholders on the date of investment is reflected under reserves and surplus.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

f) Subsidiary companies included in consolidation

Name of subsidiaries	Country of incorporation	Proportion of ownership interest	
		As at March 2016	As at March 2015
Lucina Infrastructure Limited	India	100%	100%
Sentia Properties Limited	India	100%	100%
Albasta Wholesale Services Limited	India	100%	100%
Store One Retail India Limited	India	73.85%	73.85%
Mahabala Infracon Private Limited (from December 11, 2014)	India	100%	100%
Airmid Aviation Services Limited (from December 23, 2014)	India	100%	100%
Store One Infra Resources Limited (from November 05, 2015)	India	100%	N.A.
Ashva Stud and Agricultural Farms Limited (from December 07, 2015)	India	100%	N.A.
Indiabulls Technology Solutions Limited (Upto July 10, 2014)	India	-	-
Archalia Software Solutions Limited (Upto July 10, 2014)	India	-	-
IB Technology Solutions, Inc (Upto July 10, 2014)	USA	-	-
ITSL Holdings (Mauritius) Limited (Upto July 10, 2014)	Mauritius	-	-
IB Technology (Proprietary) Limited (Upto July 10, 2014)	South Africa	-	-
C-IB Technology Solutions (Pte.) Limited (Upto July 10, 2014)	Singapore	-	-

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its standalone financial statements.

g) Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated of profit or loss	Amount (₹)
Parent				
Indiabulls Wholesale Services Limited	0.54%	47,748,825	-39.66%	(28,065,328)
Indian Subsidiaries				
Lucina Infrastructure Limited	2.23%	198,466,702	-0.02%	(14,650)
Sentia Properties Limited	36.26%	3,224,893,926	-0.02%	(15,050)
Albasta Wholesale Services Limited	3.30%	293,462,174	-11.62%	(8,220,032)
Store One Retail India Limited	56.28%	5,004,985,683	1026.95%	726,714,751
Mahabala Infracon Private Limited	0.99%	87,690,934	-17.49%	(12,375,649)
Airmid Aviation Services Limited	0.14%	12,544,733	-856.67%	(606,215,642)
Store One Infra Resources Limited	0.25%	22,510,831	-1.39%	(986,427)
Ashva Stud and Agricultural Farms Limited	0.00%	442,413	-0.08%	(57,587)
Total	100.00%	8,892,746,221	100.00%	70,764,386

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

3. Significant accounting policies

a) Use of estimates

The preparation of consolidated financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

b) Revenue recognition

(i) Revenue from real estate development projects is recognized on the percentage of completion method. Revenue is recognised in the financial year in which the agreement to sell or application forms (containing salient terms of agreement to sell) is executed, on the percentage of completion method which is applied on a cumulative basis in each accounting year to the current estimate of contract revenue and related project costs, when the stage of completion of each project reaches a significant level which is estimated to be at least 25% of the total estimated construction cost of the respective projects. Revenue from constructed properties for all projects commenced on or after April 1, 2012 or project where the revenue is recognized for the first time on or after the above date, is recognized in accordance with the Revised Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate Transactions (Revised 2012)."

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

- (ii) Revenue from sale of developed land and plots is recognized in the year in which the underlying sale deed is executed and there exist no uncertainty in the collection of consideration from buyers. Where there is any remaining substantial obligations as per agreements, revenue is recognised on 'percentage of completion method' as per (a) (i) above.
- (iii) Revenue from sale of goods/value added construction material is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The Group collects all relevant applicable taxes etc. on behalf of the Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- (iv) Revenue from equipment renting services (including relevant manpower and supervision) is recognized when services is performed usually on a time proportion basis as per the terms of the contract. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- (v) Revenue from management and maintenance services are recognized pro-rata over the period of contract as and when services are rendered. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- (vi) Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts and fixed time frame contracts is recognized in accordance with the percentage completion method under which the sales value of performance, including earnings thereon, is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses are made during the year in which a loss becomes probable based on current contract estimates. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

- (vii) Revenue from air transportation services is recognized in the year in which the service has been rendered, and billed as per terms of contract/arrangements with customers, except in cases where ultimate collection is considered doubtful.
- (viii) Income from advisory service is recognized on an accrual basis.
- (ix) Revenue from export of software services is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts or on the percentage of completion basis. Provision for estimated losses on incomplete contract is recorded in the period in which such losses become probable based on the current estimates. Revenues from product licenses and related revenues are recognized as follows:
 - License fees, on delivery and subsequent milestone schedule as per the terms of the contract with the end user.
 - Product maintenance revenues, over the period of the maintenance contract.
- (x) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- (xi) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- (xii) Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.
- (xiii) Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

c) Inventories

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate project under development includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realisable value, on the basis of first-in first-out method.

Inventories relating to art gallery, held for trading are valued at cost or estimated net realizable value, whichever is lower. The cost of inventories is determined using the specific identification of their individual cost method and includes purchase price and all direct costs incurred in bringing the inventories to their present location and condition.

Other inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories is determined using the weighted average cost method and includes purchase price, and all direct costs incurred in bringing the inventories to their present location and condition.

d) Fixed assets

Recognition and measurement

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

Intangible assets are stated at cost, net of tax or duty credits availed, less accumulated amortization and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Depreciation

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. From the year ended March 31, 2015, schedule XIV has been replaced by Schedule II of Companies Act, 2013. Schedule II of Companies Act, 2013 prescribed the useful lives of fixed asset which, in many cases, are different from lives prescribed under Schedule XIV.

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset	:	Computer software
Estimated life	:	4 years

Capital Work in Progress

Costs of fixed assets under construction are disclosed under capital work-in-progress. Advances paid towards acquisition or construction of fixed assets or intangible assets are included as capital advances under long term loans and advances.

e) **Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in accordance with notified Accounting Standard 16 "Borrowing costs". 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 as incurred.

f) **Investments**

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost less provision for diminution in their value, other than temporary, if made in the financial statements.

g) **Impairment of assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

h) **Employee benefits**

The Group's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Group's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

The Group has unfunded gratuity (defined benefit plan) and compensated absences for its employees, the liability for which is determined on the basis of actuarial valuation, conducted annually, by an independent actuary using projected unit credit method, in accordance with notified Accounting Standard 15 (Revised 2005) – 'Employee

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Benefits'. Actuarial gains and losses are either recognized in the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be.

In some companies, where actuarial valuation is not applicable, the liability is determined on accrual basis.

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

i) Stock based compensation

Stock based compensation expense are recognized in accordance with the guidance note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

j) Leases

Lease payments under operating leases are recognised as expense in the statement of profit and loss over the lease term.

k) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the exchange rate between the reporting currency and the foreign currency at the date of the transaction to the foreign currency amount.

Conversion

Foreign currency monetary items are converted to reporting currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on settlement, or restatement as at reporting date, of long term foreign currency monetary items, at rates different from those at which they were initially recorded, in so far as it relates to acquisition of depreciable capital asset are added to or deducted from cost of such capital asset and depreciated or amortized over remaining useful life of the asset.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on monetary items that in substance forms part of the Group's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized in the statement of profit and loss.

l) Taxes on income

Current tax

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Group will pay normal income tax during the specified period.

Deferred tax

Deferred tax resulting from timing differences between taxable income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

m) Provisions and contingent liabilities

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

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

n) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Share issue/buyback expenses

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

p) Preliminary expenses

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent of balance available and thereafter, the balance portion is charged off to the statement of profit and loss, as incurred.

q) Segment reporting

The group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the executive management in performance assessment and decision making with regards to resource allocation.

r) Unbilled receivables

Unbilled receivables represents revenue recognised based on percentage of completion method as per policy on revenue, over and above the amount due as per the payment plans agreed with the customers.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 4

SHARE CAPITAL

	As at March 31, 2016		As at March 31, 2015	
	No. of shares		No. of shares	
(i) Authorised				
Equity shares of ₹ 2 each	400,000,000	800,000,000	400,000,000	800,000,000
Preference shares of ₹ 10 each	30,000,000	300,000,000	30,000,000	300,000,000
	430,000,000	1,100,000,000	430,000,000	1,100,000,000
(ii) Issued, subscribed and paid up				
Equity shares of face value of ₹ 2 each fully paid up				
Balance at the beginning of the year	50,718,493	101,436,986	5,0561,793	101,123,586
Add: Issued during the year	—	—	156,700	313,400
Total of equity share capital	50,718,493	101,436,986	50,718,493	101,436,986
9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each				
Balance at the beginning of the year	2,517,700	25,177,000	2,517,700	25,177,000
Add: Issued during the year	—	—	—	—
Total of preference share capital	2,517,700	25,177,000	2,517,700	25,177,000
Total of share capital		126,613,986		126,613,986

(iii) Rights, preferences and restrictions attached to shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. The holders of preference shares are entitled to receive dividends, but do not carry the right to vote. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

(iv) Shares allotted as fully paid up, without payments received in cash

A scheme of arrangement between Indiabulls Real Estate Limited and the company and their respective shareholders and creditors under Sections 391 – 394 of the Companies Act, 1956, was sanctioned by the Hon'ble High Court of Delhi at New Delhi on March 3, 2011, pursuant to which the company has allotted one (1) equity share of face value of ₹ 2 each credited as fully paid-up for every eight (8) equity share of face value of ₹ 2 each held by such shareholders in Indiabulls Real Estate Limited.

(v) Details of shareholder holding more than 5% share capital in the Company

	As at March 31, 2016	As at March 31, 2015
Name of the equity shareholders	Number of shares	Number of shares
Jyeshta Infrastructure Private Limited	8,330,412	8,330,412
Kritikka Infrastructure Private Limited	6,965,763	6,965,763
Name of the preference shareholders		
Indiabulls Real Estate Limited	2,517,700	2,517,700

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 5

RESERVES AND SURPLUS

		As at March 31, 2016		As at March 31, 2015
Capital reserve		94,248,700		94,248,700
General reserve		5,014,971,517		5,014,971,517
Securities premium				
Balance as at the beginning of the year	2,495,460,192		2,494,434,496	
Add : Issue of equity share capital	-	2,495,460,192	1,025,696	2,495,460,192
Foreign currency translation reserve				
Balance as at the beginning of the year	-		1,250,128	
Add : Foreign exchange translations	-		(1,250,128)	
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	1,093,593,934		955,889,575	
Less: Adjustments- disposal of Subsidiary	-		(33,688,415)	
Less: Adjustment due to depreciation*	-		(2,685,059)	
Add: Profit for the year	70,764,386		177,494,923	
	1,164,358,320		1,097,011,024	
Less: Appropriations				
Proposed dividend on equity shares and corporate dividend tax thereon	-		-	
Proposed dividend on preference shares and corporate dividend tax thereon	2,906,494	1,161,451,826	3,417,090	1,093,593,934
Total of reserves and surplus		8,766,132,235		8,698,274,343

* Impact of transitional provision provided in Note 7(b) of Schedule II of Companies Act, 2013

Note - 6

BORROWINGS

		As at March 31, 2016		As at March 31, 2015
A. Long- term borrowings				
Secured				
Term loans from banks and others	3,321,952,220		622,238,299	
Less: Current maturities of term loan from banks and others	(272,403,296)	3,049,548,924	(236,128,646)	386,109,653
Unsecured				
Loans from others		120,000,000		80,000,000
Total of long- term borrowings		3,169,548,924		466,109,653

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Repayment terms and security for the outstanding long term borrowings

Name of the bank	Loan outstanding	Rate of interest	Repayment terms	Nature of Security
SREI Equipment Finance Private Limited	-	12.00%	35 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Wholesale Services Limited
	16,809,928			
Kotak Mahindra Bank Limited	29,103,020	12.00% to 12.91%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	54,178,023			
ICICI Bank Limited	92,465,334	10.60% to 12.23%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Wholesale Services Limited
	85,165,105			
HDFC Bank Limited	94,078,807	11.50%	35 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	155,202,624			
	101,636,527	9.65% to 10.65%	23 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Wholesale Services Limited.
	-			
Axis Bank Limited	70,508,239	11.50%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Wholesale Services Limited
	92,453,695			
Reliance Capital Limited	-	12.75%	35 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Wholesale Services Limited
	218,428,924			
Punjab National Bank	2,387,984,400	1.33% per annum (LIBOR plus spread 0.55%)	Repayable after three years from date of disbursal	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Wholesale Services Limited
	-			
IndusInd Bank Limited	546,175,893	11.25% to 10.85%	Repayable in 97 montly remaining installments.	Secured by Hypothecation of Assets being financed.
	-			
Indiabulls Distribution Services Limited	120,000,000	9.00%	2 years from the date of first disbursement	Unsecured
	80,000,000			
TOTAL	3,441,952,220			
	702,238,299			

*Previous year figures are shown in Italics.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 6

BORROWINGS (contd.)

	As at March 31, 2016	As at March 31, 2015
B. Short- term borrowings		
Secured		
Term loan from bank*	-	970,000,000
Unsecured		
Loan from others**	1,000,000,000	1,233,000,000
Total of short- term borrowings	1,000,000,000	2,203,000,000

* Term loan is taken from Ratnakar Bank Limited on interest rate @ 11.35% and secured against aircrafts of the company and exclusive charge over the present and future current assets of the borrower including book debts, receivables, escrow account, cash and bank, loans and advances etc, DSRA of ₹ 20,000,000, corporate guarantee of Indiabulls Wholesale Services Limited and letter of responsibility and shortfall undertaking from Indiabulls Real Estate Limited. The loan was fully repaid during the year and outstanding balance as at March 31, 2016 is ₹ Nil (previous year ₹ 970,000,000).

* *Unsecured loan from Reliance Capital Limited with interest rate of 12.00% and loan was repayable after 1 year from date of agreement. The outstanding balance as on March 31, 2016 is ₹1,000,000,000 (previous year: ₹ Nil).

Note - 7

OTHER LIABILITIES

	As at March 31, 2016	As at March 31, 2015
A. Other Long Term Liabilities		
Security deposits	950,000,000	100,000,000
Total of other long term liabilities	950,000,000	100,000,000
B. Other Current Liabilities		
Advance from customers	261,258,181	47,748,452
Current maturities of secured term loan- from banks & others	272,403,296	236,128,646
Expenses payable	64,961,252	57,738,263
Interest accrued but not due	119,706,582	35,594,885
Payable to statutory or government authorities	81,213,869	19,468,533
Security deposits	5,281,250,863	27,697,664
Unpaid dividend on equity shares*	147,676	147,963
Other liabilities	14,046,737	16,920,370
Total of other current liabilities	6,094,988,456	441,444,776

* In respect of amounts mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2016.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 8

PROVISIONS

		As at March 31, 2016		As at March 31, 2015
A. Long-term provisions				
Provision for employee benefits				
For gratuity	13,225,617		9,702,811	
For compensated absences	6,584,327	19,809,944	4,097,856	13,800,667
Total of long- term provisions		19,809,944		13,800,667
B. Short-term provisions				
Provision for employee benefits				
For gratuity	343,865		244,262	
For compensated absences	233,640	577,505	556,408	800,670
Provision for income tax [Net of advance income tax and tax deducted at source]				42,767,613
-				42,767,613
Proposed dividend on preference shares		2,265,930		2,265,930
Corporate dividend tax thereon		1,006,143		999,129
Total of short- term provisions		3,849,578		46,833,342

Note - 9

TRADE PAYABLES

A. Payable to micro enterprises and small enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

	Particulars	Amount (₹)
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil
(ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2016	As at March 31, 2015
B. Payable to others		
Retention Money Payable	791,556	518,394
Due to Others	471,475,207	251,884,151
Total of trade payables	472,266,763	252,402,545

Note - 10
FIXED ASSETS

(All Amounts in Indian ₹ except share data and where otherwise stated)

Particulars	Tangible Assets						Intangible Assets			Total of fixed assets				
	Building-Temporary Structure	Plant & Equipment	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Aircrafts**	Total of tangible assets	Computer Software	Goodwill	Leasehold land	Total of intangible assets	Capital work in progress	
Gross block (at cost)														
As at April 1, 2014	212,754	1,281,986,415	165,14,438	145,567,872	218,283,660	64,82,374	1,727,392,516	143,701,184	63,175,153	-	206,876,337	-	1,934,268,853	
Additions during the year	251,483	496,149,300	4,094,077	3,190,570	2,166,668	2,82,332	2,598,491,053	3,067,524,533	107,556	6,176,000	6,283,556	62,590,800	3,136,395,949	
Sale/disposed off during the year	-	15,206,328	13,980,602	70,016,641	14,843,619	5,80,008	-	119,346,197	3,634,123	63,097,965	-	66,731,088	- 186,580,285	
Forex Adjustment	-	-	[58]	[314]	[255]	-	-	[627]	[13]	(77,188)	-	(77,201)	- (77,228)	
As at March 31, 2015	464,237	1,723,279,392	6,627,835	78,741,587	20,606,454	61,854,638	2,598,491,053	4,675,065,275	140,174,614	-	6,176,000	146,250,614	62,590,800 4,894,006,689	
Additions during the year	-	49,437,396	963,819	1,501,586	290,498	2,348,590	2,773,255,873	2,828,277,762	280,900	-	3,401,766	3,682,666	- 2,831,960,428	
Sale/disposed off during the year	-	5,020,087	-	-	-	-	-	5,020,087	-	-	-	62,590,800	- 67,630,887	
Forex Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at March 31, 2016	464,237	1,767,698,701	7,591,674	80,248,173	20,896,952	64,703,288	5,371,726,926	7,498,322,950	140,455,514	-	9,577,766	150,033,280	-	7,648,356,230
Accumulated depreciation/amortisation														
As at April 1, 2014	212,754	120,552,991	2,490,230	89,461,278	94,216,072	20,008,807	-	326,942,133	141,271,794	10,738,076	-	152,009,870	-	478,952,003
Depreciation/amortisation for the year*	157,656	101,387,257	3,948,659	8,024,692	20,755,158	8,927,499	80,6264,078	949,74,439	239,419	3,538,236	129,211	3,904,866	-	953,379,305
Sale/disposed off during the year	-	1,824,156	2,378,430	19,749,400	3,173,339	2,126,830	-	29,251,854	1,411,297	14,222,079	-	15,933,376	-	44,885,230
Forex Adjustment	-	-	509	306	406	-	-	1,220	29	(52,233)	-	(52,204)	-	(50,984)
As at March 31, 2015	380,410	220,116,093	4,061,008	77,735,676	111,798,297	26,809,476	806,264,078	1,247,165,938	140,099,945	-	129,211	140,229,156	-	1,387,395,094
Depreciation/amortisation for the year	83,827	113,341,657	888,750	681,412	20,284,674	7,268,372	217,658,271	360,206,963	90,165	-	738,886	889,051	-	361,096,014
Sale/disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Forex Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at March 31, 2016	464,237	333,457,750	4,949,758	78,417,988	131,082,971	34,078,848	1,023,922,349	1,607,372,301	140,190,110	-	928,097	141,118,207	-	1,748,491,008
Net block														
As at March 31, 2016		- 1,434,238,551	2,641,915	1,825,185	73,813,981	30,625,440	4,347,804,577	5,890,950,049	265,404	-	8,649,669	8,915,073	- 5,899,865,122	
As at March 31, 2015	83,827	1,503,163,299	2,566,847	1,005,011	92,808,157	35,049,222	1,792,226,975	3,427,889,337	74,659	-	6,046,789	6,121,458	- 62,590,800	3,496,611,595

*Effective from April 01, 2014, the Company has started providing depreciation based on the revised useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013 or useful life as assessed by the company. Therefore, based on transitional provision provided in Note 7(b) of Schedule II, the carrying value of assets which has completed its depreciation period as on April 01, 2014 has been charged to the opening balance of statement of profit and loss as on that date.

**Details of foreign exchange loss/(gain) on translation of long-term foreign currency borrowing capitalised and amortized during the year:

Particulars	Tangible asset-Aircraft
Exchange loss / (gain) capitalized	
As at April 1, 2014	245,970,490
Additions during the year	-
As at March 31, 2015	245,970,490
Amortized during the year	101,624,400
As at March 31, 2016	347,594,890
Exchange loss / (gain) amortized	
As at April 1, 2014	23,945,373
Amortized during the year	13,533,595
As at March 31, 2015	37,478,968
Amortized during the year	16,879,426
As at March 31, 2016	50,358,394
Net block of exchange loss/(gain)	
As at March 31, 2016	291,236,496
As at March 31, 2015	208,491,522

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

Note - 11

(All Amounts in Indian ₹ except share data and where otherwise stated)

LOANS AND ADVANCES

		As at March 31, 2016	As at March 31, 2015
A. Long-term loans and advances			
(Unsecured, considered good)			
Advance income tax, including tax deducted at source		337,465,042	207,930,254
Capital Advance		886,904	2,386,549
Prepaid expenses		1,352,595	34,538
MAT credit entitlement		3,013,592	-
Security deposits others		20,475,416	443,314,437
(Unsecured, considered doubtful)			
Security deposits- others	-	155,530,001	-
Less: Provision against doubtful advances	-	(155,530,001)	-
Total of Long term loans and advances		363,193,549	653,665,778
B. Short-term loans and advances			
(Unsecured, considered good)			
Loan and Advance to employees		6,567,762	4,966,756
Advance to material / service providers		44,279,516	23,178,423
Balances with statutory/ government authorities		7,343,251	46,144,610
MAT credit entitlement		-	2,513,063
Other advances		3,120,000,000	3,145,000,000
Other receivables		31,091	87,559
Prepaid expenses		9,478,768	7,592,086
Security deposits given		6,685,800,000	380,320,000
(Unsecured, considered doubtful)			
Advance to material / service providers	-	135,914,721	-
Other receivables	-	1,013,429	-
Less: Provision against doubtful debts	-	(136,928,150)	-
Total of short term loans and advances		9,873,500,388	3,609,802,497

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 12

OTHER ASSETS

	As at March 31, 2016	As at March 31, 2015
A. Other Non Current Assets		
Other bank balances- in fixed deposit accounts with maturing beyond 12 months (Refer Note 15)	100,000	200,000
Total of other non current assets	100,000	200,000
B. Other Current Assets		
(Unsecured, considered good)		
Interest accrued on		
Fixed deposit accounts	2,255,810	67,352
Loans and advances	5,852,978	5,852,978
Unbilled debtors	82,788	74,615,502
Total of other current assets	8,191,576	80,535,832

Note - 13

INVENTORIES

	As at March 31, 2016		As at March 31, 2015	
Real estate project under development (at cost)				
Land	585,180,530		585,180,530	
License and other regulatory fees	25,099,294		21,691,552	
Cost of material, construction services and other overheads	<u>1,122,549,242</u>		<u>1,095,607,040</u>	
	<u>1,732,829,066</u>		<u>1,702,479,122</u>	
Less: cost of sale recognised till date	<u>(1,685,037,519)</u>	47,791,547	<u>(1,562,859,881)</u>	139,619,241
Trading goods and others:				
Stores and spares	5,409,785		3,865,111	
Stock-in-trade	149,975,418	155,385,203	17,443,204	21,308,315
Total of inventories		203,176,750		160,927,556

Note - 14

TRADE RECEIVABLE

	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	113,812,798	81,335,936
Other debts	463,156,283	681,658,573
Total of trade receivables	576,969,082	762,994,509

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 15

CASH AND CASH EQUIVALENTS

		As at March 31, 2016		As at March 31, 2015
Cash and bank balances				
Cash on hand		1,783,191		1,909,309
Foreign currency on hand		-		181,368
Balances with banks				
In current accounts	99,347,699		48,325,673	
In fixed deposit accounts with maturity of upto 3 months	4,350,000		20,000,000	
In unclaimed dividend accounts	147,676	103,845,375	148,011	68,473,684
Other bank balances				
In fixed deposit accounts with maturity of more than 3 months	51,087,220		1,538,320	
In fixed deposit accounts maturing beyond 12 months	100,000		200,000	
Less: non-current bank balances in fixed deposit accounts	(100,000)	51,087,220	(200,000)	1,538,320
Total of cash and cash equivalents		156,715,786		72,102,681

Fixed deposit with bank of ₹ 2,00,000 (previous year: ₹ 2,00,000) is pledged for the guarantee provided by the bank and ₹ 55,337,220 (previous year: ₹ 20,000,000) is under lien with bank against the term loan taken from the bank.

Note- 16

REVENUE FROM OPERATIONS

		For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from real estate project under development		128,300,672	359,141,650
Revenue from services			
Air transportation services	311,134,882	57,736,090	
Equipment hiring services	702,553,393	532,829,187	
Facility maintenance and other related activities	730,862,112	736,973,019	
Income from job works	9,260,064	21,595,466	
Information technology solutions	-	300,087,521	
Pilot hiring income	-	100,000	
Income from Construction and Advisory Services	1,125,800,000	2,879,610,451	1,649,321,283
Revenue from sales of sculptures		18,446,425	-
Revenue from sale of other trading goods and products		30,551,192	52,094,673
Other operating revenue		43,846,481	12,848,229
Total of revenue from operations		3,100,755,221	2,073,405,835

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

Note - 17

(All Amounts in Indian ₹ except share data and where otherwise stated)

OTHER INCOME

	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend income on units of mutual funds	5,423,441	5,868,826
Foreign exchange gain	49,341	1,333,742
Interest income on fixed deposit receipts	3,534,539	676,285
Interest - others	7,144,981	988,066
Liabilities written back	8,107,629	61,540
Miscellaneous income	1,732,854	1,143,348
Total of other income	25,992,785	10,071,807

Note - 18

COST OF SALES

	For the year ended March 31, 2016	For the year ended March 31, 2015
For real estate project under development and construction		
Cost incurred during the year	30,349,945	54,554,445
(Increase)/Decrease in real estate project under development		
Opening stock	139,619,241	390,463,061
Less: Closing stock	(47,791,547)	(139,619,241)
For trading goods and products		
Purchase of stock in trade	149,491,842	22,237,180
(Increase)/Decrease in inventory of stock-in-trade, net		
Opening stock	17,443,204	420,647
Less: Closing stock	(149,975,419)	(17,443,204)
Total of cost of sales	139,137,266	310,612,888

Note - 19

EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	211,998,022	313,530,916
Contribution to provident fund and other funds	401,778	5,241,314
Staff welfare expenses	9,771,417	6,148,496
Total of employee benefit expenses	222,171,217	324,920,726

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

Note - 20

(All Amounts in Indian ₹ except share data and where otherwise stated)

FINANCE COSTS

	For the year ended March 31, 2016		For the year ended March 31, 2015	
Interest expenses on:				
- loans and advances	369,734,245		118,614,299	
- optionally convertible debentures	-		402	
- taxation	4,067,071		1,292,956	
- others	50,463	373,851,779	266,370	120,174,027
Foreign exchange (gain) / loss		12,764,918		
Other borrowing cost		62,605,276		10,164,669
Total of finance costs		449,221,973		130,338,696

Note - 21

OTHER EXPENSES

	For the year ended March 31, 2016		For the year ended March 31, 2015	
Advertisement and sales promotion		2,070,989		3,420,697
Auditors' remuneration*		4,406,200		4,274,974
Bad debts/ balances written off		-		72,008
Bank Charges		1,583,293		995,790
Common area maintenance, electricity & water charges		35,925,213		23,029,865
Communication expenses		3,269,181		4,824,075
Consumables		37,403,432		16,455,766
Corporate social responsibility expenses		9,114,170		7,845,391
Foreign exchange loss		11,511,444		2,146,185
Freight & cartage		18,425,547		5,511,899
Insurance expenses		12,589,136		6,939,579
Labour charges		166,092,926		125,657,992
Legal and professional charges		35,754,647		64,234,416
Lift Operating & Management Charges		59,261,564		58,978,714
Loss on sale/ disposal of fixed assets		5,020,088		5,741,574
Management and Construction Advisory Services		749,036,730		-
Miscellaneous expenses		1,191,950		1,153,318
Office expenses		1,577,735		1,026,158
Plant & machinery operating expenses		-		-
Power and fuel expenses		42,528,442		10,875,607
Preliminary expenses		24,560		7,450
Printing and stationery		2,748,710		1,928,960
Property Management and Maintenance Expenses		315,785,610		426,613,671
Provision for debts & advances		-		-
Rates and taxes		3,564,041		13,598,326
Recruitment and training expenses		14,665,907		3,089,737
Rent expenses (Refer Note - 27)		12,375,881		21,836,138

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 21

OTHER EXPENSES (Contd...)

		For the year ended March 31, 2016	For the year ended March 31, 2015
Repairs and maintenance			
Buildings	8,567,075	6,184,735	
Plant and equipments	36,911,370	24,889,579	
Vehicles	464,216	149,148	
Others	15,078,937	61,021,598	13,650,081
Brokerage and marketing expenses	30,921,625		16,387,636
Customer Endowment expenses	6,089,504		9,702,641
Security expenses	48,711,738		51,902,288
Software expenses	-		588,044
Subscription fees	7,347,197		1,946,267
Travelling and conveyance expenses	17,152,078		17,293,023
Aircraft maintenance charges	116,472,662		30,479,992
Crew accommodation charges	8,987,167		1,674,505
Landing and handling charges	35,170,665		9,354,873
Navigation and flight planning charges	7,668,907		1,301,196
Catering expenses	3,742,159		914,148
Hire charges - Airmid aviation	5,759,400		118,333
Total of other expenses	1,894,972,096		996,794,779

* Including non-allowable taxes

22. Income Tax

Current tax

Current tax for the year includes earlier year tax adjustments of ₹ 5,226,794 (previous year: ₹ 10,482,547). The group has recognized the MAT credit entitlement of ₹ 500,529 (previous year: ₹ 4,084) considering that there is convincing evidence that the group will pay normal income tax during the specified period as per section 115JAA of Income Tax Act, 1961.

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – ‘Accounting for taxes on income’, as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the Group had recognized deferred tax credit (net) of ₹ 6,950,539 (previous year: credit of ₹ 43,872,566) in the statement of profit and loss.

The breakup of deferred tax assets as into major components is as under:

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liability arising on account of :		
Depreciation	(52,270)	-
Total of deferred tax liability	(52,270)	-
Deferred tax asset arising on account of :		
Accumulated losses	54,810,593	47,832,516
Provision for compensated absences and gratuity	224,598	118,743
Preliminary expenses	1,547	-
Demerger expenses	-	66,300
Depreciation	139,857	156,227
Total of deferred tax asset	55,176,595	48,173,786
Deferred tax asset, net	55,124,325	48,173,786

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

23. Earnings per equity share

	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax	70,764,386	178,372,058
Less:- Dividend on preference share including corporate dividend tax	(2,906,494)	(3,417,090)
Less: Share of minority interest	-	(877,135)
Profit attributable to equity shareholders	67,857,892	174,077,833
Weighted average number of shares used in computing basic earnings per equity share	50,718,493	50,656,672
Add: Potential number of equity shares on exercise of ESOPs	-	351,982
Weighted average number of shares used in computing diluted earnings per equity share	50,718,493	51,008,653
Face value per equity share	2	2
Basic earnings per equity share	1.34	3.44
Diluted earnings per equity share	1.34	3.41

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 plans/schemes as appropriate.

24. Segment Reporting

Segment information as per Accounting Standard 17 (AS 17) – ‘Segment Reporting’, as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended):

a) Primary segment information (by business segments)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	Segment revenue		
	Real estate project under development	133,633,044	371,989,879
	Aviation Services	482,679,617	88,770,090
	Management and maintenance services	730,862,112	736,973,019
	Equipment renting services	713,160,851	554,574,653
	Construction, advisory and other related activities	1,155,003,798	52,094,673
	Unallocated	18,446,425	371,716,509
	Total	3,233,785,847	2,176,118,823
	Less: Inter segment revenue	(133,030,626)	(102,712,988)
	Total revenue	3,100,755,221	2,073,405,835
2	Segment result		
	Real estate project under development	(27,836,786)	21,227,879
	Aviation Services	(117,073,111)	(31,815,549)
	Management and maintenance services	216,156,354	137,527,979
	Equipment renting services	195,161,381	148,452,449
	Construction, advisory and other related activities	218,902,535	46,880,051
	Unallocated	(19,285,202)	(9,501,798)
	Total	466,025,171	312,771,011
	(i) Less: Interest	418,348,143	163,070,864
	(ii) Less: Unallocable expenditure net off unallocable income	(12,472,412)	2,058,520
	Total result	60,149,440	147,641,627

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

(All Amounts in Indian ₹ except share data and where otherwise stated)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
3	Segment assets Real estate project under development Aviation Services Management and maintenance services Equipment renting services Construction, advisory and other related activities Others Unallocated	3,232,979,980 4,720,339,521 38,729,861 1,728,224,077 6,685,800,000 152,849,193 4,044,287,254	3,839,829,716 2,055,364,887 706,120,356 1,842,621,287 - 26,637,819 3,877,905,247
	Total assets	20,603,209,886	12,348,479,312
4	Segment liabilities Real estate project under development Aviation Services Management and maintenance services Equipment renting services Construction, advisory and other related activities Others Unallocated	57,446,295 1,141,676,725 432,490,274 455,543,353 5,294,762,500 71,653,676 4,256,890,842	85,196,782 181,691,755 122,236,123 666,659,082 - 71,236 2,467,736,005
	Total liabilities	11,710,463,665	3,523,590,983
5	Capital expenditure Real estate project under development Aviation Services Management and maintenance services Equipment renting services Construction, advisory and other related activities Others Unallocated	25,000 2,711,378,948 3,591,142 53,544,517 - 822,268 7,749	145,786 62,917,900 1,418,167 459,696,054 - - 5,284,587
	Total capital expenditure	2,769,369,624	529,462,494
6	Depreciation and Amortization Real estate project under development Aviation Services Management and maintenance services Equipment renting services Construction, advisory and other related activities Others Unallocated	1,046,595 218,744,640 9,989,901 108,969,926 - 187,819 22,157,133	2,016,984 34,216,988 2,181,282 100,240,524 - - 34,513,148
	Total depreciation and amortization	361,096,014	173,168,926
7	Significant non- cash expenses other than depreciation and amortization Real estate project under development Aviation Services Management and maintenance services Equipment renting services Construction, advisory and other related activities Others Unallocated	- 6,312,173 - - - - 10,855,541	- - - - - - 10,443,389
	Total non- cash expenses other than depreciation and amortization	17,167,714	10,443,389

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

- b) The group has determined the following business segments as the primary segments for disclosure:
 - (i) Real estate projects under development
 - (ii) Aviation Services
 - (iii) Management and maintenance services
 - (iv) Equipment renting services, and
 - (v) Construction, advisory and other related activities
- c) Segment revenue, results and assets include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- d) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Significant Accounting Policies above.

25. Employee benefits

Amount recognised in the statement of profit and loss is as under:

Particulars	Gratuity benefits		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Service cost	3,614,476	3,282,615	1,943,472	1,304,539
Interest cost	770,898	548,867	360,705	303,490
Actuarial (gain)/ loss, net	744,716	637,402	(118,758)	(522,164)
Cost recognized during the year	5,130,090	4,468,884	2,185,419	1,085,865

Movement in the liability recognised in the balance sheet is as under:

Particulars	Gratuity benefits		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Obligation at the beginning of the year	9,947,074	22,663,295	4,654,264	6,782,626
Obligation on account of consolidation of subsidiary	-	(17,012,250)	-	(3,163,681)
Benefits paid during the year	(1,507,681)	(172,856)	(21,716)	(50,546)
Cost recognized during the year	5,130,090	4,468,884	2,185,419	1,085,865
Obligation at the end of the year	13,569,483	9,947,073	6,817,967	4,654,264

For determination of the liability of the Group, the following actuarial assumptions were used:

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	2016	2015	2016	2015
Discount rate %	7.75% to 8.00%		7.75%	
Salary escalation rate %		5.00%		5.00%
Mortality table	IALM (2006 - 08)		IALM (2006 - 08)	

26. Employee Stock Option Schemes

Employee stock option schemes of Store One Retail India Limited

i. Store One Retail India Limited Employees Stock Option Scheme - 2009

The Shareholders of Store One Retail India Limited (hereinafter referred as SORIL) vide postal ballot passed a special resolution on February 9, 2009 for issue of 1,500,000 (One Million five hundred thousands) shares towards issue of Employee Stock Option Scheme -2009 in supersession of Resolution passed on May 12, 2008 for ESOP -2008.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

The Compensation Committee, constituted by the Board of Directors of the SORIL, at its meeting held on June 05, 2009, granted, under the "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009", 1,500,000 (One Million five hundred thousands) stock options representing an equal number of Equity shares of face value ₹ 10 each in the SORIL, to the eligible employees, at an exercise price of ₹ 30.45 per option, being the latest available closing market price on the National Stock Exchange of India Limited, as on June 04, 2009. The stock options so granted, shall vest in the eligible employees within 10 years beginning from June 06, 2010, the first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Pursuant to the shareholders' authorization dated September 30, 2009 and receipt of fresh certificate of incorporation dated October 6, 2009, the name of the SORIL has been changed from Indiabulls Retail Services Limited to Store One Retail India Limited. Accordingly, the title of the Scheme stands changed from Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009 to 'Store One Retail India Limited Employees Stock Option Scheme - 2009.

SORIL follows the intrinsic value method of accounting as prescribed in the Guidance Note on Accounting for Employees Share Based Payments ("Guidance Note") issued by the Institute of Chartered Accountants of India. Since, on the date of grant, the intrinsic value of the options granted was equal to the exercise price, no compensation expense in respect of the options granted was recorded by the SORIL.

The Fair value of the options under the plan using the Black-Scholes model based on the following parameters is ₹ Nil per option, as calculated by an independent firm of Chartered Accountants:

S. No.	Particulars	ESOP – 2009
1	Expected volatility	206%
2	Expected forfeiture percentage on each vesting date	-
3	Option Life (Weighted Average)	10.5 Years
4	Expected Dividends yield	-
5	Risk Free Interest rate	6.50%

Had the SORIL followed the fair value method, there would not have been any impact on profit after tax and on basic and diluted earnings per share of the SORIL.

Employee stock options details as on the balance sheet date are as follows:

Particulars	2015-16	2014-15
	No. of shares	No. of shares
Total number of option under Scheme	1,500,000	1,500,000
Number of options outstanding as at beginning of the year	-	150,000
Number of options granted during the year	-	-
Number of options vested during the year	-	-
Number of options exercised during the year	-	-
Number of options forfeited/cancelled during the year	-	150,000
Number of options lapsed during the year	-	-
Number of options outstanding as at end of the year	-	-
Out of the outstanding option number of options exercisable as at end of the year	-	-
Number of options available for grant as at end of the year	1,500,000	1,500,000
Exercise Price (₹ per option)	30.45	30.45
Remaining Contractual Life for options outstanding as at end of the year (months)	-	-

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

ii. Store One Retail India Limited Employees' Stock Options Scheme – 2009 (II)

Members of SORIL in their annual general meeting held on September 30, 2009 have approved by way of special resolution the "Indiabulls Retail Services Employees Stock Option Scheme - 2009 (II) ("IBRSL ESOS - 2009") covering 3,000,000 (Three Millions) equity settled options for eligible employees of the SORIL, its subsidiaries, its fellow subsidiaries and Holding Company.

The options to be granted, under the above scheme representing an equal number of Equity shares of face value ₹ 10 each in SORIL, to the eligible employees, will be granted at an exercise price which will be equal to latest available closing market price on the National Stock Exchange of India Limited, on the date of grant . The stock options so granted, shall vest in the eligible employees within 10 years beginning from their respective dates of grants. The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Pursuant to the shareholders' authorization dated September 30, 2009 and receipt of fresh certificate of incorporation dated October 6, 2009, the name of SORIL has been changed from Indiabulls Retail Services Limited to Store One Retail India Limited. Accordingly, the title of the Scheme stands changed from Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009(II) to ₹Store One Retail India Limited Employees Stock Option Scheme - 2009(II).

SORIL follows the intrinsic value method of accounting as prescribed in the Guidance Note on Accounting for Employees Share based Payments ("Guidance Note") issued by the Institute of Chartered Accountants of India. Since no options have been granted therefore there is no compensation expense which need to be recognised by the SORIL.

Other disclosures as to proforma effect had the fair value method been followed and other related disclosure is not applicable as no options have been granted.

27. Operating Lease

The Group has taken office premises on operating lease at various locations and lease rent of ₹ 12,312,000 in respect of the same has been charged during the year (previous year: ₹ 20,791,472). The underlying agreements are executed for a period generally ranging from one year to three years, renewable at the option of the Group and the lessor and are cancellable in some cases, by either party by giving a notice generally upto 90 days. There are no restrictions imposed by such leases and there are no subleases.

The minimum lease rentals payable in respect of such operating leases are as under:

Minimum Lease Rentals	As at March 31, 2016	As at March 31, 2015
Within one year	11,052,108	12,470,163
More than one year but not later than five years	35,019,351	28,171,074

28. Related party transactions

Disclosures in respect of Accounting Standard (AS) – 18 'Related party disclosures', as specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This disclosure also includes the amount due to entities pursuant to clause 32 of listing agreement with stock exchange:

During The year ending March 31, 2016 and March 31, 2015 there were no material transactions with related parties. In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships, as given above, are as identified by the Group and have been relied upon by the auditors.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

29. Contingent liabilities and Commitments

Particulars	As at March 31, 2016	As at March 31, 2015
Income tax matters for the assessment year 2008-09 in respect of the which appeals have been filed	461,338	461,338
Income tax matters for the assessment year 2010-11 in respect of the which appeals have been filed	2,484,323	2,484,323
Income tax matters for the assessment year 2011-12 in respect of the which appeals have been filed	-	26,031,360
Income tax matters for the assessment year 2012-13 in respect of the which appeals have been filed	30,718,003	32,890,190
Income tax matters related to tax deducted at source related to financial years from 2007-08 to 2015-16	1,008,931	-
Matters related to value added tax for financial year 2007-08 in respect of which appeal has been filed	11,164,268	11,164,268
Guarantees issued by banks to Sales Tax and Custom department (secured by way of fixed deposits of the Group)	125,000	125,000
Claims (Excluding interest) against the Group not acknowledged as debts	14,802,793	5,353,400
Commitments		
Estimated amount of contracts remaining to be executed on capital account, net of advances	7,982,136	8,690,608

The group has certain litigation cases pending, however, based on legal advice, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the group.

As per the best estimate of the management, no provision is required to be made in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

30. Corporate social responsibility expenses

- (a) Gross amount required to be spent by the Group during the year: ₹ 9,114,170 (previous year ₹ 7,845,391).
- (b) Amount spent during the year on:

S. No.	Particulars	Paid in cash ₹	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		-	-	-
(ii)	On purposes other than (i) above	9,114,170	-	9,114,170
		7,845,391*	-	7,845,391*

* Previous year figures are shown in italics.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

- 31.** The Group has exposure to foreign exchange related risks. The Group has not entered into any foreign exchange derivative instruments during the year.

Unhedged foreign currency exposure as at reporting date is as follows:

Particulars	Currency	As at March 31, 2016		As at March 31, 2015	
		(in FCY)	(in ₹)	(in FCY)	(in ₹)
Trade payables	USD	292,693	19,415,143	173,856	10,881,786
	EURO	942,948	70,811,166	2,192	147,983
	GBP	5,662	538,343	-	-
Security deposits given	USD	15,000	994,993	15,000	938,862
Capital Advances	USD	-	-	1,000,000	62,590,800
Buyers credit from bank	USD	36,000,000	2,387,984,400	-	-
Interest payable on buyers credit from bank	USD	344,470	22,849,694	-	-

- 32.** In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the Balance Sheet as at March 31, 2016, have a value on realization, in the ordinary course of the Group's business, at least equal to the amount at which they are stated in the financial statements and hence no provision is required to be made against the recoverability of these balances.
- 33.** Previous year figures have been regrouped and/or re-classified, wherever necessary to confirm those of the current year grouping and/or classification.

For **Agarwal Prakash & Co.**
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner

Place: Gurgaon
Date: May 06, 2016

For and on behalf of the board of directors

Mehul Johnson
Director
DIN: 00016075

Priya Jain
Company Secretary

Surinder Singh Kadian
Whole Time Director
DIN: 03495880

Saurabh Garg
Chief Financial Officer

Independent Auditor's Report

To the Members of Indiabulls Wholesale Services Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Indiabulls Wholesale Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under provisions of Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Independent Auditor's Report (contd.)

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As detailed in Note –27 to the standalone financial statements, the Company has disclosed the impact of pending litigations on 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 are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

Gurgaon
May 06, 2016

Annexure to the Auditor's Report

Annexure A referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date on the standalone financial statements for the year ended March 31, 2016

Based on the audit procedures performed of the purpose of reporting a true and fair view on the standalone 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, we report that:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
c. The Company does not hold any immovable properties (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
 - a. In our opinion, the terms and conditions of the grant are not prejudicial to the company's interest.
 - b. In our opinion, the schedule of repayment of principal amount and payment of interest has been stipulated and the repayment of principal amount and receipt of interest are regular.
 - c. There is no overdue amount in respect of loans granted to such companies, with regard to principal amount and interests.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions 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 to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues :
 - a. According to the records of the Company, 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 any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanations given to us, there are no dues in respect of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax have not been deposited with the appropriate authorities on account of any dispute except for the amounts mentioned below:

Name of the Statute	Demand Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	24,84,323	Assessment Year 2010-11	ITAT
Income Tax Act, 1961	156,30,520	Assessment Year 2012-13	CIT(A)

- viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.

Annexure to the Auditors' Report (contd.)

- ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or its employees was noticed or reported during the year.
- xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner
Membership No.: 097848

Gurgaon
May 06, 2016

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Indiabulls Wholesale Services Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting includes 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure B to the Auditor's Report (contd.)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Gurgaon
May 06, 2016

Vikas Aggarwal
Partner
Membership No.: 097848

Balance Sheet

as at March 31, 2016

	Note		As at March 31, 2016 ₹		As at March 31, 2015 ₹
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	4		126,613,986		126,613,986
Reserves and surplus	5		7,805,687,499		7,805,687,499
Total of Shareholders' funds			7,932,301,485		7,927,128,902
Non-current liabilities					
Long-term provisions	6A		599,493		371,504
Total of Non-current liabilities			599,493		371,504
Current liabilities					
Trade payables	7A		-		
(a) Payable to micro enterprises and small enterprises	7B	1,786,007	1,786,007	2,008,230	2,008,230
(b) Other Payables	8		54,977,765		82,486,160
Other current liabilities	6B		2,747,275		45,510,263
Total of Current liabilities			59,511,047		130,004,653
Total of Equity and Liabilities			7,992,412,025		8,057,505,059
II. ASSETS					
Non-current assets					
Fixed assets	9		1,461,640	2,483,235	2,483,235
Tangible assets			-		
Intangible assets			1,461,640	-	
Non-current investments	10		3,699,699,890		3,699,199,890
Deferred tax assets, net	22		353,979		341,270
Long-term loans and advances	11A		4,088,326,229		3,997,468,202
Total of Non-current assets			7,789,841,738		7,699,492,597
Current assets					
Inventories	12		47,659,217		139,486,911
Trade receivables	13		19,539,845		64,194,459
Cash and cash equivalents	14		29,042,521		13,126,453
Short-term loans and advances	11B		106,245,916		57,053,484
Other current assets	15		82,788		84,151,155
Total of Current assets			202,570,287		358,012,462
Total of Assets			7,992,412,025		8,057,505,059

Significant accounting policies 3

The accompanying notes are an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For **Agarwal Prakash & Co.**

Chartered Accountants

FRN: 005975N

For and on behalf of the board of directors

Vikas Aggarwal

Partner

Mehul Johnson

Director

DIN: 00016075

Surinder Singh Kadian

Whole Time Director

DIN: 03495880

Place: Gurgaon

Date: May 06, 2016

Priya Jain

Company Secretary

Saurabh Garg

Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2016

	Note		For the year ended March 31, 2016 ₹		For the year ended March 31, 2015 ₹
Revenue					
Revenue from operations	16		133,633,044		371,989,879
Other income	17		38,267,146		159,191,939
Total of Revenue			171,900,190		531,181,818
Expenses					
Cost of revenue	18	30,349,945		54,554,445	
Cost incurred during the year		91,827,694	122,177,639	250,843,820	305,398,265
Decrease in real estate project under development					
Employee benefits expense	19		4,798,586		3,057,072
Finance costs	20		3,883,134		1,550,755
Depreciation and amortisation expense	9		1,046,595		2,016,984
Other expenses	21		35,693,501		42,771,824
Total of Expenses			167,599,455		354,794,900
Profit before tax			4,300,735		176,386,918
Tax expense:	22				
Current tax (including of earlier year taxes)			(3,220,903)		42,809,377
Deferred tax (credit)/charge			(12,709)		(124,678)
Profit for the year			7,534,347		133,702,219
Earnings per equity share	23				
Basic			0.10		2.59
Diluted			0.10		2.57
Face value per equity share			2		2

Significant accounting policies 3

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

FRN: 005975N

For and on behalf of the board of directors

Vikas Aggarwal
Partner

Mehul Johnson
Director
DIN: 00016075

Surinder Singh Kadian
Whole Time Director
DIN: 03495880

Place: Gurgaon
Date: May 06, 2016

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2016

	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
A. Cash flow from operating activities:		
Net Profit before tax	4,300,735	176,386,918
<i>Adjustments for Statement of Profit and Loss items:</i>		
Depreciation and amortisation expense	1,046,595	2,016,983
Dividend income on units of mutual fund	(1,162,762)	(3,941,051)
Dividend on preference share investments	(1,782,150)	(1,781,550)
Interest income from loans and advances given	(33,817,525)	-
Interest income on fixed deposit receipts	-	(10,616,242)
Net gain on sale of investments	-	(141,500,000)
Bad debts written off	-	72,008
Provision for gratuity and compensated absences	235,266	(360,627)
Operating profit before working capital changes and other adjustments	(31,179,841)	20,276,439
<i>Working capital changes and other adjustments</i>		
Decrease/ (increase) in trade receivables	119,187,328	84,272,967
Decrease/ (increase) in loans and advances	24,307,568	333,209,445
Decrease/ (increase) in inventories	91,827,694	250,843,820
Increase/(decrease) in trade payables	(222,223)	403,268
Increase/ (decrease) in other liabilities	(27,508,395)	(178,634,270)
Cash generated from operating activities	176,412,131	510,371,669
Income tax paid	(40,982,195)	(1,993,754)
Net cash generated from operating activities	135,429,936	508,377,915
B. Cash flow from investing activities:		
Investment in equity shares of subsidiary companies	(500,000)	(101,150,000)
Proceeds from sale of investments	-	142,000,000
Investment in mutual funds	5,349,700,000	(15,432,395,207)
Redemption of mutual funds	(5,349,700,000)	15,432,395,207
Dividend received from units of mutual funds	1,162,762	3,941,051
Dividend on preference share investments	1,782,150	1,781,550
Inter- corporate deposits given	(1,306,572,899)	(679,760,000)
Inter- corporate deposits received back	1,143,650,357	113,300,000
Interest income received on inter- corporate deposits given	43,353,178	1,080,589
Purchase of fixed assets	(25,000)	(145,786)
Net cash used in/ (generated from) investing activities	(117,149,452)	(518,952,596)
C. Cash flow from financing activities:		
Proceeds form issue of equity share capital (including securities premium)	-	1,339,096
Dividends paid on preference share capital, including corporate dividend tax	(2,364,416)	(2,348,251)
Net cash used in financing activities	(2,364,416)	(1,009,155)
D. (Decrease)/ increase in cash and cash equivalents, net (A+B+C)	15,916,068	(11,583,836)
E. Cash and cash equivalents at the beginning of the year	13,126,453	24,710,289
F. Cash and cash equivalents at the end of the year (D+E)	29,042,521	13,126,453

Cash Flow Statement

for the year ended March 31, 2016 (Contd..)

Notes:

- a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- b) **Cash and cash equivalents includes:**

	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Cash on hand	65,114	71,166
Balances with banks		
- In current accounts	28,829,731	12,907,324
- In unclaimed dividend account (refer note (c) below)	147,676	147,963
Total of cash and cash equivalents	29,042,521	13,126,453

- c) Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the company does not have any right on the said money.

This is the Cash Flow Statement referred to in our report of even date

For **Agarwal Prakash & Co.**

Chartered Accountants

FRN: 005975N

For and on behalf of the board of directors

Vikas Aggarwal

Partner

Mehul Johnson

Director

DIN: 00016075

Surinder Singh Kadian

Whole Time Director

DIN: 03495880

Place: Gurgaon

Date: May 06, 2016

Priya Jain

Company Secretary

Saurabh Garg

Chief Financial Officer

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

(All Amounts in Indian ₹ except share data and where otherwise stated)

1. Company overview

Indiabulls Wholesale Services Limited ("the Company", "IBWSL") was incorporated on July 24, 2007.

The Company is developing real estate projects on land situated in Ahmadabad (Gujarat) and Hyderabad (Andhra Pradesh).

2. Basis of preparation of financial statements

a) Basis of accounting

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3. Significant accounting policies

a) Revenue recognition

i) Revenue from real estate development projects is recognized on the percentage of completion method. Revenue is recognised in the financial year in which the agreement to sell or application forms (containing salient terms of agreement to sell) is executed, on the percentage of completion method which is applied on a cumulative basis in each accounting year to the current estimate of contract revenue and related project costs, when the stage of completion of each project reaches a significant level which is estimated to be at least 25% of the total estimated construction cost of the respective projects. Revenue from constructed properties for all projects commenced on or after April 1, 2012 or project where the revenue is recognized for the first time on or after the above date, is recognized in accordance with the Revised Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate Transactions (Revised 2012)."

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

- ii) Revenue from sale of developed land and plots is recognized in the year in which the underlying sale deed is executed and there exist no uncertainty in the collection of consideration from buyers. Where there is any remaining substantial obligations as per agreements, revenue is recognised on 'percentage of completion method' as per (a) (i) above.
- iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iv) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- v) Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.
- vi) Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

b) Inventories

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate project under development includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realisable value, on the basis of first-in first-out method.

c) Fixed assets

Recognition and measurement

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

Intangible assets are stated at cost, net of tax or duty credits availed, less accumulated amortization and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

Depreciation and Amortization

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. From the year ended March 31, 2015, schedule XIV has been replaced by Schedule II of Companies Act, 2013. Schedule II of Companies Act, 2013 prescribed the useful lives of fixed asset which, in many cases, are different from lives prescribed under Schedule XIV.

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset : Computer softwares

Estimated life : 4 years

d) Investments

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost less provision for diminution in their value, other than temporary, if made in the financial statements.

e) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

f) Employee benefits

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

The Company has unfunded gratuity (defined benefit plan) and compensated absences for its employees, the liability for which is determined on the basis of actuarial valuation, conducted annually, by an independent actuary using projected unit credit method, in accordance with notified Accounting Standard 15 (Revised 2005) – 'Employee Benefits'. Actuarial gains and losses are either recognized in the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be.

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

g) Stock based compensation expense

Stock based compensation expense are recognized in accordance with the guidance note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

h) Leases

Lease payments under operating leases are recognised as expense in the statement of profit and loss over the lease term.

i) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the exchange rate between the reporting currency and the foreign currency at the date of the transaction to the foreign currency amount.

Conversion

Foreign currency monetary items are converted to reporting currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on monetary items that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized in the statement of profit and loss.

j) Taxes on income

Current tax

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax resulting from timing differences between taxable income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

k) Provisions, contingent liabilities and contingent assets

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

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

l) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Share issue/buyback expenses

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

n) Unbilled receivables

Unbilled receivables represents revenue recognised based on percentage of completion method as per policy on revenue, over and above the amount due as per the payment plans agreed with the customers.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 4

SHARE CAPITAL

	As at March 31, 2016		As at March 31, 2015	
	No. of shares		No. of shares	
(i) Authorised				
Equity shares of face value of ₹ 2 each	400,000,000	800,000,000	400,000,000	800,000,000
Preference shares of face value of ₹10 each	30,000,000	300,000,000	30,000,000	300,000,000
		1,100,000,000		1,100,000,000
(ii) Issued, subscribed and paid up				
Equity shares of face value of ₹ 2 each fully paid up				
Balance at the beginning of the year	50,718,493	101,436,986	50,561,793	101,123,586
Add: Issued during the year	-	-	156,700	313,400
Total of equity share capital	50,718,493	101,436,986	50,718,493	101,436,986
9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each				
Balance at the beginning of the year	2,517,700	25,177,000	2,517,700	25,177,000
Add: issued during the year	—	—	—	—
Total of preference share capital	2,517,700	25,177,000	2,517,700	25,177,000
Total of share capital		126,613,986		126,613,986

(iii) Rights, preferences and restrictions attached to shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. The holders of preference shares are entitled to receive dividends, but do not carry the right to vote. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares..

(iv) Shares allotted as fully paid up, without payments received in cash

A scheme of arrangement between Indiabulls Real Estate Limited and the company and their respective shareholders and creditors under Sections 391- 394 of the Companies Act, 1956, was sanctioned by the Hon'ble High Court of Delhi at New Delhi on March 3, 2011, pursuant to which the company has allotted one (1) equity share of face value of ₹ 2 each credited as fully paid-up for every eight (8) equity share of face value of ₹ 2 each held by such shareholders in Indiabulls Real Estate Limited.

(v) Details of shareholder holding more than 5% share capital in the Company

	As at March 31, 2016	As at March 31, 2015
Name of the equity shareholders	Number of shares	Number of shares
Jyeshta Infrastructure Private Limited	8,330,412	8,330,412
Kritikka Infrastructure Private Limited	6,965,763	6,965,763
Name of the preference shareholders		
Indiabulls Real Estate Limited	2,517,700	2,517,700

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 5

RESERVES AND SURPLUS

		As at March 31, 2016		As at March 31, 2015
Capital reserve		94,248,700		94,248,700
General reserve		5,014,971,517		5,014,971,517
Securities premium				
Balance as at the beginning of the year	2,495,460,192		2,494,434,496	
Add : Issue of equity share capital	-	2,495,460,192	1,025,696	2,495,460,192
Surplus in the Statement of Profit and Loss				
Balance as at the beginning of the year	195,834,507		66,234,839	
Add: Adjustment due to depreciation*	-		(1,675,453)	
Add: Profit/(loss) for the year	7,534,347		133,702,219	
	203,368,854		198,261,605	
Less: Appropriations				
Proposed dividend on preference shares and corporate dividend tax thereon	2,361,764	201,007,090	2,427,098	195,834,507
Total of reserves and surplus		7,805,687,499		7,800,514,916

* Impact of transitional provision provided in Note 7(b) of Schedule II of Companies Act 2013.

Note - 6

PROVISIONS

		As at March 31, 2016		As at March 31, 2015
A. Long-term provisions				
Provision for employee benefits				
Gratuity	434,936		271,102	
Compensated absences	164,557	599,493	100,402	371,504
Total of long term provisions		599,493		371,504
B. Short-term provisions				
Provision for employee benefits				
Gratuity	14,998		9,749	
Compensated absences	5,057	20,055	3,029	12,778
Provision for income tax, net of advance tax and tax deducted at source			-	42,767,613
Dividend proposed on preference shares and corporate dividend tax thereon		2,727,220		2,729,872
Total of short term provisions		2,747,275		45,510,263

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 7

TRADE PAYABLES

A. Payable to micro enterprises and small enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

	Particulars	Amount (₹)
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil
(ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

B. Payable to others

	As at March 31, 2016	As at March 31, 2015
Other payables	1,786,007	2,008,230
Total of Trade Payables	1,786,007	2,008,230

Note - 8

OTHER CURRENT LIABILITIES

	As at March 31, 2016	As at March 31, 2015
Advance from customers	39,844,616	43,129,135
Payable to statutory or government authorities	283,667	6,323,763
Security deposits	12,250,863	27,697,664
Unpaid dividend on equity shares*	147,676	147,963
Expenses payable	2,450,943	5,187,635
Total of other Current liabilities	54,977,765	82,486,160

* In respect of amounts mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2016 and March 31, 2015.

Note - 9
Fixed Assets

Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Particulars	Tangible Assets						Intangible Assets		Total of fixed assets
	Building - temporary structure	Plant and equipment	Office equipments	Computers	Furniture and fixtures	Vehicles	Computer Software	Total of intangible assets	
As at April 1, 2014	212,754	357,961	2,726,235	9,159,740	445,680	5,962,788	18,865,158	43,972,893	62,838,051
Additions during the year	-	-	3,087	-	142,699	-	145,786	-	145,786
As at March 31, 2015	212,754	357,961	2,729,322	9,159,740	588,379	5,962,788	19,010,944	43,972,893	62,983,837
Additions during the year	-	-	25,000	-	-	25,000	-	-	25,000
As at March 31, 2016	212,754	357,961	2,754,322	9,159,740	588,379	5,962,788	19,035,944	43,972,893	63,008,837
Accumulated depreciation/amortisation									
As at April 1, 2014	212,754	56,968	748,831	8,715,091	289,567	2,812,061	12,835,272	43,972,893	56,808,165
Depreciation/amortisation for the year	-	34,804	1,977,309	393,120	57,493	1,229,711	3,692,437	-	3,692,437
As at March 31, 2015	212,754	91,772	2,726,140	9,108,211	347,060	4,041,772	16,527,709	43,972,893	60,500,602
Depreciation/amortisation for the year	-	34,804	4,862	32,298	45,324	929,307	1,046,595	-	1,046,595
As at March 31, 2016	212,754	126,576	2,731,002	9,140,509	392,384	4,971,079	17,574,304	43,972,893	61,547,197
Net block									
As at March 31, 2016	-	231,385	23,320	19,231	195,995	991,709	1,461,640	-	1,461,640
As at March 31, 2015	-	266,189	3,182	51,529	241,319	1,921,016	2,483,235	-	2,483,235

Effective from April 01, 2014, the Company has started providing depreciation based on the revised useful life of the assets as per the requirement of schedule II of the Companies Act, 2013. Due to this, depreciation charge for the year ended March 31, 2015, is higher by ₹ 936,387. Further, based on transitional provision provided in Note 7 (b) of Schedule II, the carrying value of assets amounting to ₹1,675,453 which has completed its depreciation period as on April 01, 2014 has been charged to the opening balance of retained earnings as on that date.

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 10

INVESTMENTS

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Non-current investments				
(i) Investment in equity shares (at cost)*				
In subsidiary companies (trade investments, quoted and fully paid-up)				
Store One Retail India Limited#	20,383,310	655,239,890	20,383,310	655,239,890
In subsidiary companies (trade investments, unquoted and fully paid-up)				
Lucina Infrastructure Limited	50,000	500,000	50,000	500,000
Sentia Properties Limited	50,000	500,000	50,000	500,000
Albasta Wholesale Services Limited	100,050,000	1,000,500,000	100,050,000	1,000,500,000
Mahabala Infracon Private Limited	50,000	500,000	50,000	500,000
Ashva Stud and Agricultural Farms Limited	50,000	500,000	-	-
(ii) Investment in preference shares (at cost)**				
In subsidiary companies (trade investments, unquoted and fully paid-up)				
Albasta Wholesale Services Limited	30,000,000	300,000,000	30,000,000	300,000,000
Store One Retail India Limited	1,979,500	1,741,960,000	1,979,500	1,741,960,000
Total of investments		3,699,699,890		3,699,199,890
Aggregate book value of quoted investments		655,239,890		655,239,890
Aggregate book value of unquoted investments		3,044,460,000		3,043,960,000
Aggregate market value of quoted investments		1,095,602,913		554,426,032
* Face value of ₹ 10 each unless otherwise stated				
** Face value of ₹ 10 each unless otherwise stated				

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 11

LOANS AND ADVANCES

	As at March 31, 2016	As at March 31, 2015
Long-term loans and advances (Unsecured, considered good)		
Advance income tax, including tax deducted at source, net of provision for tax	3,683,537	2,248,052
Loans and advances to related parties	4,084,428,642	3,995,006,100
Security deposits given	214,050	214,050
Total of Long term loans and advances	4,088,326,229	3,997,468,202
Short-term loans and advances (Unsecured, considered good)		
Advance to employees	3,513,298	3,237,513
Advance to material / service providers	156,955	1,025
Balances with statutory/ government authorities	2,151,535	1,894,946
Loans and advances to related parties	100,300,000	26,800,000
Other advances	-	25,000,000
Security deposits	-	120,000
Other receivables	124,128	-
Total of short term loans and advances	106,245,916	57,053,484

Note - 12

INVENTORIES

	As at March 31, 2016	As at March 31, 2015
Realestate project under development (at cost)		
Land	585,078,200	585,078,200
License and other regulatory fees	25,099,294	24,891,552
Cost of material, construction services and other overheads	1,122,519,242	1,092,377,040
	1,732,696,736	1,702,346,792
Less: Cost of sale recognised till date	(1,685,037,519)	(1,562,859,881)
Total of inventories	47,659,217	139,486,911

Note - 13

TRADE RECEIVABLE

	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months	11,743,748	34,612,938
Other receivables	7,796,097	29,581,522
Total of trade receivables	19,539,845	64,194,459

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 14

CASH AND CASH EQUIVALENTS

	As at March 31, 2016	As at March 31, 2015
Cash and bank balances		
Cash on hand	65,114	71,166
Balances with banks		
In current accounts	28,829,731	12,907,324
In unclaimed dividend account*	147,676	147,963
Total of cash and cash equivalents	29,042,521	13,126,453

* Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the company does not have any right on the said money.

Note - 15

OTHER CURRENT ASSETS

	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Interest accrued on loans and advances	-	9,535,653
Unbilled debtors	82,788	74,615,502
Total of other current assets	82,788	84,151,155

Note - 16

REVENUE FROM OPERATIONS

	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from real estate project under development	128,300,672	359,141,650
Other operating income	5,332,372	12,848,229
Total of revenue from operations	133,633,044	371,989,879

Note - 17

OTHER INCOME

	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend income on units of mutual fund	1,162,762	3,941,051
Dividends on preference share investments	1,782,150	1,781,550
Interest on Income tax refund	-	959,710
Interest on Inter Corporate Deposits	33,817,525	10,616,242
Net gain on sale of investments	-	141,500,000
Miscellaneous income	1,504,709	393,386
Total of other income	38,267,146	159,191,939

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 18

COST OF REVENUE

	For the year ended March 31, 2016		For the year ended March 31, 2015	
Cost incurred during the year		30,349,945		54,554,445
Increase in real estate project under development				
Opening stock	139,486,911		390,330,731	
Closing stock	(47,659,217)	91,827,694	(139,486,911)	250,843,820
Total cost of sales		122,177,639		305,398,265

Note - 19

EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2016		For the year ended March 31, 2015	
Salaries and wages		4,725,133		2,898,567
Contribution to provident fund and other funds		26,713		21,083
Staff welfare expenses		46,740		137,422
Total of employee benefits expenses		4,798,586		3,057,072

Note - 20

FINANCE COSTS

	For the year ended March 31, 2016		For the year ended March 31, 2015	
Interest expenses on				
Taxation	3,870,218		1,292,956	
Others	12,916	3,883,134	257,799	1,550,755
Total of finance costs		3,883,134		1,550,755

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

Note - 21

OTHER EXPENSES

		For the year ended March 31, 2016	For the year ended March 31, 2015	
Advertisement expenses		460,757		3,170,243
Auditor's remuneration*		2,005,000		1,974,131
Bad debts written off		-		72,008
Bank charges		10,367		9,089
Communication expenses		761,838		1,025,938
Corporate social responsibility expenses		330,000		600,000
Insurance expenses		-		41,325
Legal and professional charges		1,021,481		733,739
Power and fuel expenses		1,174		616
Printing and stationery		1,113,321		932,670
Rates and taxes		1,283,211		7,999,328
Repairs and maintenance				
Vehicles	26,020		70,218	
Others	852,181	878,201	468,235	538,453
Brokerage and marketing expenses		20,833,186		14,389,623
Customer incentive and other charges		6,089,504		9,702,641
Travelling and conveyance expenses		786,045		898,335
Miscellaneous expenses		119,416		683,685
Total of other expenses		35,693,501		42,771,824

* Including non-convertible taxes

22. Income Tax

Current tax

Current tax for the year includes earlier year tax credit of ₹ 4,783,290 (Previous Year: charge of ₹ 41,764).

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the Company has recognized deferred tax credit of ₹ 12,709 (previous year: ₹ 124,678) in the statement of profit and loss during the year ended March 31, 2016.

The breakup of deferred tax assets into major components is as under:

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax assets arising on account of timing differences due to:		
Depreciation	139,857	156,227
Demerger Expenses	-	66,300
Provision for compensated absences and gratuity	214,122	118,743
Deferred tax assets/ (liabilities), net	353,979	341,270

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

23. Earnings per equity share

	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax as per Statement of Profit and Loss	7,534,347	133,702,219
Less: Dividend on preference shares and Corporate dividend tax thereon	2,361,764	2,427,098
Profit attributable to equity shareholders	5,172,583	131,275,121
Weighted average number of shares used in computing basic earnings per equity share	50,718,493	50,656,672
Weighted average number of shares used in computing diluted earnings per equity share	50,718,493	51,123,847
Face value per equity share	2	2
Basic earnings per equity share	0.10	2.59
Diluted earnings per equity share	0.10	2.57

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 plans/schemes as appropriate.

24. Segmental information

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. purchase, sale, dealing, construction and development of real estate projects and all other related activities. The Company operates in domestic market only. Considering the nature of Company's business and operations and based on the information available with the management no further disclosures are required in respect of reportable segments, under Accounting Standard 17 (AS 17) – "Segment Reporting" as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended), other than those already provided in the financial statements.

25. Employee benefits (non-funded)

Amount recognised in the statement of profit and loss is as under:

	Gratuity		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Current service cost	72,590	54,175	33,904	26,356
Interest cost	21,766	43,292	8,016	20,025
Actuarial (gain)/loss recognized during the year (net)	74,727	(325,937)	24,263	(171,245)
Cost (reversed)/recognized	169,083	(228,470)	66,183	(124,864)

Movement in the liability recognised in the balance sheet is as under:

	Gratuity		Compensated absence	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Present value of defined benefit obligation at the beginning of the year	280,851	509,321	103,431	235,588
Cost (reversed)/recognized	169,083	(228,470)	66,183	(124,864)
Benefits paid	-	-	-	(7,293)
Present value of defined benefit obligation at the end of the year	449,934	280,851	169,614	103,431

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

For determination of the liability of the Company, the following actuarial assumptions were used:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Discount rate	7.75%	7.75%
Salary escalation rate	5.00%	5.00%
Mortality table	IALM (2006 - 08)	IALM (2006 - 08)

26. Related party transactions

Disclosures in respect of Accounting Standard (AS) – 18 ‘Related party disclosures’, as specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This disclosure also includes the amount due to entities pursuant to clause 32 of listing agreement with stock exchange:

a) Name and nature of relationship with related parties:

Relationship	Name of the related parties
i) Related parties where control exists	
- Subsidiary Companies	<ul style="list-style-type: none"> - Lucina Infrastructure Limited - Sentia Properties Limited - Albasta Wholesale Services Limited - Store One Retail India Limited - Mahabala Infracon Private Limited (from December 11, 2014) - Airmid Aviation Services Limited (from December 23, 2014) - Store One Infra Resources Limited (from November 05, 2015) - Ashva Stud and Agricultural Farms Limited (from December 07, 2015) - Indiabulls Technology Solutions Limited (upto July 10, 2014) - Archalia Software Solutions Limited (upto July 10, 2014) - IB Technology Solutions, Inc. (upto July 10, 2014) - ITSL Holdings (Mauritius) Limited (upto July 10, 2014) - IB Technology (Proprietary) Limited (upto July 10, 2014) - C-IB Technology Solutions Pte. Ltd. (upto July 10, 2014)
ii) Other related parties	
- Key management personnel	<ul style="list-style-type: none"> - Mr. Surinder Singh Kadian (Whole- Time Director of the Company)

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

(All Amounts in Indian ₹ except share data and where otherwise stated)

b) Summary of significant transactions with related parties

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Loans and advances (given) / received back, net		
Subsidiary Companies:		
- Lucina Infrastructure Limited	170,000	-
- Airmid Aviation Services Limited	(434,780,000)	-
- Sentia Properties Limited	-	(60,000)
- Store One Retail India Limited	3,500,000	(174,600,000)
- Albasta Wholesale Services Limited	363,187,458	(365,000,000)
- Mahabala Infracon Private Limited	(73,500,000)	(26,800,000)
- Store One Infra Resources Limited	(21,500,000)	-
Advance taken/(refunded)		
Subsidiary Companies:		
- Albasta Wholesale Services Limited	-	(150,400,000)
Interest Income received on Loans and advances		
Subsidiary Companies:		
- Store One Retail India Limited	33,759,369	10,595,170
- Store One Infra Resources Limited	58,156	-
Investment made/ (sold) in equity shares		
Subsidiary Company:		
- Store One Retail India Limited	-	134,200,000
- Mahabala Infracon Private Limited	-	500,000
- Ashva Stud and Agricultural Farms Limited	500,000	-
Dividend Income on Preference shares		
Subsidiary company:		
- Store One Retail India Limited	1,781,550	1,781,550
- Albasta Wholesale Services Limited	600	-

**Summary of significant accounting policies and other explanatory information
for the year ended March 31, 2016 (contd.)**

(All Amounts in Indian ₹ except share data and where otherwise stated)

c) Statement of maximum balance outstanding at any time during the year.

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Loans and advances given		
Subsidiary Companies:		
- Lucina Infrastructure Limited	202,980,100	202,980,100
- Airmid Aviation Services Limited	434,780,000	-
- Sentia Properties Limited	3,252,426,000	3,252,426,000
- Store One Retail India Limited	639,600,000	276,400,000
- Albasta Wholesale Services Limited	445,676,699	365,000,000
- Mahabala Infracon Private Limited	109,300,000	26,800,000
- Store One Infra Resources Limited	21,500,000	-
Advance taken		
Subsidiary Company:		
- Albasta Wholesale Services Limited	-	150,400,000

d) Statement of balance outstanding:

Particulars	As at March 31, 2016	As at March 31, 2015
Loans and advances given		
Subsidiary Companies:		
- Lucina Infrastructure Limited	202,810,100	202,980,100
- Airmid Aviation Services Limited	434,780,000	-
- Sentia Properties Limited	3,252,426,000	3,252,426,000
- Store One Retail India Limited	171,100,000	174,600,000
- Albasta Wholesale Services Limited	1,812,542	365,000,000
- Mahabala Infracon Private Limited	100,300,000	26,800,000
- Store One Infra Resources Limited	21,500,000	-
Interest income receivable		
Subsidiary Company:		
- Store One Retail India Limited	-	9,535,653

Transactions and outstanding corporate guarantees given by the Company are disclosed in note 27.

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related party relationships, as given above, are as identified by the Company and have been relied upon by the auditors.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

27. Contingent liabilities and Commitment

- a) Contingent liabilities, not acknowledged as debt, include:

Particulars	As at March 31, 2016	As at March 31, 2015
Income tax matters for assessment year 2010-11 in respect of the which appeals have been filed	24,84,323	24,84,323
Income tax matters for assessment year 2012-13 in respect of the which appeals have been filed	15,630,520	15,630,520

The Company has given corporate guarantee for the secured term loans availed by the subsidiary company- Store One Retail India Limited. Outstanding amount of loans as on March 31, 2016 is ₹ 215,796,215 (previous year: ₹ 399,472,243).

The Company has given corporate guarantee for the secured term loans availed by the subsidiary company- Airmid Aviation Services Limited. Outstanding amount of loans as on March 31, 2016 is ₹ 2,387,984,400 (previous year: ₹ 970,000,000).

The Company has certain litigation cases pending, however, based on legal advice, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the Company.

As per best estimate of the management, no provision is required to be made in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

- b) Commitments

There are no commitments to be reported as on March 31, 2016 and March 31, 2015.

28. Corporate social responsibility expenses

- (a) Gross amount required to be spent by the company during the year: 330,000 (previous year: ₹ 600,000).
 (b) Amount spent during the year on:

S. No.	Particulars	Paid in cash ₹	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		-	-	-
(ii)	On purposes other than (i) above	330,000	-	330,000
		600,000	-	600,000

* Previous year figures are shown in italics.

29. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
30. The Company considers its investment in subsidiaries as strategic and long term in nature and accordingly, in the view of the management, any decline in value of such long-term investments in subsidiaries is considered as temporary in nature and hence no provision is considered necessary
31. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at March 31, 2016, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements and hence no provision is required to be made against the recoverability of these balances.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016 (contd.)

(All Amounts in Indian ₹ except share data and where otherwise stated)

32. Previous year figures have been regrouped and/or re-arranged, wherever necessary to conform to current year groupings and/or classifications.

For Agarwal Prakash & Co.
Chartered Accountants
FRN: 005975N

Vikas Aggarwal
Partner

Place: Gurgaon
Date: May 06, 2016

For and on behalf of the board of directors

Mehul Johnson
Director
DIN: 00016075

Priya Jain
Company Secretary

Surinder Singh Kadyan
Whole Time Director
DIN: 03495880

Saurabh Garg
Chief Financial Officer

Annexure: Statement containing salient features of the financial statement of subsidiaries

[Pursuant to first proviso to Sub- section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 (Form AOC-1)]

S.I. No.	Name of Subsidiary	Reporting period	Reporting Currency	Share capital	Reserve & Surplus	Total Assets (other than investments)	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (including corporate dividend tax)	% of Share- holding at the end of the reporting period
1	Lucina Infrastructure Limited	2015-16	INR	500,000	(77,309,326)	126,012,224	-	-	(14,650)	-	(14,650)	-	100.00%	
2	Sentia Properties Limited	2015-16	INR	500,000	(252,671,519)	3,000,265,931	-	-	(15,050)	-	(15,050)	-	100.00%	
3	Ashva Stud and Agricultural Farms Limited *	2015-16	INR	500,000	(57,587)	471,038	-	-	(57,587)	-	(57,587)	-	100.00%	
4	Airmid Aviation Services Limited	2015-16	INR	100,000,000	(742,196,351)	4,886,609,411	4,886,609,411	482,679,617	(477,290,950)	(474,513)	(476,816,437)	-	100.00%	
5	Mahabala Infracon Private Limited	2015-16	INR	500,000	(13,109,066)	159,315,985	159,315,985	-	18,446,425	(19,313,479)	(6,937,330)	(12,375,649)	-	100.00%
6	Albastha Wholesale Services Limited	2015-16	INR	1,300,500,000	(267,682,827)	59,994,151	1,034,670,151	974,676,000	-	3,521,314	31,009	3,490,305	238	100.00%
7	Store One Retail India Limited	2015-16	INR	305,734,500	1,811,607,678	8,852,310,499	8,852,310,499	500,000	2,595,250,152	552,740,398	-	552,740,398	3,220,897	73.85%
8	Store One Infra Resources Limited**	2015-16	INR	500,000	(1,044,583)	24,904,638	24,904,638	-	3,776,609	(1,044,583)	-	(1,044,583)	-	100.00%

* Became subsidiary w.e.f. December 07, 2015

** Became subsidiary w.e.f. November 05, 2015

For and on behalf of the Board of Directors

Mehul Johnson
Director
DIN: 00016075

Surinder Singh Kadyan
Whole Time Director
DIN: 03495880

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Notes

Notes

Registered Office
M-62 & 63, 1st Floor,
Connaught Place,
New Delhi – 110001

Corporate Offices
Indiabulls House
448-451, Udyog Vihar,
Phase V, Gurgaon - 122016

Indiabulls House,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400013.
