

2013-14

INDIABULLS WHOLESALE SERVICES LIMITED

ANNUAL REPORT

Indiabulls

INDIABULLS WHOLESALE SERVICES LIMITED

Contents

Company Information	2
Management Discussion and Analysis	3
Directors' Report	5
Report on Corporate Governance	12
Consolidated Financials	24
Standalone Financials	56
Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956	83

Company Information

Board of Directors

Col Surinder Singh Kadyan (Retd.)
Mr. Mehul Johnson
Mr. Karan Singh Khera
Mr. Shamsheer Singh Ahlawat

Company Secretary

Ms. Priya Jain

Chief Financial Officer

Mr. Saurabh Garg

Statutory Auditors

Sharma Goel & Co. LLP,
Chartered Accountants,
A - 47, Lower Ground Floor, Hauz Khas,
New Delhi – 110 016

Registrar and Transfer Agent

Karvy Computershare Private Limited
Plot No.17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad – 500 081

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

Management Discussion and Analysis

Economic and Industry Overview

In FY 2013-14, the global economy showed signs of recovery with growth in demand from the developed countries in the second half of the year. The global economy in 2014 appears to be in a better shape than what it was in 2012-13. Over the past decade, the Indian economy has passed through phases of growth and slowdown. Multiple issues have plagued the economy, yet India Inc. has steered through and remains confident of an economic rebound. The decisive mandate by the people of India will pave the way for a conducive policy environment leading to the resurrection of growth in the economy over the next few years. The Government is expected to encourage foreign direct investment in the country which will help in the creation of job and asset generation and will introduce the long pending Goods and Services Tax that will help in creating a conducive environment for investment. The reformation of public distribution system and upliftment of Tier II cities with a well developed civic infrastructure will boost the economy.

Opportunities

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 significant growth drivers are highly attractive demographics, world's largest unexploited retail market, rapid development of real estate, changes in consumer behavior, FDI regulations, technological advances, electronic media, rise in the use of plastic money and an increasingly liberal regulatory environment. The large size of addressable global market, with relatively low current level of penetration suggests significant headroom for future growth of Company's business.

Threats / Risks & Concerns

There are few factors like supply chain disruptions, inability to penetrate emerging markets, failure to respond to shifting consumer behavior, regulation and compliances, inability to control costs/rising inputs, volatility in commercial real estate markets may affect the operations and growth potentials of the Company. Logistics and supply chain, product sourcing and inventory management along with shortage of quality real estate and infrastructure requirements in the country, continuous and adequate power supply are some of the challenges which the industry is facing. Increased competition in the industry segment in which the Company is carrying on its business operations may also adversely affect its operation.

Business Review

Apart from its ongoing business activities, the Company, through its subsidiary, Store One Retail India Limited, was also engaged into the business of providing property and facility management services, rental services of plant and machinery etc. Your directors believe that these businesses have huge potential & scope for further business development.

Business Outlook & Strategy

The Company aims to continue to grow and build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the industry. The Company believes that presence of dynamic leadership and strong management team, strong systems and process and its strong bargaining power are its strengths that provide competitive advantages in managing its business activities. 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.

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. It is in continuation of this process that the Company has in place, Employee Stock Option Scheme which aim at rewarding and nurturing talent so that the Company gets to retain what is best in the industry.

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.

Directors' Report

Dear Shareholders,

Your Directors present to you the Seventh Annual Report and the audited accounts of the Company for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The highlights of the financial results for the year ended March 31, 2014 are as under:

Particulars	Amount in ₹	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Profit before Tax and Depreciation	77,542,267	(48,485,868)
Less: Depreciation and amortization expense	2,332,028	9,812,652
Profit before Tax	75,210,239	(58,298,520)
Less: Provision for Tax	27,287,494	(16,966,615)
Profit after Tax	47,922,745	(41,331,905)
Profit/ (Loss) brought forward	20,824,738	132,783,914
Amount available for appropriation	68,747,483	91,452,009
Less: Appropriations:		
Proposed dividend on preference shares	2,265,930	2,265,930
Corporate dividend tax thereon	385,095	385,095
Interim dividend on equity shares	140,700	50,285,093
Corporate dividend tax thereon	(279,081)	8,545,952
Transfer to general reserve	—	9,145,201
Balance carried forward to Balance Sheet	66,234,839	20,824,738

OPERATIONS AND BUSINESS REVIEW

The total income of the Company during the year was ₹ 4,416.72 lacs with a profit after tax of ₹ 479.23 lacs. The consolidated revenue of the Company was ₹ 28,272.77 lacs with a profit after tax of ₹ 4,316.91 lacs. During the year under review, apart from its ongoing business activities, the Company, through its subsidiary, Store One Retail India Limited, was also engaged into the business of providing property and facility management services, rental services of plant and machinery etc.

PROMOTERS DE-CLASSIFICATION

To impart greater focus and undivided accountability at the leadership level and to rationalize operations of the diverse businesses of the Indiabulls group, so as to put the Company firmly on the growth path, the promoters have mutually decided to reorganize the management control of different group companies amongst themselves. As part of the restructuring, Mr. Sameer Gehlaut, alongwith the entities promoted by him namely Jyestha Infrastructure Private Limited, Kritikka Infrastructure Private Limited, Powerscreen Media Private Limited, Karanbhumi Estates Private Limited, Meru Minerals Private Limited, Calleis Real Estate Private Limited, Calleis Constructions Private Limited, Calleis Properties Private Limited, Dahlia Infrastructure Private Limited and Galax Minerals Private Limited shall continue as Promoters / Promoter Group / PACs with the promoters of the Company.

Further, with effect from July 18, 2014, Mr. Rajiv Rattan, Yantra Energetics Private Limited, Spire Constructions Private Limited, Laurel Energetics Private Limited, Nettle Constructions Private Limited, Antheia Infrastructure Private Limited, Antheia Properties Private Limited, Mr. Saurabh Kumar Mittal, Gragerious Projects Private Limited, Punarvasu Builders

Directors' Report (contd.)

and Developers Private Limited, Ceres Trading Services Private Limited, Daisy Projects Private Limited, Lucerne Trading Services Private Limited, Cleta Infrastructure Private Limited and Cleta Constructions Private Limited have ceased to be the Promoters / Promoter Group / PACs with the promoters of the Company.

DIVIDEND

In order to utilize the profits for operations of the Company, your Directors do not recommend any dividend on equity shares.

EMPLOYEES STOCK OPTIONS

For rewarding performance and retaining talented employees, the Company has introduced an employee stock option scheme titled as 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011', with 5,000,000 options, convertible into equal number of Equity Shares. The disclosures required to be made in terms of SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999, in the Directors' Report, in respect of the stock options granted, are set out in the annexures forming part of this report.

CHANGE IN CAPITAL OF THE COMPANY

During the FY 2013-14, an aggregate of 2,76,700 Equity shares of ₹ 2/- each and subsequent to FY 2013-14, an aggregate of 1,56,700 Equity shares of ₹ 2/- each were issued upon exercise of stock options by certain eligible employees vested to them in terms of 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011', consequent to which the paid-up Equity share capital of the Company increased to ₹10,14,36,986/- divided into 5,07,18,493 Equity shares of face value ₹ 2/- each.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public during the year under review.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, Col Surinder Singh Kadyan (DIN: 03495880), Whole-time Director, retire by rotation and, being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board of Directors of the Company (the Board) recommend his re-appointment.

The earlier tenure of Col Surinder Singh Kadyan (DIN: 03495880) as Whole-time Director of the Company has expired on April 24, 2014. The Board recommend his re-appointment as Whole-time Director of the Company for a period of five years w.e.f. April 25, 2014.

The Board has proposed the appointment of Mr. Rajinder Singh Nandal (DIN: 03094903), Mr. Joginder Singh Kataria (DIN: 05202673) and Mr. Shamsher Singh Ahlawat (DIN: 00017480), as Independent Directors of the Company. Keeping in view their vast experience & knowledge, the Board is of the view that it will be in the interest of the Company that aforesaid persons are appointed as Independent Directors on its Board.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

SUBSIDIARIES

The statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to subsidiary companies forms a part of the financial statements.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The

annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

CORPORATE SOCIAL RESPONSIBILITY

During the year, your directors have constituted the Corporate Social Responsibility Committee comprising of Mr. Shamsher Singh Ahlawat as the Chairman and Mr. Mehul Johnson and Col Surinder Singh Kadyan, as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. A Practicing Company Secretary's Certificate certifying the Company's compliance with the requirements of Corporate Governance stipulated under Clause 49 of the Listing Agreement is attached with the Corporate Governance Report.

LISTING WITH STOCK EXCHANGES

The Equity shares of the Company continue to remain listed with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The listing fees for the FY 2014-15 have been paid to both the exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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, 2014 and the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITORS' REPORT

M/s Agarwal Prakash & Co., Chartered Accountants (Firm Registration Number: 005975N), are proposed to be appointed as Statutory Auditors of the Company, for a period of 5 years, to hold office as such from the conclusion of this AGM, in place of retiring auditors M/s Sharma Goel & Co. LLP, Chartered Accountants, who have completed their five year term.

The Company has received a special notice from a member proposing M/s Agarwal Prakash & Co., Chartered Accountants, as statutory auditors of the Company.

M/s Agarwal Prakash & Co., Chartered Accountants, has submitted their consent for appointment and also a requisite certificate, pursuant to the provisions of Section 139 & 141 of the Companies Act, 2013, confirming eligibility & satisfaction of criteria for their appointment as statutory auditors of the Company. The Board recommends their appointment.

Directors' Report (contd.)

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

CONSOLIDATED FINANCIAL STATEMENT

In accordance with Accounting Standard (AS) - 21 on consolidated financial statements read with other related AS, the audited consolidated financial statement is provided in the Annual Report.

GREEN INITIATIVES

Electronic copies of the Annual Report for the FY 2013-14 and Notice of the Seventh AGM are 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 for the FY 2013-14 and Notice of the Seventh AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

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. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are being provided in the Notice.

INFORMATION PURSUANT TO SECTION 217(1)(e) AND (2A) OF THE COMPANIES ACT, 1956

The information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, is given in the Annexure and forms a part of this Report.

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, during the year under review, the Company did not employ any person falling within the purview of Section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors wish to express their gratitude for the continuous assistance and support received from the investors, clients, business associates, vendors, bankers, regulatory and government authorities, during the year. Your Directors also wish to place on record their appreciation for the contributions made by employees at various levels.

For and on behalf of the Board of Directors

Date: August 26, 2014
Place : New Delhi

Surinder Singh Kadyan
Whole-time Director

Mehul Johnson
Director

Annexure to the Directors' Report

ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo.

A. CONSERVATION OF ENERGY

The Company uses electric energy for its equipment such as office equipment, computers, lighting and utilities in the 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 demand charges and energy.
- c) Training front-end operational personnel on opportunities of energy conservation.
- d) Awareness and training sessions for maintenance personnel conducted by experts.

B. TECHNOLOGY ABSORPTION

The Company believes that technological obsolescence is a practical reality. Our research activities will help us to prepare for future growth and opportunities.

At the Company we encourage continuous innovation with the prime purpose of providing maximum benefits to our clients and other users by working proactively (self driven research) and reactively (client driven research).

Our objective is to carry out applied research in the years that are closely related to realization of the business objectives of the Company and seek to encash available business opportunities.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no outgo in foreign exchange during the year under review and the previous year. However, detail of earning in foreign exchange is as under:

(Amount in ₹)		
Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Customer Collections	591,566	498,750

Annexure to the Directors' Report (contd.)

Annexure to the Directors' Report regarding the ESOP issue

Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011 – As on March 31, 2014

Particulars	
a. Options Granted	4,057,000
b. Exercise price	Refer Note 25 forming part of Notes to Financial Statements
c. Options vested	Refer Note 25 forming part of Notes to Financial Statements
d. Options exercised	Refer Note 25 forming part of Notes to Financial Statements
e. The total number of Shares arising as a result of exercise of option	276,700
f. Options lapsed	645,000
g. Variation in terms of options	Nil
h. Money realized by exercise of options	₹ 2,464,896
i. Total number of options in force	3,135,300
j. Employee wise details of options granted to: <ul style="list-style-type: none"> i. Senior Management personnel ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company. 	Nil Nil Mr. Ashish Choudhary – 1,257,000
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 ['Earnings Per Share']	₹ 0.87
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Refer Note 25 forming part of Notes to Financial Statements
m. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note 25 forming part of Notes to Financial Statements

<p>n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:</p> <ol style="list-style-type: none"> risk free interest rate expected life expected volatility expected dividends yield the price of the underlying share in market at the time of option grant 	<p>Refer Note 25 forming part of Notes to Financial Statements</p> <ul style="list-style-type: none"> 1,257,000 options – ₹ 8.60 650,000 options – ₹ 7.85 150,000 options – ₹ 10.80 850,000 options – ₹ 9.20 160,000 options – ₹ 15.05 150,000 options – ₹ 12.20 250,000 options – ₹ 13.70 400,000 options – ₹ 15.25 190,000 options – ₹ 18.20
---	---

Corporate Governance Report

1. THE COMPANY'S PHILOSOPHY ON CORPORATE 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.

In line with the nature and size of operations of the Company, the Corporate Governance framework in 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.
- Compliance with applicable laws, rules and regulation in letter and spirit.

2. BOARD OF DIRECTORS (BOARD)

(A) Composition and size of the Board

The Board of Directors in IBWSL 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 four directors of whom one is executive director and the remaining three directors are non-executive directors. Of the three non-executive directors, two are independent directors.

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, 2014 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 Kadyan	Executive Director	10	1	Nil
2.	Mr. Mehul Johnson	Non-Executive Director	10	5	0
3.	Mr. Karan Singh Khera	Non-Executive Independent Director	7	7	4
4.	Mr. Shamsher Singh Ahlawat	Non-Executive Independent Director	7	7	5

Report on Corporate Governance (contd.)

*Does not include directorships held in foreign companies and private limited companies.

**As per Clause 49 of the Listing Agreement, only memberships/ chairmanships of the Audit Committees and Stakeholders Relationship Committees in various public limited companies, considered.

#This includes the chairmanship in the Committees.

No Director is related to any other Director on the Board.

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

During the financial year 2013-14, the Board met 5 (Five) times. The dates of the meetings were April 24, 2013, July 24, 2013, September 2, 2013, October 24, 2013 and January 25, 2014.

The last Annual General Meeting (AGM) of the Company was held on September 30, 2013.

A table depicting the attendance of Directors at various Board Meetings and the Annual General Meeting held during FY 2013-14 is given below:

Sr. 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)	5	5	Yes
2.	Mr. Mehul Johnson (DIN: 00016075)	5	4	Yes
3.	Mr. Karan Singh Khara (DIN: 00017236)	5	5	Yes
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	5	5	Yes

(C) Code of Conduct

The Company has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct 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 of Conduct. A declaration signed by the Whole-time Director to this effect is enclosed at the end of this Report.

The Code of Conduct seeks to ensure that the Directors and the Senior Management Personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes on one hand and values and ethics on the other.

3. COMMITTEES OF THE BOARD

The Board constituted committees namely, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee act in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairman. Matters requiring Board's attention/approval are placed before the Board. The role, the composition of these Committees including the number of meetings held during the financial year and the related attendance detail are provided below.

(A) Audit Committee

Composition

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

Terms of reference

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.

Report on Corporate Governance (contd.)

- 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 2013-14, the Audit Committee met four times. The dates of the meetings being April 24, 2013, July 24, 2013, October 24, 2013 and January 25, 2014.

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

Name of the Member	Meetings held during the tenure	Meetings attended
Mr. Karan Singh Khera	4	4
Mr. Shamsher Singh Ahlawat	4	4
Mr. Mehul Johnson	4	4

The Finance Head and Auditors attended the meetings by invitation.

(B) Nomination & Remuneration Committee (Formerly known as Remuneration Committee)

Composition

The Nomination & Remuneration Committee of the Board comprises of three Non-Executive Directors as its members namely Mr. Shamsher Singh Ahlawat as the Chairman, Mr. Karan Singh Khera and Mr. Mehul Johnson. Two out of the three members namely, Mr. Karan Singh Khera and Mr. Shamsher Singh Ahlawat, are Independent Directors.

Terms of reference

The terms of reference of Nomination & Remuneration 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

No meeting of the Nomination & Remuneration Committee was held during the financial year 2013-14.

Report on Corporate Governance (contd.)

Remuneration Policy

Company's Remuneration Policy is market-led and takes into account the competitive circumstances of the business so as to attract and retain quality talent and leverage performance significantly.

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 2013-14.

(C) Stakeholders Relationship Committee (Formerly known as 'Shareholders' / Investors' Grievance Committee')

Composition

The Stakeholders Relationship Committee of the Board comprises of three directors, namely Mr. Shamsher Singh Ahlawat, Mr. Karan Singh Khara and Col Surinder Singh Kadyan.

Mr. Karan Singh Khara, an Independent Non-Executive Director, is the Chairman of the Committee.

Terms of Reference

The scope, terms of reference and functioning of the Committee is as prescribed under Clause 49 of the Listing Agreement. 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 2013-14, the Stakeholders Relationship Committee met four times. The dates of the meetings were April 1, 2013, July 1, 2013, October 7, 2013 and January 6, 2014.

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. Karan Singh Khara	4	4
Mr. Shamsher Singh Ahlawat	4	4
Col Surinder Singh Kadyan	4	3

a) Name and designation of Compliance Officer

Ms. Priya Jain, Company Secretary is the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

b) Details of queries/complaints received and resolved during the year 2013-14

During the financial year 2013-14, 43 investor complaints were received and the same were resolved to the satisfaction of the shareholders and as on March 31, 2014, no investor complaint was pending.

(D) Corporate Social Responsibility (CSR) Committee

Composition

A Corporate Social Responsibility Committee of the Board of Directors of the Company was constituted with Mr. Shamsher Singh Ahlawat as its Chairman and Mr. Mehul Johnson and Col Surinder Singh Kadyan as members (CSR Committee). CSR Committee is primarily responsible for formulating and monitoring the implementation of the framework of corporate social responsibility policy and matters related to its overall governance.

Terms of Reference

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.

Report on Corporate Governance (contd.)

Meetings and Attendance during the year

Since the Committee was constituted on January 25, 2014, no meeting was held during FY 2013-14.

4 GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2010-11	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2011	12:00 Noon
2011-12	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 27, 2012	12:00 Noon
2012-13	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2013	10:15 A.M.

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

In the AGM for the year 2010-11, special resolutions as per detail hereunder, were passed:

- Special Resolution seeking member's approval to create, issue, offer and allot at any time or from time to time, directly or through a trust, to the Eligible Employees (which expression shall, unless repugnant to the context, mean and include the permanent employees of the Company and its subsidiaries (both present and future), working in India or out of India, and the Directors of the Company and its subsidiaries, whether whole-time or not but not including the promoter directors or directors holding by themselves or through the relatives or any body corporate, 10% or more of the outstanding equity share capital of the Company), as may be decided solely by the Board, stock options not exceeding 5,000,000 in number, representing 5,000,000 equity shares of face value ₹ 2/- each of the Company, in one or more tranches, upon such terms and conditions as may be deemed appropriate by the Board, each option giving the right but not the obligation, to the holder, to acquire, purchase, or subscribe for cash, 5,000,000 fully paid equity shares of face value ₹ 2/- each of the Company, in accordance with the terms of the 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011' ("IBWSL ESOP-2011").
- Special Resolution seeking member's approval to create, issue, offer and allot at any time or from time to time, either directly or through a trust, such number of stock options, in one or more tranches, in accordance with the terms of the 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011' ("IBWSL ESOP-2011") to Eligible Employees who are permanent employees of the subsidiaries of the Company, working in India or out of India, and the Directors of the subsidiaries of the Company, whether whole-time or not, but not including the promoter directors or directors holding by themselves or through the relatives or any body corporate, 10% or more of the outstanding equity of the Company.
- Special Resolution seeking member's approval to identify specific Eligible Employees and grant options, during any one year, equal to, or exceeding, 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant under the 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme-2011' ("IBWSL ESOP-2011").

In the AGMs for the year 2011-12 and 2012-13, no special resolution was passed.

(C) Special resolution passed during FY 2013-14 through postal ballot

During the FY 2013-14, 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.

Report on Corporate Governance (contd.)

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) Details on materially significant related party transactions

Details of materially significant related party transactions made during the FY 2013-14, are contained in the notes to the annual accounts which form a part of the Annual Report.

(ii) Details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years

There has been no instance of any non-compliance by the Company on any matter related to capital markets and, hence, no penalties or strictures being imposed on the Company by SEBI or the Stock Exchanges or any other statutory authority on any such matter.

(iii) Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee

The Company has in place a highly effective Whistle Blower policy which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management any violations of the applicable laws, regulations as also any unethical or unprofessional conduct.

All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported so that adequate remedial measures can be initiated in the right earnest, at the appropriate levels.

Further, in order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees, identity of the employees is kept strictly confidential.

It would be pertinent to mention here that the Audit Committee set by the Board constitutes a vital component of the Whistle Blower mechanism and instances of financial misconduct, if any, are reported to the Audit Committee. No employee is denied access to the Audit Committee.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report. The status on adoption of the non-mandatory requirements is given at the end of the Report.

6. MEANS OF COMMUNICATION

(i) **Publication of Results:** The quarterly / annual results of the Company are published in leading newspapers like Business Standard, Financial Express 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 part of the 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) Profile of Directors seeking appointment/re-appointment

(i) Col Surinder Singh Kadyan (Retd) (DIN: 03495880)

Col Surinder Singh Kadyan (Retd), 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 Kadyan holds 12 Equity Shares of the Company. He is not related to any of the Directors on the Board of the Company.

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

(ii) Mr. Rajinder Singh Nandal (DIN: 03094903)

Mr. Rajinder Singh Nandal has over 30 years of rich and varied experience in the areas of inventory / supply chain management, real estate developments, regulatory etc and presently he is also involved in various social services in the areas of education, rural development, agriculture, health, sanitation, social & cultural activities etc.

Mr. Nandal does not hold any shares in the Company and he is not related to any of the Directors on the Board of the Company.

Mr. Nandal is also on the Board of Mackennas Minerals Private Limited and Ceraon Ventures Private Limited.

(iii) Mr. Joginder Singh Kataria (DIN: 05202673)

Mr. Joginder Singh Kataria, a distinguished retired army officer, had a career spanning of over 34 years in Indo-Tibetan Border Police and Indian Army. He retired as Commandant, ITBP. During his long stint with ITBP & Indian Army he held several prestigious positions. He also possesses rich and varied experience in the areas of HR, marketing & administration etc.

Mr. Kataria holds a post graduate degree in Political Science.

Mr. Kataria holds 25 Equity Shares of the Company. He is not related to any of the Directors on the Board of the Company.

Mr. Kataria is also on the Board of Indiabulls Infrastructure and Power Limited. He is also Chairman of Audit Committee and Corporate Social Responsibility Committee and member of Nomination & Remuneration Committee and Stakeholders Relationship Committee of Indiabulls Infrastructure and Power Limited.

(iv) Mr. Shamsher Singh Ahlawat (DIN: 00017480)

Mr. Shamsher Singh Ahlawat, an Ex-banker, retired at a senior managerial position from State Bank of India. He has over 20 years of rich and varied experience at different senior level positions with the Bank in the areas of Commercial Banking, Merchant Banking and Credit Division.

Mr. Ahlawat holds a post graduate degree in history from St. Stephens College, New Delhi.

Mr. Ahlawat does not hold any shares in the Company and he is not related to any of the Directors on the Board of the Company.

Mr. Ahlawat is also on the Board of Indiabulls Real Estate Limited, Indiabulls Constructions Limited, Store One Retail India Limited, Elena Power And Infrastructure Limited, Indiabulls Realtech Limited, Indiabulls Housing Finance Limited and Indiabulls Power Limited. He is Chairman of Nomination & Remuneration

Committee, Compensation Committee and Corporate Social Responsibility Committee and member of Audit Committee and Stakeholders Relationship Committee of the Company. He is also Chairman of Audit Committee and Corporate Social Responsibility Committee and also member of Nomination & Remuneration Committee and Compensation Committee of Store One Retail India Limited. He is Chairman of Audit Committee, Compensation Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Indiabulls Power Limited. He is also Chairman of Corporate Social Responsibility Committee and member of Audit Committee and Nomination & Remuneration Committee of Indiabulls Realtech Limited. He is also Chairman of Audit Committee and member of Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Compensation Committee of Indiabulls Real Estate Limited. He is also Chairman of Audit Committee, Corporate Social Responsibility Committee and Compensation Committee and member of Nomination & Remuneration Committee and Stakeholders Relationship Committee of Indiabulls Housing Finance Limited. He is also member of Corporate Social Responsibility Committee of Elena Power and Infrastructure Limited.

(D) 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.

(E) Date of Book Closure

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

(F) (i) Distribution of equity shareholding as on March 31, 2014

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	71408	98.96	62,13,452	6.14
2.	5,001	- 10,000	254	0.35	19,43,698	1.92
3.	10,001	- 20,000	190	0.26	28,79,874	2.85
4.	20,001	- 30,000	78	0.11	19,71,220	1.95
5.	30,001	- 40,000	38	0.05	14,02,404	1.39
6.	40,001	- 50,000	29	0.04	13,18,628	1.31
7.	50,001	- 1,00,000	63	0.09	47,04,454	4.65
8.	1,00,001	and above	98	0.14	8,06,89,856	79.79
	Total		72158	100.00	10,11,23,586	100.00

(ii) Equity Shareholding pattern as on March 31, 2014

Sl.No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	2,14,42,829	42.41
2.	Banks	86	0.00
3.	FII's	6,01,168	1.19
4.	Bodies Corporate	51,99,873	10.28
5.	Indian Public	2,15,08,227	42.54
6.	NRIs	14,46,862	2.86
7.	Foreign Nationals	91,000	0.18
8.	Clearing Members	2,71,748	0.54
	Total	5,05,61,793	100.00

(G) 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, 2014, 99.61% Equity shares of the Company representing 5,03,62,273 out of a total of 5,05,61,793 Equity shares were held in dematerialised form and the balance 1,99,520 shares were held in physical form.

Further, as on March 31, 2014, 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.

(H) Outstanding Stock Options

An aggregate of 31,35,300 stock options, granted under the Company's 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011' were outstanding as on March 31, 2014.

(I) Listing on Stock Exchanges

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

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex,

Bandra (E), Mumbai – 400 051

(J) Stock Code

BSE Limited - 533520

National Stock Exchange of India Limited - IBWSL

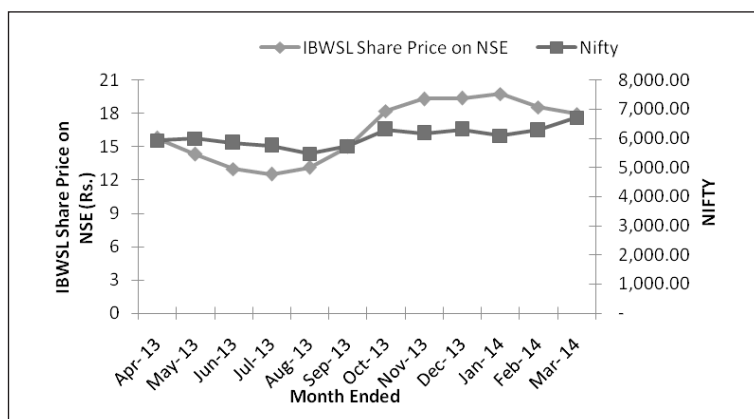
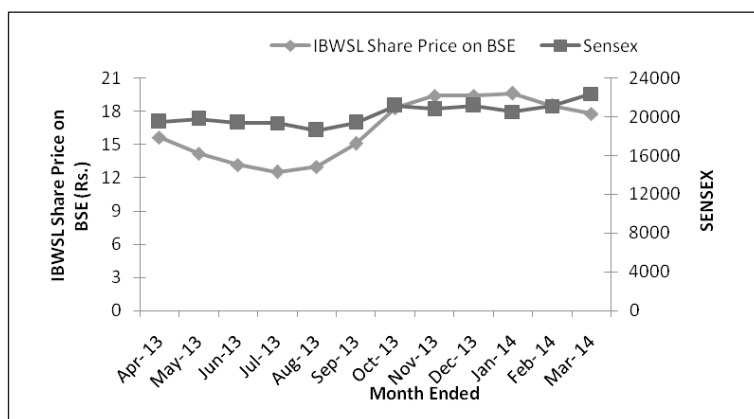
ISIN for Dematerialisation - INE 126M01010

(K) 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, 2014 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	15.80	10.00	16.00	9.90
May 2013	16.50	13.20	16.40	12.95
June 2013	14.90	11.95	14.65	11.85
July 2013	16.35	12.25	15.80	12.02
August 2013	14.35	11.50	14.00	11.50
September 2013	16.90	12.80	16.52	12.11
October 2013	25.40	14.90	25.90	15.00
November 2013	20.30	17.00	20.40	17.50
December 2013	22.30	17.60	22.40	17.90
January 2014	24.00	18.20	24.00	18.50
February 2014	20.85	18.25	20.95	18.25
March 2014	19.70	16.20	20.70	16.50

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



(M) Registrar and Transfer Agents

Karvy Computershare Private Limited are acting as the Registrar and 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:

Karvy Computershare Private Limited

(Unit : Indiabulls Wholesale Services Limited)

Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081

Contact Person : Ms. Shobha Anand, Asst. Gen. Manager

Phone : 040-44655000/23420815-23420825

Fax : 040-23420814

E-mail : einward.ris@karvy.com

(N) Share Transfer System

For smooth and speedy processing of share transfers, the authority to approve share transfers has been delegated to the Stakeholders Relationship Committee of the Board. The share transfer requests are processed without delay and the transferred certificates are sent to the concerned investors well within the stipulated time as prescribed under the Listing Agreement.

(i) Registered Office:

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

Website: www.indiabulls.com/wholesale

E-mail: helpdesk@indiabulls.com

Tel: 0124-6681199, Fax: 0124-6681240

Report on Corporate Governance (contd.)

(ii) Corporate Offices:

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

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

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 is annexed to and forms a part of this report.

The certificate is also being forwarded to the Stock Exchanges in India where the securities of the Company are listed.

9. WHOLE-TIME DIRECTOR (WTD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The certificate referred to under Clause 49(V) of the Listing Agreement duly signed by the WTD and CFO has been given to the Board.

10. NON-MANDATORY REQUIREMENTS

Status of compliance of Non-mandatory requirements stipulated under Clause 49 is as under:

(A) Nomination & Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee in place. For details as to the constitution of the Nomination & Remuneration Committee and the functional responsibility vested in it, please refer to point no. 3(B) in the earlier part of this Report.

(B) Shareholders' Rights

The Company is getting its quarterly and annual financial results published in leading newspapers with wide circulation across the country and regularly updates the same and other important information on its public domain website. In view of the same, individual communication of quarterly/ annual financial results to the shareholders is not being made at present.

(C) Unqualified Financial Statements

The Auditors' Report on the audited annual accounts of the Company does not contain any qualification and it shall be the endeavor of the Company to continue the trend by strengthening the existing accounting systems and controls as well as ensuring complete adherence to the applicable accounting standards, procedures and practices to have unqualified financial statements.

(D) Whistle Blower Policy

The Company has a well defined Whistle Blower policy in place which lays down an effective mechanism for the employees to report violations of laws, rules and regulations as also unethical conduct, at the appropriate management levels for taking timely and appropriate actions without loss of time. For a detailed description of the Whistle Blower policy please refer to point no.5 (iii) in the earlier part of this Report.

Except as defined above, the Company has not adopted any other non-mandatory requirements recommended under Annexure 1D to the Clause 49 of the Listing Agreements with the Stock Exchanges.

ANNUAL DECLARATION BY THE EXECUTIVE DIRECTOR PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT

As Whole-time Director of Indiabulls Wholesale Services Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for FY 2013-14.

Surinder Singh Kadyan
Whole-time Director

Date : August 26, 2014
Place : New Delhi

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Indiabulls Wholesale Services Limited

I have examined the compliance of conditions of Corporate Governance by Indiabulls Wholesale Services Limited ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My 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 my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

I state that there were no outstanding investor grievances as on March 31, 2014 as per the records maintained by the Company.

I 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.

Place: New Delhi
Date: August 1, 2014

B. D. TAPRIYA
Company Secretary
C.P. No. 2059

Independent Auditors' Report

To the Board of Directors of Indiabulls Wholesale Services Limited

Report on the Financial Statements

We have audited the attached consolidated financial statements of Indiabulls Wholesale Services Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute the "Group") as which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

We report that the consolidated Financial Statements have been prepared by the Company's management in accordance with requirements of Accounting Standard 21, (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We however did not audit the Financial Statements of certain subsidiaries whose financial statements reflect Net total Assets of ₹ 150,532,243 as at March 31, 2014 and Total Revenue of ₹ 721,943,484 and Net Cash Outflow of ₹ 92,86,311 for the year then ended.

These Financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management of the group, and our opinion is based solely in the report of other auditors.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN: 000643

Amar Mittal
(Partner)
M. No. 017755

Place: Mumbai
Date : April 23, 2014

Consolidated Balance Sheet

as at March 31, 2014

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

	Note		As at March 31, 2014		As at March 31, 2013
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	4		126,300,586		125,747,186
Reserves and surplus	5		8,560,794,416		8,130,887,572
Total of Shareholders' funds			8,687,095,002		8,256,634,758
Minority interest			2,569,792		351,846
Non-current liabilities					
Long-term borrowings	6		132,160,673		73,143,342
Deferred tax liabilities, net	23		671,595		1,156,872
Long-term provisions	7		28,526,518		23,756,853
Total of Non-current liabilities			161,358,786		98,057,067
Current liabilities					
Short-term borrowings	6		91,906,936		-
Trade payables	8		317,938,532		248,382,448
Other current liabilities	9		478,873,163		250,363,139
Short-term provisions	7		23,622,701		70,472,282
Total of Current liabilities			912,341,332		569,217,869
Total of Equity and Liabilities			9,763,364,912		8,924,261,540
II. ASSETS					
Non-current assets					
Goodwill on consolidation			3,235,930,238		3,235,930,238
Fixed assets	10				
Tangible assets		1,400,450,383		752,737,361	
Intangible assets		54,866,467		2,860,754	
Capital work-in-progress		-	1,455,316,850	159,904,102	915,502,217
Deferred tax assets, net	23		1,240,536		15,392,337
Long-term loans and advances	11		30,795,759		166,615,580
Other non-current assets	12		1,488,975		4,766,063
Total of Non-current assets			4,724,772,358		4,338,206,435
Current assets					
Inventories	13		392,600,476		578,700,606
Trade receivables	14		794,329,342		449,330,745
Cash and bank balances	15		126,617,402		147,116,486
Short-term loans and advances	11		3,718,814,920		3,404,362,668
Other current assets	12		6,230,414		6,544,600
Total of current assets			5,038,592,554		4,586,055,105
Total of Assets			9,763,364,912		8,924,261,540

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **Sharma Goel & Co. LLP**

Chartered Accountants

FRN :000643N

Amar Mittal

Partner

Membership No.017755

For and on behalf of the Board

Surinder Singh Kadyan

Whole Time Director

Priya Jain

Company Secretary

Mehul Johnson

Director

Saurabh Garg

Chief Financial Officer

Place: Mumbai

Date: April 23, 2014

Place: Mumbai

Date: April 23, 2014

Consolidated Statement of Profit and Loss

for the year ended March 31, 2014

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

	Note		For the year ended March 31, 2014		For the year ended March 31, 2013
I. REVENUE					
Revenue from operations	16		2,761,827,857		1,713,056,610
Other income	17		65,448,830		60,603,830
Total of Revenue			2,827,276,687		1,773,660,440
II. EXPENSES					
Cost of sales for real estate project under development and construction	18				
Cost of materials and services consumed		127,921,164		145,027,150	
Decrease/(Increase) in real estate project under development		173,979,001	301,900,165	(32,988,823)	112,038,327
Cost of sales of trading goods					
Purchase of stock-in-trade		18,792,238		21,262,535	
Decrease in inventory of stock-in-trade, net		5,098,429	23,890,667	36,831,789	58,094,324
Employee benefits expense	19		826,442,339		564,983,331
Finance costs	20		24,082,673		6,033,891
Depreciation and amortisation expense	10		103,495,134		75,553,547
Other expenses	21		1,073,937,838		535,749,232
Total of Expenses			2,353,748,816		1,352,452,652
III. Profit before tax			473,527,871		421,207,788
Tax expense:	23				
Current tax (including earlier year taxes)		28,361,395		27,916,779	
Less: Mat credit entitlement		(191,049)	28,170,346	(2,344,167)	25,572,612
Deferred tax			13,666,272		(16,121,824)
IV. Profit for the year before minority interest			431,691,253		411,757,000
V. Minority interest			(2,352,530)		(381,742)
VI. Profit for the year after minority interest			429,338,723		411,375,258
VII. Earnings per equity share	25				
- Basic			8.45		8.12
- Diluted			8.21		8.04
Face value per equity share			2		2

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN :000643N

Amar Mittal
Partner
Membership No.017755

Place: Mumbai
Date: April 23, 2014

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Mumbai
Date: April 23, 2014

Mehul Johnson
Director

Saurabh Garg
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2014

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

	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash flow from operating activities:		
Net Profit before tax	473,527,870	421,207,788
Adjustments for Statement of Profit and Loss items:		
Adjustments in fixed assets	-	1,580,125
Bad debts /sundry balances /inventory written off	2,623,462	21,942,588
Depreciation and amortisation expense	103,495,134	75,553,547
Dividend income on units of mutual fund	(5,459,842)	(14,177,786)
Interest expenses on loans and advances taken	23,035,346	1,615,229
Interest income on fixed deposit receipts	(1,201,179)	(3,731,589)
Liabilities written back	(40,688,182)	(36,703,539)
Loss on sale of fixed asset	43,328,049	5,311,586
Net gain on sale of units of mutual funds	(609,213)	(17,299)
Other borrowing cost	-	1,233,145
Provision for doubtful debts, advances and security deposits	75,072,955	21,612,302
Provision for gratuity and compensated absences	3,767,721	8,209,103
Unrealized foreign exchange gain	(440,207)	(837,978)
Operating profit / (loss) before working capital changes and other adjustments	676,451,914	502,797,222
Working capital changes and other adjustments		
(Increase)/ decrease in trade receivables	(346,744,351)	204,554,057
(Increase)/ decrease in other current assets	(211,618)	-
Increase in loans and advances	(284,569,595)	(6,515,033)
Decrease/ (increase) in inventories	186,100,130	(45,124,990)
Amount received for employee benefit liabilities, net	284,679	-
Decrease in other non current assets	38,037	-
Increase/ (decrease) in trade payables and other liabilities	302,397,868	(605,642)
Cash generated from operating activities	533,747,064	655,105,613
Income tax (paid)/ refund received, net	(56,717,580)	(110,142,233)
Net cash generated from operating activities	477,029,484	544,963,380
B. Cash flow from investing activities:		
Dividend received from units of mutual fund	5,459,842	14,177,786
Interest received on fixed deposit receipts	1,734,314	3,327,516
Investments realised/ (made in) fixed deposit accounts with original maturity of more than 3 months	24,193,400	(22,595,000)
Loans and advances received back/ (paid)	-	(39,599,729)
Net gain on sale of investments	609,213	-
Proceeds from sale of fixed assets	1,249,313	1,730,685
Purchase of fixed assets (including capital work in progress and capital advance)	(615,874,844)	(654,053,980)
Redemption of units of mutual funds	-	137,717,299
Net cash used in investing activities	(582,628,762)	(559,295,423)
C. Cash flow from financing activities:		
Dividends paid on equity share capital, including corporate dividend tax	(58,692,664)	-
Dividends paid on preference share capital, including corporate dividend tax	(3,106,048)	(1,093,703)
Interest paid on loans/ advances	(23,035,346)	(1,615,229)
Other borrowing cost	-	(1,233,145)
Proceeds from issue of equity share capital(including securities premium)	2,464,896	-
Proceeds from secured term loan	187,855,248	101,693,325
Net cash generated from financing activities	105,486,086	97,751,248

Consolidated Cash Flow Statement

for the year ended March 31, 2014 (contd.)

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

	For the year ended March 31, 2014	For the year ended March 31, 2013
D. Exchange difference on translation of balances denominated in foreign currency	575,788	31,675
E. Increase/ (decrease) in cash and cash equivalents, net (A+B+C+D)	462,596	83,450,880
F. Cash and cash equivalents at the beginning of the year	124,616,486	38,897,993
G. Opening cash and cash equivalents of Store One Retail India Limited being consolidated last year	-	2,267,613
H. Cash and cash equivalents at the end of the year (E+F+G)	125,079,082	124,616,486

Note:

- a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements" as notified under the companies (Accounting Standards) Rules, 2006 as amended.

	As at March 31, 2014	As at March 31, 2013
b) Cash and cash equivalents includes:		
Cash on hand	351,157	1,465,080
Foreign currency on hand	101,059	5,519
Balances with banks:		
In current accounts	121,248,855	79,765,887
In fixed deposit accounts	6,082,100	70,425,500
In unclaimed dividend accounts	148,011	-
	127,931,182	151,661,986
Less: balances with bank in fixed deposit accounts with original maturity of more than 3 months	(2,852,100)	(27,045,500)
Total of cash and cash equivalents	125,079,082	124,616,486

- c) Fixed deposit with bank of ₹ 225,000 (previous year: ₹ 200,000), ₹ 675,000 (Previous year ₹ 375,000), ₹ Nil (Previous year ₹ 4,250,500) and ₹ 593,780 is pledged for guarantees provided by the bank to the assessing authority of sales tax department, custom department, High Court Delhi and Customers as performance guarantee respectively.
- 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.

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN :000643N

Amar Mittal
Partner
Membership No.017755

Place: Mumbai
Date: April 23, 2014

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Mumbai
Date: April 23, 2014

Mehul Johnson
Director

Saurabh Garg
Chief Financial Officer

Notes to Consolidated financial statements

(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 as a wholly owned subsidiary of Indiabulls Real Estate Limited ("IBREL").

The Company, together with its subsidiaries (collectively referred as the "Group") is engaged in the business of wholesale trading, real estate development and retail business. The Group is also engaged in the business of rendering IT consultancy, property maintenance, equipments hiring and tour & travel services.

A Scheme of Arrangement ("IBWSL Scheme of Arrangement") between Indiabulls Real Estate Limited ("Demerged Company", "IBREL") and the Company ("IBWSL", "Resulting 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 03, 2011. Upon coming into effect of the IBWSL Scheme of Arrangement on March 31, 2011 and with effect from the appointed date on April 01, 2010, the Wholesale trading business stands demerged from IBREL and transferred to and vested in IBWSL on a going concern basis. In terms of the Scheme, with effect from the appointed date on April 01, 2010:

- Certain assets comprising of fixed assets and loans and advances in IBREL aggregating to ₹ 4,106,396,502 have been transferred to IBWSL, at their book values;
- The equity share capital of the demerged Company amounting to ₹ 1,000,000,000 was cancelled;
- The net adjustment for such transfer of assets, liabilities and cancellation and issue of equity share capital amounting to ₹ 5,005,826,316 has been shown in the general reserve account;
- In terms of the Scheme, all business activities of the IBREL made by IBREL in trust for IBWSL, carried by IBWSL on a going concern basis;
- The transfer of proportionate share warrant has been made as per the net worth ratio between net worth of the IBREL transferred to IBWSL pursuant to Scheme and the net worth of the IBREL immediately before demerger as on appointed date. Proportionate liability in respect of share warrants representing 25% of the application money amounting to ₹ 94,248,700 has also been transferred to the Company;
- Pursuant to the scheme being given effect to, by the Company, IBWSL has allotted one (1) equity share of face value of ₹ 2 each credited as fully paid-up for every eight (8) equity share face value of ₹ 2 each held by such shareholders in the IBREL.

In terms of the scheme, on April 27, 2011, the Company has issued and allotted 50,285,093 equity shares of face value of ₹ 2 each aggregating to ₹100, 570,186 to the respective shareholders of IBREL as on the record date i.e. April 25, 2011.

Pursuant to the scheme, the authorized share capital of the Company has been reorganized to ₹ 1,100,000,000 divided into 550,000,000 equity shares face value of ₹2 each.

2. Basis of preparation of consolidated financial statements

a) Statement of compliance

The consolidated financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, as amended and as per Revised Schedule VI to the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of commencement notification of Companies Act, 2013, dated 12 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act and 2013 Act, to the extent applicable. 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 Revised Schedule VI to the 1956 Act.

b) Use of estimates

The presentation of consolidated financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known or materialized.

3. Significant accounting policies

a) Principal of consolidation:

The consolidated financial statements comprise of the financial statements of Indiabulls Wholesale Services Limited ("the Company") and, its subsidiaries ("Subsidiary Companies"). The consolidated financial statements are prepared

Notes to Consolidated financial statements (contd.)

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

according to uniform accounting policies, in accordance with accounting principles generally accepted in India. 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 like items of assets, liabilities, income and expenses, after fully 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 notified under the Companies (Accounting Standards) Rules, 2006, as amended.

b) Goodwill/ Capital Reserve

The difference between the cost of investment in the subsidiaries and the net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as goodwill or capital reserve as the case may be. Goodwill/ Capital Reserve represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth 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. Capital reserve on consolidation is adjusted against goodwill on consolidation, if any.

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.

c) Minority interest:

Share of Minority interest in consolidated subsidiaries is arrived at and identified:

- in case of statement of profit and loss for the year ended, net profit attributable to them
- in case of balance sheet, net assets attributable to them

d) Companies included in consolidation:

Name of subsidiaries	Country of incorporation	Year/period ended included In consolidation	Proportion of ownership interest
Lucina Infrastructure Limited	India	April 01, 2013 to March 31, 2014	100%
		April 01, 2012 to March 31, 2013	
Sentia Properties Limited	India	April 01, 2013 to March 31, 2014	100%
		April 01, 2012 to March 31, 2013	
Indiabulls Technology Solutions Limited	India	April 01, 2013 to March 31, 2014	100%
		April 01, 2012 to March 31, 2013	
Albasta Wholesale Services Limited (Formerly Albasta Power Limited)	India	April 01, 2013 to March 31, 2014	100%
		April 01, 2012 to March 31, 2013	
Archalia Software Solutions Limited	India	April 01, 2013 to March 31, 2014	100%
		April 01, 2012 to March 31, 2013	
IB Technology Solutions, Inc	USA	April 01, 2013 to March 31, 2014	100%
		April 01, 2012 to March 31, 2013	
ITSL Holdings (Mauritius) Limited	Mauritius	April 01, 2013 to March 31, 2014	100%
		September 05, 2012 to March 31, 2013	
IB Technology (Proprietary) Limited	South Africa	April 01, 2013 to March 31, 2014	50.001%
		April 01, 2012 to March 31, 2013	
Store One Retail India Limited	India	April 01, 2013 to March 31, 2014	68.89%
		April 01, 2012 to March 31, 2013	
C-IB Technology Solutions (Pte.) Limited	Singapore	September 30, 2013 to March 31, 2014	51.00%
		N.A.	

Notes to Consolidated financial statements (contd.)

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

e) Information relating to Subsidiaries for the year ended March 31, 2014:

(In terms of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011)

Particulars	Lucina Infrastructure Limited	Sentia Properties Limited	Indiabulls Technology Solutions Limited	Archalla Software Solutions Limited	IB Technology Solutions, INC	Albasta Wholesale Services Limited (Formerly Albasta Power Limited)	IB Technology (Proprietary) Limited	ITSL Holdings (Mauritius) Limited	Store One Retail India Limited	C-IB Technology Solutions (Pte.) Limited
Share capital	500,000	500,000	500,000	500,000	493	1,300,500,000	594	55	261,734,500	4,976
Reserves and surplus (net of (debit)/credit balance of statement of profit and loss)	(77,280,205)	(252,641,598)	141,369,200	26,403,317	38,204,304	(272,153,754)	5,139,092	(1,359,225)	946,280,725	(7,360)
Total assets (fixed assets + current assets + non-current assets + deferred tax assets)	126,256,075	3,000,280,582	393,698,494	29,246,074	239,202,250	153,737,662	24,892,119	77,692	1,812,552,220	4,766
Total liabilities (debts+ current liabilities and provisions+ non-current liabilities+ deferred tax liabilities)	203,036,280	3,252,422,180	275,930,139	2,342,757	200,997,453	67,416	19,752,433	1,439,411	570,986,993	7,150
Details of investments (excluding investment in the subsidiary companies)	-	-	-	-	-	-	-	-	-	-
Turnover/ total income	-	-	625,704,987	38,767,689	640,718,906	894,555	80,900,923	323,655	1,222,803,915	-
Profit / (loss) before taxation	(70,390)	(58,017)	6,612,236	(678,082)	36,574,039	780,058	6,534,938	(839,136)	352,146,526	(7,151)
Provision for taxation (including earlier year taxes and Deferred taxes)	-	-	(485,277)	(892,973)	13,868,394	(208,912)	1,829,783	-	438,109	-
Profit / (loss) after taxation	(70,390)	(58,017)	7,097,513	214,891	22,705,645	988,970	4,705,155	(839,136)	351,708,417	(7,151)
Proposed dividend (including corporate dividend tax)	-	-	-	-	-	-	-	-	3,130,910	-

Note: List of Foreign subsidiaries, name of foreign currency in which accounts were prepared and exchange rates used for converting the figures in INR (Rupees) in the Statement:

Sr. No	Company	Currency	Balance Sheet (Closing rate)	Statement of Profit & Loss (Average rate)
1.	IB Technology Solutions, INC	USD	60.10	60.50
2.	IB Technology (Proprietary) Limited	ZAR	5.69	6.00
3.	ITSL Holdings (Mauritius) Limited	USD	60.10	60.50
4.	C-IB Technology Solutions (Pte.) Limited	SGD	47.66	49.15

Notes to Consolidated financial statements (contd.)

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

f) Revenue recognition

Revenue from real estate project under development:

- i) Revenue from real estate development projects and plots under development is recognized 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.
- ii) Revenue from sale of developed land and plots is recognized in the year in which the underlying sale deed is executed.

Revenue from trading goods and products:

- iii) Revenue from sale of goods 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 like sales taxes, value added taxes (VAT) etc. on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Revenue from services:

- iv) Revenue from maintenance contracts and renting of equipment are recognized on pro-rata basis over the period of contract as and when services are rendered. The Group collects service tax on behalf of government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- v) 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.
- vi) Revenue from infrastructure management services comprise 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 with respect to fixed price contracts is recognized in accordance with the percentage of completion method.
- vii) Concessionaire income earned from sales made by third parties under such arrangements is recognised in the statement of profit and loss as other operating income under the head concessionaire income. The ownership in goods/merchandise of third parties under concessionaire arrangements does not pass to the Company.
- viii) Tour & Travel income is recognized on the basis of receipt of confirmed booking of ticket/hotel net of cancellation and commission/incentive on a mercantile basis.
- ix) Revenue from business process outsourcing services is derived from both time based and unit – price contracts. Revenue is recognized as and when the related services are performed in accordance with the specific terms of the contracts with the customer. Costs and earnings in excess of billing are classified as unbilled revenue, while billing in excess of costs and earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract.
- x) 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.

Notes to Consolidated financial statements (contd.)

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

Other revenue:

- xi) Interest income from deposits/loans & advances is recognized on accrual basis.
- xii) Dividend income is recognized when the right to receive the dividend is unconditionally established.
- xiii) 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.
- xiv) Interest on delayed receipts, cancellation/forfeiture and transfer fees from customers is recognized, as per revenue recognition principles laid down in Accounting Standard - 9 on "Revenue Recognition", when certainty of its collection is established.

g) Inventories

Real estate project under development:

- i) Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.
- ii) Cost includes cost of acquisition and internal and external development costs, construction costs, and development/construction materials. Real estate projects under development represents land under development, cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto on unsold real estate projects and land for development of real estate project is valued at cost.

Construction materials and trading goods and products:

- iii) Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realizable value, on the basis of first-in first-out method.
- iv) Inventories of trading goods are valued at cost or estimated 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.

h) Provision for shrinkages and shortages

Provisions for shrinkages and shortages are charged to the statement of profit and loss based on historical data and management estimates. Actual shrinkages and shortages are adjusted against such provisions.

i) Fixed assets

Recognition and measurement

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

Depreciation and Amortization

Depreciation on fixed assets is provided on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, on a pro-rata basis from the date the asset is ready to put to use till the end of its useful life or till the asset is discarded, whichever is earlier. Individual assets costing up to ₹ 5,000 per item are fully depreciated in the year of purchase. Temporary structures are depreciated over a period of twelve months, on a pro-rata basis, from the date it is ready to put to use.

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

Description of Asset	Estimated Useful Life
Computer software	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 is included as capital advances under long term loans and advances.

Notes to Consolidated financial statements (contd.)

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

j) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of the asset. 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 statement of profit and loss.

k) Investments

Investments are classified as long term or current investments. Long term investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are stated at the lower of cost or fair value.

l) 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.

m) Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered. The Group's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized, as the case may be.

Post employment and other long-term employee benefits for its eligible employees are recognized as an expense in the statement of profit and loss, for the year in which the employee has rendered services. The Group has unfunded defined benefit plans namely compensated absences and gratuity for its employees, the liability for which is determined on the basis of actuarial valuation, conducted annually, by an independent actuary, in accordance with Accounting Standard 15 (Revised 2005) – 'Employee Benefits', notified under the Companies (Accounting Standards) Rules, 2006, as amended. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Actuarial gains and losses are recognized in the statement of profit and loss or inventorized, as the case may be.

n) 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, which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on the intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

o) Leases

In case of assets taken on operating lease, the lease rentals are charged to the statement of profit and loss in accordance with Accounting Standard 19 (AS 19) – 'Leases', as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

p) 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 Rate Differences

Exchange rate 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.

Notes to Consolidated financial statements (contd.)

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

Exchange rate differences arising on all 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.

Translation of Non-integral operations

In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the year. The differences arising out of the translation are transferred to foreign currency translation reserve, in the balance sheet until the disposal of the net investments at which time they are recognized as income or as expense.

q) 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.

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.

r) 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 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.

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

s) Earnings per equity share

Basic earnings per share is computed by dividing profit available to equity shareholders by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year.

t) Share issue expenses

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

u) 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.

v) 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

Notes to Consolidated financial statements (contd.)

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

Note - 4

SHARE CAPITAL

	As at March 31, 2014		As at March 31, 2013	
Authorised	No. of shares		No. of shares	
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
		1,100,000,000		1,100,000,000
Issued, subscribed and paid up				
Equity shares of face value of ₹ 2 each fully paid up				
Balance at the beginning of the year	50,285,093	100,570,186	50,285,093	100,570,186
Add: Issued during the year	276,700	553,400	—	—
Total of equity share capital	50,561,793	101,123,586	50,285,093	100,570,186
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	—	—
Add: Issued during the year	—	—	2,517,700	25,177,000
Total of preference share capital	2,517,700	25,177,000	2,517,700	25,177,000
Total of share capital		126,300,586		125,747,186

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.

- Pursuant to the IBWSL Scheme of Arrangement, 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 the IBREL (Refer Note 1)
- At the AGM held on September 30, 2011, the authorised share capital of the company has been reorganized to ₹ 1,100,000,000 divided into 400,000,000 equity share of ₹ 2 each and 30,000,000 preference share of ₹ 10 each

	As at March 31, 2014	As at March 31, 2013
Details of equity share holding in excess of 5% of equity share capital:		
Number of share holders [including their nominees]	4	4
Number of shares held	20,019,301	17,429,723
Details of preference share holding in excess of 5% of preference share capital:		
Number of share holders	1	1
Number of shares held	2,517,700	2,517,700
Details of number of equity share reserved for issuance under contracts or options:		
Employee stock option scheme (Refer Note No. 26)	3,135,300	3,217,000

Notes to Consolidated financial statements (contd.)

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

Note - 5

RESERVES AND SURPLUS

	As at March 31, 2014		As at March 31, 2013	
Capital reserve				
Balance as at the beginning of the year	94,248,700		94,248,700	
Add: Amount transferred from the surplus balance in the Statement of Profit and Loss	—	94,248,700	—	94,248,700
General reserve				
Balance as at the beginning of the year	5,014,971,517		5,005,826,316	
Add: Amount transferred from the surplus balance in the Statement of Profit and Loss	—	5,014,971,517	9,145,201	5,014,971,517
Securities premium				
Balance as at the beginning of the year	2,492,523,000		2,492,523,000	
Add : Issue of equity share capital	1,911,496	2,494,434,496	—	2,492,523,000
Foreign currency translation reserve				
Balance as at the beginning of the year	80,859		80,859	
Add : Foreign exchange translations	1,169,269	1,250,128	—	80,859
Surplus balance in the Statement of Profit and Loss				
Balance as at the beginning of the year	529,063,496		188,770,532	
Add: Profit for the year	429,338,723		411,375,258	
	958,402,219		600,145,790	
Less: Appropriations				
Proposed dividend on preference shares	2,265,930		2,265,930	
Corporate dividend tax thereon	385,095		840,118	
Proposed dividend on equity shares	140,700		50,285,093	
Corporate dividend tax thereon	(279,081)		8,545,952	
Transfer to general reserve	—	955,889,575	9,145,201	529,063,496
Total of reserves and surplus		8,560,794,416		8,130,887,572

Note - 6

BORROWINGS

	As at March 31, 2014		As at March 31, 2013	
Long- term borrowings				
Secured				
Term loans from banks and others	197,641,637		101,693,325	
Less: Current maturities of term loan from banks and others	(65,480,964)	132,160,673	(28,549,983)	73,143,342
Total of long- term borrowings		132,160,673		73,143,342

Notes to Consolidated financial statements (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	38,216,190	12.00%	36 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given
	57,213,156			
Kotak Mahindra Bank Limited	76,317,254	12.00% to 12.91%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	44,480,169			
ICICI Bank Loan	81,343,109	10.92% to 12.23%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given
	—			
TOTAL	195,876,553			
	101,693,325			

*Previous year figures are shown in Italics.

	As at March 31, 2014	As at March 31, 2013
Short- term borrowings		
Secured		
Cash Credit Facility from Bank*	91,906,936	—
Total of short- term borrowings	91,906,936	—

*Loan from bank is secured against First charge on the entire current assets and movable fixed assets of Indiabulls Technology Solutions Limited, both present and future.

Note - 7

PROVISIONS

	As at March 31, 2014		As at March 31, 2013	
Long-term provisions				
Provision for employee benefit				
For gratuity	22,044,867		18,195,342	
For compensated absences	6,481,651	28,526,518	5,561,511	23,756,853
Total of long- term provisions		28,526,518		23,756,853
Short-term provisions				
Provision for employee benefits				
For gratuity	618,428		1,127,872	
For compensated absences	300,975	919,403	508,796	1,636,668
Provision for income tax [Net of advance income tax and tax deducted at source]		20,052,273		6,898,521
Proposed dividend on preference shares		2,265,930		2,265,930
Corporate dividend tax thereon		385,095		840,118
Interim dividend on equity shares		—		50,285,093
Corporate dividend tax thereon		—		8,545,952
Total of short- term provisions		23,622,701		70,472,282

Notes to Consolidated financial statements (contd.)

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

Note - 8

TRADE PAYABLES

	As at March 31, 2014	As at March 31, 2013
Due to micro and small enterprises	—	1,175,737
Due to others	317,189,434	245,948,559
Retention money payable	749,098	1,258,152
Total of trade payables	317,938,532	248,382,448

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

		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. This has been relied upon by the auditors.

Note - 9

OTHER CURRENT LIABILITIES

	As at March 31, 2014	As at March 31, 2013
Advance from customers	95,625,327	23,519,311
Current maturities of secured term loan- from banks & others	65,480,964	28,549,983
Expenses payable	169,635,187	118,303,276
Payable to statutory or government authorities	18,542,176	8,848,489
Security deposits	120,020,000	60,020,000
Unpaid dividend on equity shares	148,011	—
Other liabilities	9,421,498	11,122,080
Total of other current liabilities	478,873,163	250,363,139

Notes to Consolidated financial statements (contd.)

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

Note - 10 FIXED ASSETS

Particulars	Gross Block (at Cost)				Accumulated Depreciation / Amortisation				Net Block		
	As at April 1, 2013	Additions during the year	Sales during the year	Forex Adjustment	As at March 31, 2014	As at April 1, 2013	Depreciation for the year	Sales during the year	Forex Adjustment	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets											
Plant & Equipment#	535,504,272	752,574,879	6,092,733	—	1,281,986,418	69,669,740	52,869,767	1,986,515	—	120,552,992	465,834,532
Office Equipment	8,197,806	8,279,507	—	37,125	16,514,438	1,366,367	1,121,927	—	1,936	2,490,230	6,831,439
Computers	142,108,131	18,022,576	14,740,091	177,256	145,567,872	91,245,929	12,465,391	14,253,557	3,515	89,461,278	50,862,202
Furniture and Fixtures	287,792,815	2,356,817	72,050,901	184,929	218,283,660	112,595,682	15,401,482	33,790,310	9,218	94,216,072	175,197,133
Vehicles#	66,307,618	2,325,850	3,806,094	—	64,827,374	12,295,563	9,795,318	2,082,074	—	20,008,807	54,012,055
Total of Tangible Assets (A)	1,039,910,642	783,559,629	96,689,819	399,310	1,727,179,762	287,173,281	91,653,885	52,112,456	14,669	326,729,379	752,737,361
B. Intangible Assets											
Computer Software	143,088,891	601,381	—	10,912	143,701,184	140,228,137	1,042,348	—	1,309	141,271,794	2,860,754
Goodwill	—	63,175,153	—	—	63,175,153	—	10,738,076	—	—	10,738,076	—
Total of Intangible Assets (B)	143,088,891	63,776,534	—	10,912	206,876,337	140,228,137	11,780,424	—	1,309	152,009,870	2,860,754
C. Capital Work in Progress	—	—	—	—	—	—	—	—	—	—	159,904,102
Total of Fixed Assets [A+B+C]	1,182,999,533	847,336,163	96,689,819	410,222	1,934,056,099	427,401,418	103,434,309	52,112,456	15,978	478,739,249	915,502,217
Previous Year	690,497,164	509,207,729	16,495,745	3,141	1,183,212,289	361,568,447	75,499,394	9,453,473	197	427,614,172	26,109,453

include assets hypothecated against term loan from bank & others

Notes to Consolidated financial statements (contd.)

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

Note - 11

LOANS AND ADVANCES

	As at March 31, 2014		As at March 31, 2013	
Long-term loans and advances (Unsecured, considered good)				
Capital Advance		13,094,630		84,651,847
Prepaid expenses		134,407		—
Security deposits- premises		14,934,207		80,551,673
Security deposits others		2,632,515		1,412,060
(Unsecured, considered doubtful)				
Security deposits- premises	155,530,001		83,508,729	
Less: Provision against doubtful advances	(155,530,001)	—	(83,508,729)	—
Total of Long term loans and advances		30,795,759		166,615,580
Short-term loans and advances (Unsecured, considered good)				
Advance income tax, including tax deducted at source, net of provision for tax		130,950,609		89,449,128
Advance to employees		6,229,695		6,819,141
Advance to material / service providers		344,515,034		57,754,825
Balances with statutory/ government authorities		74,261,749		60,369,855
Earnest money deposit		707,340		3,572,943
MAT credit entitlement		2,508,979		2,309,474
Mobilization advances		2,639,520		2,639,520
Other advances		3,145,000,000		3,175,000,000
Other receivables		1,218,367		1,247,568
Prepaid expenses		10,663,627		5,080,214
Security deposits others		120,000		120,000
		3,718,814,920		3,404,362,668
(Unsecured, considered doubtful)				
Advance to material / service providers	136,928,150		131,662,261	
Less: Provision against doubtful debts	(136,928,150)	—	(131,662,261)	—
Total of short term loans and advances		3,718,814,920		3,404,362,668

Note - 12

OTHER NON CURRENT ASSETS

	As at March 31, 2014		As at March 31, 2013	
Other bank balances- in fixed deposit accounts with maturing beyond 12 months (Refer Note 15)		1,313,780		4,545,500
Accrued interest- on fixed deposit accounts		—		7,331
Security deposits- others		175,195		213,232
Total of other non current assets		1,488,975		4,766,063

Notes to Consolidated financial statements (contd.)

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

OTHER CURRENT ASSETS

	As at March 31, 2014	As at March 31, 2013
(Unsecured, considered good)		
Interest accrued on:		
Fixed deposit accounts	165,818	691,622
Loans and advances	6,064,596	5,852,978
Total of other current assets	6,230,414	6,544,600

Note - 13

INVENTORIES

	As at March 31, 2014		As at March 31, 2013	
Real estate project under development (at cost)				
Land	585,180,530		585,210,530	
License and other regulatory fees	20,719,512		19,579,243	
Cost of material, construction services and other overheads	1,042,138,359		922,300,940	
	1,648,038,401		1,527,090,713	
Less: cost of sale recognised till date	(1,257,575,340)	390,463,061	(962,648,651)	564,442,062
Trading goods and others				
Raw materials	—		391,254	
Stores and spares	1,716,768		8,348,214	
Stock-in-trade	420,647		42,207,058	
Less: Provision for shrinkage and shortages	—	2,137,415	(36,687,982)	14,258,544
Total of inventories		392,600,476		578,700,606

Note - 14

TRADE RECEIVABLE

	As at March 31, 2014		As at March 31, 2013	
(Unsecured, considered good)				
Debts outstanding for a period exceeding six months		72,032,738		2,633,337
Other debts		722,296,604		446,147,410
(Unsecured, considered doubtful)				
Debts outstanding for a period exceeding six months	1,106,105		1,255,279	
Less: Provision for doubtful debts	(1,106,105)	—	(705,281)	549,998
Total of trade receivables		794,329,342		449,330,745

Notes to Consolidated financial statements (contd.)

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

Note - 15

CASH AND BANK BALANCES

	As at March 31, 2014		As at March 31, 2013	
Cash and cash equivalents				
Cash on hand		351,157		1,465,080
Foreign currency on hand		101,059		5,519
Balances with banks				
In current accounts	121,248,855		79,765,887	
In fixed deposit accounts with maturity of upto 3 months	3,230,000		43,380,000	
In unclaimed dividend accounts	148,011	124,626,866	—	123,145,887
Other bank balances				
In fixed deposit accounts with maturity of more than 3 months but less than 12 months	1,538,320		22,500,000	
In fixed deposit accounts maturing beyond 12 months	1,313,780		4,545,500	
Less: non-current bank balances in fixed deposit accounts	(1,313,780)	1,538,320	(4,545,500)	22,500,000
Total of cash and bank balances		126,617,402		147,116,486

Fixed deposit with bank of ₹ 225,000 (previous year: ₹ 200,000), ₹ 675,000 (Previous year ₹ 375,000), ₹ Nil (Previous year ₹ 4,250,500) and ₹ 593,780 (Previous year: ₹ Nil) is pledged for guarantee provided by the bank to the assessing authority of sales tax department, custom department, High Court Delhi and Customers as performance guarantee respectively.

Note - 16

REVENUE FROM OPERATIONS

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Revenue from real estate project under development		427,316,296		59,655,581
Revenue from services				
Information technology solutions	1,146,456,935		746,166,471	
Facility maintenance and other related activities	670,300,061		637,802,143	
Equipment hiring services	422,540,622		156,125,200	
Tour and travel services	20,059,659	2,259,357,277	8,671,065	1,548,764,879
Revenue from sale of trading goods and products		67,394,022		61,107,363
Revenue from sale of construction materials		3,182,694		38,904,497
Other operating revenue		4,577,568		4,624,290
Total of revenue from operations		2,761,827,857		1,713,056,610

Notes to Consolidated financial statements (contd.)

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

Note - 17

OTHER INCOME

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Concessionaire income		—		120,000
Dividend income on units of mutual funds		5,459,842		14,177,786
Foreign exchange gain				
realized	3,592,120		952,196	
unrealized	829,022	4,421,142	837,978	1,790,174
Interest - others		3,091,604		1,026,642
Interest income on fixed deposit receipts		1,201,179		3,776,671
Income on job work		9,917,754		—
Liabilities written back		40,353,318		36,703,539
Miscellaneous income		394,778		2,968,314
Net gain on sale of units of mutual funds		609,213		17,299
Profit on sale of fixed assets		—		23,405
Total of other income		65,448,830		60,603,830

Note - 18

COST OF SALES

	For the year ended March 31, 2014		For the year ended March 31, 2013	
For real estate project under development and construction				
Cost of materials and services consumed		127,921,164		145,027,150
Increase in real estate project under development				
Opening stock	564,442,062		531,453,239	
Less: Closing stock	(390,463,061)	173,979,001	(564,442,062)	(32,988,823)
For trading goods and products				
Purchase of stock in trade		18,792,238		21,262,535
Decrease in inventory of stock-in-trade, net				
Opening stock	5,519,076		42,350,865	
Less: Closing stock	(420,647)	5,098,429	(5,519,076)	36,831,789
Total of cost of sales		325,790,832		170,132,651

Note - 19

EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	796,593,379	552,375,313
Contribution to provident fund and other funds	15,122,810	4,487,070
Staff welfare expenses	14,726,150	8,120,948
Total of employee benefit expenses	826,442,339	564,983,331

Notes to Consolidated financial statements (contd.)

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

Note - 20

FINANCE COSTS

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Cash discount		-		26,137
Interest expenses on				
- taxation	36,678		2,399,953	
- loans and advances	23,035,346		1,615,229	
- others	2,698	23,074,722	669,136	4,684,318
Other borrowing cost		1,007,951		1,323,436
Total of finance costs		24,082,673		6,033,891

Note - 21

OTHER EXPENSES

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Advertisement and sales promotion		9,697,039		755,042
Auditors' remuneration				
- As auditors	4,355,645		5,092,358	
- For others services	-	4,355,645	176,638	5,268,996
Bad debts/ balances written off	2,623,462		14,979,258	
Less:- Provision for doubtful debts/balances	-	2,623,462	(12,778,012)	2,201,246
Bank Charges		57,265		-
Common area maintenance, electricity & water charges		26,137,304		39,695,179
Communication expenses		13,679,556		9,510,391
Consumables		-		11,188,569
Foreign exchange loss		327,758		643,099
Insurance expenses		7,326,308		1,196,215
Labour charges		4,006,641		4,480,554
Legal and professional charges		227,763,302		108,405,941
Loss on sale/ disposal of fixed assets		43,328,049		5,334,991
Miscellaneous expenses		739,516		1,194,075
Office expenses		1,074,053		2,811,843
Plant & machinery operating expenses		86,921,888		-
Power and fuel expenses		3,975,278		2,387,079
Preliminary expenses		141,986		197,385
Printing and stationery		3,119,934		2,529,969
Provision for debts & advances		75,072,955		2,705,281
Rates and taxes		9,532,285		5,166,930
Recruitment expenses		8,880,051		4,376,969
Rent expenses (Refer Note - 27)		45,710,478		30,467,121

Notes to Consolidated financial statements (contd.)

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

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Repairs and maintenance				
- Buildings	234,945,157		100,293,992	
- Plant and equipments	85,899,040		73,060,726	
- Vehicles	264,776		490,070	
- Others	22,337,227	343,446,200	16,834,292	190,679,080
Sales and marketing expenses		36,592,619		503,641
Security expenses		52,453,255		47,155,855
Software expenses		1,888,665		801,015
Subscription fees		615,392		2,192,019
Tender expenses		-		56,693
Tour and travel expenses		22,818,199		8,257,602
Travelling and conveyance expenses		41,646,507		45,586,452
Wealth tax		6,248		-
Total of other expenses		1,073,937,838		535,749,232

22. Employee benefits

Gratuity benefits

In accordance with "The Payment of Gratuity Act, 1972", the Group provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Group. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Group had charged ₹ 6,267,559 (previous year: charged of ₹ 7,087,322) during the year ended March 31, 2014 and the amount outstanding as at March 31, 2014 is ₹ 22,663,295 (previous year: ₹ 19,323,214).

Compensated absence

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Group's policy and receive cash in lieu thereof. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary. The Group had charged ₹ 1,975,217 (previous year: charged of ₹ 2,609,503) during the year ended March 31, 2014 and the amount outstanding as at March 31, 2014 is ₹ 6,782,626 (previous year: ₹ 6,070,307).

The components of gratuity benefits & compensated absence cost recognized, in accordance with AS-15 (Revised) on "Employee benefits", for the years ended March 31, 2014 and March 31, 2013 are enumerated as below:

	Gratuity benefits		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2014	2013	2014	2013
Service cost	6,499,983	5,155,336	2,472,456	2,209,566
Interest cost	1,545,857	1,261,711	480,309	371,042
Obligation transferred from company	(209,597)	-	(75,082)	-
Actuarial (gain)/ loss, net	(1,568,684)	670,275	(902,466)	28,895
Cost recognized during the year	6,267,559	7,087,322	1,975,217	2,609,503

Notes to Consolidated financial statements (contd.)

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

Details of the employee benefits obligation are provided below:

	Gratuity benefits		Compensated absence	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Obligation at the beginning of the year	19,323,214	12,612,644	6,070,307	3,220,525
Obligation on account of consolidation of subsidiary	-	907,800	-	443,449
Benefits transferred from company	209,597	-	75,082	-
Benefits paid during the year	(3,137,075)	(1,284,552)	(1,337,980)	(203,170)
Cost recognized during the year	6,267,559	7,087,322	1,975,217	2,609,503
Obligation at the end of the year	22,663,295	19,323,214	6,782,626	6,070,307

The assumptions used to determine cost include:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate %	8.50	8.00
Salary escalation rate %	5.00	5.00
Mortality table	IALM (2006 - 08)	IALM (1994-96)

23. Income Tax

Current tax

Current tax for the year includes earlier year tax adjustments of ₹ 17,863 (previous year: ₹ 1,634,419). The group has recognized the MAT credit entitlement of ₹ 199,505 including previous year entitlement (previous year: ₹ 2,344,167) 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, 1956.

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as notified under the Companies (Accounting Standards) Rules, 2006, as amended, the Group had recognized deferred tax charge (net) of ₹ 13,666,272 (previous year: credit of ₹ 16,121,824) in the statement of profit and loss.

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

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liability arising on account of :		
Depreciation	(10,018,140)	(4,575,176)
Total of deferred tax liability	(10,018,140)	(4,575,176)
Deferred tax asset arising on account of :		
Provision for compensated absences and gratuity	4,273,518	3,184,609
Accumulated losses	4,710,906	-
Preliminary expenses	3,245	4,867
Provision for doubtful debts	358,876	228,828
Total of deferred tax asset	9,346,545	3,418,304
Deferred tax liability, net	(671,595)	(1,156,872)

Notes to Consolidated financial statements (contd.)

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

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

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liability arising on account of :		
Depreciation	(543,844)	(1,179,594)
Total of deferred tax liability	(543,844)	(1,179,594)
Deferred tax asset arising on account of :		
Accumulated losses	914,568	15,596,927
Provision for compensated absences and gratuity	730,583	776,105
Demerger expenses	139,229	198,899
Total of deferred tax asset	1,784,380	16,571,931
Deferred tax asset, net	1,240,536	15,392,337

24. Segment Reporting

a) Primary segment information:

Particulars	Trading	Real estate project under development	Information technology solutions	Facility maintenance and other related activities	Equipment hiring services	Elimination	Total
SEGMENT REVENUE							
Revenue from external customers	18,719,132	431,893,864	1,150,049,055	670,300,060	422,540,621	-	2,693,502,732
	12,333,275	64,279,871	746,166,471	637,802,143	156,125,200	-	1,616,706,960
Inter - segment revenue	-	-	210,989,275	20,400	600,000	(211,609,675)	-
	5,500	-	26,029,545	29,326	476,923	(26,541,294)	-
Total Segmental revenue	18,719,132	431,893,864	1,361,038,330	670,320,460	423,140,621	(211,609,675)	2,693,502,732
	12,338,775	64,279,871	772,196,016	637,831,469	156,602,123	(26,541,294)	1,616,706,960
Add: Unallocated revenue							129,481,171
							96,349,650
Total revenue							2,822,983,903
							1,713,056,610
SEGMENT RESULT							
Segment result	(466,974)	67,937,220	46,043,142	223,289,867	262,005,954	-	598,809,209
	(80,987,221)	(52,745,379)	82,041,486	258,365,570	131,216,748	-	337,891,204
Add: Unallocated income net of unallocated expenses							(105,491,449)
							89,299,933
Add: Interest income							4,292,783
							24,405
Less: Interest expense							(24,082,673)
							(6,007,754)
Less: Income taxes							(41,836,618)
							(9,450,788)
Net profit after taxes							431,691,252
							411,757,000
SEGMENT ASSETS	7,957,038	4,126,383,385	457,159,915	148,320,171	1,397,137,478	-	6,136,957,987
	294,498,665	4,003,431,754	214,962,705	211,768,246	681,893,188	-	5,406,554,558
Unallocated corporate assets							390,476,686
							3,517,706,982
Total assets							6,527,434,673
							8,924,261,540

Notes to Consolidated financial statements (contd.)

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

Particulars	Trading	Real estate project under development	Information technology solutions	Facility maintenance and other related activities	Equipment hiring services	Elimination	Total
SEGMENT LIABILITIES	-	111,759,530	102,212,015	147,128,048	25,361,135	-	386,460,728
	186,299,090	26,943,263	127,958,221	52,403,966	106,230,645	-	499,835,185
Unallocated corporate liabilities							687,239,390
							167,439,751
Total liabilities							1,073,700,118
							667,274,936
Capital advance given during the year to acquire tangible & intangible fixed assets	-	89,400	91,349,753	-	13,094,630	-	104,533,783
	-	-	-	-	84,651,847	-	84,651,847
Depreciation and amortisation provided during the year	-	2,332,028	23,237,553	854,518	51,107,600	-	77,531,699
	34,525,040	9,793,686	6,528,608	7,191,822	17,514,391	-	75,553,547
Significant non-cash expenses, other than depreciation and amortization	-	1,423,103	6,675,326	-	-	-	8,098,429
	42,228,488	306,162	7,145,073	3,664,395	-	-	53,344,118

- a) The group has determined the following business segments as the primary segments for disclosure:
- Trading
 - Real estate project under development
 - Information technology solutions
 - Facility maintenance and other related activities
 - Equipment hiring services
- b) Segment revenue, results and assets include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- c) 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.
- d) Previous year figures are stated in italics.

b) Secondary segment information:

	Particulars	Within India	Outside India	Total
I	Segment revenue- external sale	1,984,289,570	838,694,333	2,822,983,903
		1,260,849,799	355,857,161	1,616,706,960
II	Segment assets	6,185,475,384	341,959,289	6,527,434,673
		5,335,835,434	70,719,124	5,406,554,558
III	Capital expenditure	39,770,264	64,763,519	104,533,783
		650,199,677	3,854,305	654,053,982

- a) The group's secondary geographical segments are reflected based on principal business activities carried on by the Company. The Company operates in two reportable geographical segments i.e.
- Within India
 - Outside India.
- b) Segment revenue, results and assets include amounts identifiable to each segment and amounts allocated on a reasonable basis.

Notes to Consolidated financial statements (contd.)

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

- c) 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.
- d) Previous year figures are stated in italics.

25. Earnings per equity share

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

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit after tax	431,691,252	411,757,000
Less:- Dividend on preference share including corporate dividend tax	(2,651,025)	(3,106,048)
Less: Share of minority interest	(2,352,530)	(381,742)
Profit attributable to equity shareholders	426,687,697	408,269,210
Weighted average number of shares used in computing basic earnings per equity share	50,469,283	50,285,093
Add: Potential number of equity shares on exercise of ESOPs	1,466,877	514,628
Weighted average number of shares used in computing diluted earnings per equity share	51,936,160	50,799,721
Face value per equity share	2	2
Basic earnings per equity share	8.45	8.12
Diluted earnings per equity share	8.21	8.04

26. Employee Stock Option Schemes

During the year ended March 31, 2012, the Board of Directors and Shareholders of the Company have given their consent to create, issue, offer and allot, to the eligible employees of the Company and its Subsidiary Companies, stock options not exceeding 5,000,000 in number, representing 5,000,000 Equity shares of face value of ₹ 2 each of the Company, accordingly the Indiabulls Wholesale Services Limited Employee Stock Option Scheme - 2011 ("IBWSL ESOP - 2011") has been formed. As per the scheme Exercise Price will be the market price of the equity shares of the Company, being the latest available closing price, prior to the date of grant or as may be decided by the Board or Compensation Committee. These options vest uniformly over a period of 10 years, commencing one year after the date of grant. The stock option under each of the slabs, are exercisable by the option holder within a period of five years from the relevant vesting date.

The Compensation Committee of the Board of Directors of the Company granted 1,257,000 (Twelve Lac Fifty Seven Thousand only) stock options in its meeting held on February 28, 2012, 650,000 (Six Lac Fifty Thousand only) stock options in its meeting held on March 29, 2012, 150,000 (One Lakh Fifty Thousand only) stock options in its meeting held on July 10, 2012, 850,000 (Eight Lakhs Fifty Thousand only) stock options in its meeting held on September 17, 2012, 160,000 (One Lakhs Sixty Thousand only) stock options in its meeting held on February 2, 2013, 150,000 (One Lakhs Fifty Thousand only) stock options, in its meeting held on February 22, 2013, 250,000 (Two Lakhs Fifty Thousand Only) stock options in its meeting held on May 9, 2013, 400,000 (Four Lakhs Only) stock options in its meeting held on October 1, 2013 and 190,000 (One Lakhs Ninety Thousand Only) stock options in its meeting held on October 31, 2013 in terms of the IBWSL ESOP- 2011. These options represent an equal number of Equity shares of face value ₹ 2 each in the Company and shall vest within ten years beginning from March 1, 2013, March 30, 2013, July 11, 2013, September 18, 2013, February 3, 2014, February 23, 2014, May 10, 2014, October 2, 2014 and November 1, 2014, being the first

Notes to Consolidated financial statements (contd.)

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

vesting date(s), respectively. Further the options granted under each slab, can be exercised within a period of five years from the relevant vesting date(s).

The Company 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 deferred employee stock compensation cost has been recorded in the financial statements. The fair value of the options under IWSL ESOS -2011 using the Black-Scholes model, based on the following parameters, is as below, as certified by an independent firm of chartered accountants.

Particulars	IWSL ESOS – 2011									
	28-Feb-12	29-Mar-12	10-Jul-12	17-Sep-12	2-Feb-13	22-Feb-13	9-May-13	1-Oct-13	31-Oct-13	
Grant date of options										
Fair value of option at grant date (₹ per option)	₹ 2.49	₹ 2.13	₹ 1.22	₹ 0.82	₹ 2.45	₹ 1.46	₹ 1.81	₹ 2.65	₹ 3.69	
Exercise price (₹ per option)	₹ 8.28	₹ 7.80	₹ 10.75	₹ 9.10	₹ 15.05	₹ 12.45	₹ 13.65	₹ 15.00	₹ 17.90	
Expected volatility	21.08%	20.92%	20.54%	20.43%	19.71%	19.65%	19.61%	20.33%	20.20%	
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Option life (Weighted average)	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	
Expected dividend yield	3.26%	3.57%	8.33%	9.78%	5.98%	7.38%	6.80%	6.19%	5.19%	
Risk free rate of Interest	8.31%	8.60%	8.11%	8.16%	7.90%	7.87%	7.51%	8.83%	8.60%	

The table below provides pro forma disclosures for the impact on the Company's net (loss)/ profit after taxes and basic and diluted earnings per share, had the compensation cost for the stock options granted under IWSL ESOS- 2011 been determined using the fair value method as prescribed in the Guidance Note.

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	As reported	Pro forma	As reported	Pro forma
Net profit/(loss) available to Equity Shareholders (as reported)	426,687,697	426,687,697	408,269,210	408,269,210
Less : Stock-based employee compensation expense determined using the fair value method for the year: Total Stock-based employee compensation expense recognisable over the vesting period of the options [Gross ₹ 8,221,993] (pro forma)	-	1,724,976	-	1,609,437
Net (loss)/ profit considered for computing EPS (pro forma)	426,687,697	424,962,721	408,269,210	406,659,773
Basic earnings per share	8.45	8.42	8.12	8.09
Diluted earnings per share	8.21	8.18	8.04	8.00

Notes to Consolidated financial statements (contd.)

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

A summary of the movement, during the year, in various IWSL ESOS – 2011 is as below:

Particulars	IWSL ESOS-2011								
Total number of option under Scheme	5,000,000								
Grant date of options under the Scheme	28-Feb-12	29-Mar-12	10-Jul-12	17-Sep-12	02-Feb-13	22-Feb-13	09-May-13	01-Oct-13	31-Oct-13
Number of options outstanding as at April 1, 2013	1,257,000	650,000	150,000	850,000	160,000	150,000	-	-	-
Number of options granted during the year	-	-	-	-	-	-	250,000	400,000	190,000
Number of options vested during the year	125,700	65,000	15,000	85,000	16,000	15,000	-	-	-
Number of options forfeited/ cancelled during the year	-	450,000	135,000	60,000	-	-	-	-	-
Number of options exercised during the year	125,700	65,000	15,000	46,000	10,000	15,000	-	-	-
Number of options expired during the year	-	-	-	-	-	-	-	-	-
Number of options outstanding as at March 31, 2014	1,131,300	135,000	-	744,000	150,000	135,000	250,000	400,000	190,000
Out of the outstanding option number of options exercisable as at March 31, 2014	125,700	15,000	-	33,000	6,000	-	-	-	-
Exercise price (₹ per option)	8.28	7.80	10.75	9.10	15.05	12.45	13.65	15.00	17.90
Remaining contractual life (Months)	95	96	99	101	106	106	109	114	115

27. Operating Lease

The Group has taken office premises on operating lease at various locations and lease rent of ₹ 45,710,478 in respect of the same has been charged during the year. 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, 2014	As at March 31, 2013
Within one year	27,137,496	17,636,277
More than one year but not later than five years	90,395,959	44,736,388
More than five years	16,526,994	28,815,589
Total	134,060,449	91,188,254

Notes to Consolidated financial statements (contd.)

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

28. Disclosure pursuant to Revised Schedule VI of companies Act,1956:

Details of purchases and sales of traded goods made during the year ended March 31, 2014 with opening and closing of stock is as follows:

Particulars	Opening stock (net of provision for shrinkages/ shortages)		Purchases		Sales		Closing Stock (net of provision for shrinkages/ shortages)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Cement	-	-	-	9,391,847	-	9,673,603	-	-
Desktops	4,305,000	-	1,456,073	4,305,000	5,636,495	-	-	4,305,000
Servers	-	-	3,326,983	465,648	3,524,445	466,975	-	-
Switches	-	-	826,877	419,134	1,051,779	508,067	-	-
Printers	-	-	1,104,878	131,380	1,227,168	125,124	-	-
Laptops	-	-	2,959,973	-	3,115,503	-	-	-
Software Licence	-	-	2,209,227	302,705	2,484,461	366,932	-	-
UPS	-	-	580,273	-	602,890	-	-	-
LAN Card	-	-	215,762	-	223,067	-	-	-
Others*	1,350,772	42,487,561	5,975,497	6,246,822	6,990,731	47,384,285	420,647	1,350,772
Total	5,655,772	42,487,561	18,655,542	21,262,535	24,856,539	58,524,986	420,647	5,655,772

The Group having dealt in a large number of products, the inventory has been furnished only a consolidated figure in respect of major items.

*Other items are grouped together, as inventory in respect of each product is not practical, in view of the nature of operations of the Group.

Previous Year figures are stated in italics

Details of purchases and consumption of manufactured goods made during the year ended March 31, 2014 with opening and closing of stock is as follows:

Particulars	Opening stock		Purchases		Consumption		Closing stock	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Store and spares	8,348,214	-	24,441,136	9,890,052	31,072,582	1,541,838	1,716,768	8,348,214
Raw material	254,558	-	6,718,917	32,321,579	6,973,475	32,067,021	-	254,558
Total	8,602,772	-	31,160,053	42,211,631	38,046,057	33,608,859	1,716,768	8,602,772

29. Related party transactions

Disclosures in respect of Accounting Standard (AS) – 18 'Related party disclosures', as notified under the Companies (Accounting Standards) Rules, 2006 as amended:

a) Name and nature of relationship with related parties:

Relationship	Name of the related parties
- Key management personnel	Mr. Sameer Gehlaut (Promoter of the Company) Mr. Rajiv Rattan (Promoter of the Company) Mr. Saurabh Kumar Mittal (Promoter of the Company) Mr. Surinder Singh Kadyan (Whole Time Director of the Company)

Notes to Consolidated financial statements (contd.)

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

- Entity over which key management personnel have significant influence*
("Significant interest entities")
- IIC Limited
(Formerly known as Indiabulls Infrastructure Company Limited)

*With whom transactions have been entered during the year/ previous year

b) Summary of significant transactions with related parties

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of trading goods		
Significant interest entities:		
-IIC Limited	—	9,673,603
Total of sale of trading goods	—	9,673,603
Expenses		
Construction cost Incurred		
Significant interest entities:		
-IIC Limited	—	98,330,028

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.

30. Contingent liabilities and Commitments

Particulars	As at March 31, 2014	As at March 31, 2013
Income Tax matters for the Assessment Year 2010-11 in respect of the which appeals have been filed	2,428,094	3,029,743
Income Tax matters for the Assessment Year 2011-12 in respect of the which appeals have been filed	26,031,360	-
Guarantees issued by banks to Sales Tax and Custom department (secured by way of fixed deposits of the Company)	900,000	575,000
Guarantees issued by banks to Customer for performance (secured by way of fixed deposits of the Company)	593,780	-
Guarantees issued by banks to High Court of Delhi (secured by way of fixed deposits of the Company)	-	4,250,000
Claims (Excluding interest) against the Company not acknowledged as debts	4,515,200	10,218,890
Commitments		
Estimated amount of contracts remaining to be executed on capital account, net of advances	30,772,308	58,918,121

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.

31. The Group has exposure to foreign exchange related risks on account of trade receivables in foreign currencies. The Group did not enter into any derivative transactions during the period under review.

Notes to Consolidated financial statements (contd.)

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

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

Particulars	Currency	As at March 31, 2014		As at March 31, 2013	
		(in FCY)	(in INR)	(in FCY)	(in INR)
Trade receivable	USD	1,556,196	93,527,068	352,399	19,166,720
	ZAR	2,563,510	14,577,911	-	-
	AED	324,428	5,298,366	283,178	4,192,170
	EURO	88,519	7,309,589	18,753	1,304,155
Total			120,712,934		24,663,045

32. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2014 and March 31, 2013.
33. 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, 2014, 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.
34. Previous year figures have been regrouped and/or re-classified, wherever necessary to confirm those of the current year grouping and/or classification.

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN: 000643N

Amar Mittal
Partner
Membership No. 017755

Place: Mumbai
Date: April 23, 2014

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Mumbai
Date: April 23, 2014

Mehul Johnson
Director

Saurabh Garg
Chief Financial Officer

Independent Auditors' Report

To the Members of Indiabulls Wholesale Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indiabulls Wholesale Services Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN: 000643N

Amar Mittal
Partner

Membership No. 017755

Place: Mumbai
Date : April 23, 2014

Annexure to the Auditor's Report

Annexure to the Auditors' Report of even date to the members of Indiabulls Wholesale Services Limited, on the financial statements for the year ended March 31, 2014 (Referred to in our report of even date)

Based on the Audit Procedures performed for the purpose of reporting a true and fair view on the financials statements of the company and taking into the consideration the information and explanation given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i) In respect of Fixed Assets of the Company and in our opinion:
 - a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of physical verification of its fixed assets by which they are verified annually. In accordance with this program, fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of the physical verification is reasonable having regards to the size of the company and nature of fixed assets.
 - c. The Company has not disposed off substantial part of any fixed assets during the year. Therefore the going concern assumption is not affected.
- ii) In respect of Inventories of the Company and in our opinion:
 - a. Inventories have been physically verified by management during the year and the frequency of verification is reasonable.
 - b. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- iii) The company has not granted any loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Also, the Company has not taken loan from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal control system in respects of these systems.
- v)
 - a. In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the act have been so entered.
 - b. In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices. For price justification reliance is placed on the information and explanation given by management.
- vi) In our opinion, the Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) In our opinion cost records as prescribed under section 209(1) (d) of the Companies Act, 1956 are applicable and the company has duly made and maintained such accounts and records.
- ix) In respect of disputed and undisputed Statutory Dues of the Company and according to information and explanations given to us and on the basis of the records of the Company
 - a. Amounts deducted / accrued in the books of accounts in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material Statutory Dues have generally been regularly deposited during the year by the Company with the appropriate authorities, to the extent applicable. There were no dues on account of Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government. According to the information and explanations given to us, no undisputed amounts payable in respect

ANNEXURE TO THE AUDITORS' REPORT (contd.)

of aforesaid dues were in arrears, as at March 31, 2014 for a period of more than six months from the date they became payable, wherever applicable.

- b. There are no dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute, wherever applicable.
- x) The company has no accumulated losses at the end of the current financial year. It has not incurred cash losses in the current financial year but had incurred cash losses in the immediately preceding financial year.
- xi) In our opinion, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of paragraph 4 clause (xii) of the Order are not applicable to the company.
- xiii) The Company is not a Chit Fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, the provisions of paragraph 4 clause (xiii) of the Order are not applicable to the company.
- xiv) In our opinion the company is not dealing or trading in shares, debentures, securities and other investments. Accordingly, the provisions of paragraph 4 clause (xiv) of the Order are not applicable to the company.
- xv) In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- xvi) In our opinion and to the best of our knowledge and belief, no term loans were obtained during the year.
- xvii) In our opinion and on an overall examination of the balance sheet of the Company, funds raised on short-term basis, *prima facie*, have not been used for the long-term investment by the company.
- xviii) During the year, the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the company.
- xix) In our opinion and the records examined by us, no debentures were issued during the year. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable to the company.
- xx) The Company has not raised any monies by way of public issue during the year. Accordingly, the provisions of paragraph 4 clause (xx) of the Order are not applicable to the company.
- xxi) In our opinion, no material fraud on or by the Company has been noticed or reported during the period covered in our audit.

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN: 000643N

Amar Mittal
Partner

Membership No. 017755

Place: Mumbai
Date : April 23, 2014

Balance Sheet

as at March 31, 2014

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

	Note		As at March 31, 2014		As at March 31, 2013
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	4		126,300,586		125,747,186
Reserves and surplus	5		7,669,889,552		7,622,567,955
Total of Shareholders' funds			7,796,190,138		7,748,315,141
Non-current liabilities					
Other long-term liabilities	6		—		150,400,000
Long-term provisions	7		716,342		781,641
Total of Non-current liabilities			716,342		151,181,641
Current liabilities					
Trade payables	8		9,538,078		2,011,299
Other current liabilities	9		253,473,998		24,166,279
Short-term provisions	7		14,350,503		61,528,980
Total of Current liabilities			277,362,579		87,706,558
Total of Equity and Liabilities			8,074,269,059		7,987,203,340
II. ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		6,029,886		9,996,534	
Intangible assets		-	6,029,886	-	9,996,534
Non-current investments	11		3,598,549,890		3,598,549,890
Deferred tax assets, net	23		216,592		15,254,104
Long-term loans and advances	12		3,455,567,150		3,486,145,220
Total of Non-current assets			7,060,363,518		7,109,945,748
Current assets					
Inventories	13		390,330,731		564,309,732
Trade receivables	14		223,159,175		213,282,418
Cash and bank balances	15		24,710,289		19,644,866
Short-term loans and advances	12		375,705,346		80,020,576
Total of Current assets			1,013,905,541		877,257,592
Total of Assets			8,074,269,059		7,987,203,340

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN :000643N

For and on behalf of the Board

Amar Mittal
Partner
Membership No.017755

Surinder Singh Kadyan
Whole Time Director

Mehul Johnson
Director

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Place: Mumbai
Date: April 23, 2014

Place: Mumbai
Date: April 23, 2014

Statement of Profit and Loss

for the year ended March 31, 2014

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

	Note		For the year ended March 31, 2014		For the year ended March 31, 2013
Revenue					
Revenue from operations	16		431,893,858		73,953,474
Other income	17		9,778,420		1,226,273
Total of Revenue			441,672,278		75,179,747
Expenses					
Cost of sales for real estate project under development	18				
- Cost of materials and services consumed during the year		120,947,690		112,960,130	
- Decrease / (Increase) in real estate project under development		173,979,001		(32,988,823)	
		294,926,691		79,971,307	
Purchase of stock-in-trade		—	294,926,691	9,391,847	89,363,154
Employee benefits expense	19		14,002,354		14,305,098
Finance costs	20		1,826		1,420,258
Depreciation and amortisation expense	10		2,332,028		9,812,652
Other expenses	21		55,199,140		18,577,105
Total of Expenses			366,462,039		133,478,267
Profit / (Loss) before tax			75,210,239		(58,298,520)
Tax expense:	23				
Current tax (including of earlier year taxes)			12,249,982		1,539,445
Deferred tax			15,037,512		(18,506,060)
Profit / (Loss) for the year			47,922,745		(41,331,905)
Earnings per equity share	24				
- Basic			0.90		(0.87)
- Diluted			0.87		(0.87)
Face value per equity share			2		2

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN :000643N

For and on behalf of the Board

Amar Mittal
Partner
Membership No.017755

Surinder Singh Kadyan
Whole Time Director

Mehul Johnson
Director

Priya Jain
Company Secretary

Saurabh Garg
Chief Financial Officer

Place: Mumbai
Date: April 23, 2014

Place: Mumbai
Date: April 23, 2014

Cash Flow Statement

for the year ended March 31, 2014

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

	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash flow from operating activities:		
Net Profit / (Loss) before tax	75,210,239	(58,298,520)
Adjustments for Statement of Profit and Loss items:		
Depreciation and amortisation expense	2,332,028	9,812,652
Interest income on FDR	(261,781)	-
Excess Liability written back	-	(149,322)
Loss on sale of fixed asset	1,177,353	-
Net gain on sale of investments	(345,182)	(255)
Dividend on preference share investments	(1,782,835)	-
Dividend income on units of mutual fund	(2,388,610)	(1,005,236)
Provision for gratuity and compensated absences	(83,642)	306,162
Operating profit / (loss) before working capital changes and other adjustments	73,857,570	(49,334,519)
Working capital changes and other adjustments		
- (Increase) / Decrease in trade receivables	(9,876,757)	121,267,189
- (Increase) in loans and advances	(294,706,700)	(22,803,008)
- Decrease / (Increase) in inventories	173,979,001	(32,988,823)
- Increase / (Decrease) in trade payables	7,526,779	(110,600,483)
- Increase in other liabilities	78,907,719	125,054,843
Cash generated from operating activities	29,687,612	30,595,199
Income tax paid	(579,071)	(10,580,088)
Net cash generated from operating activities	29,108,541	20,015,111
B. Cash flow from investing activities:		
Purchase of fixed assets	(89,400)	(1,745,096)
Investment in equity share of subsidiary companies	-	(131,150,000)
Proceeds from sale of fixed assets	546,667	-
Net gain on sale of investments	345,182	255
Redemption of preference share of subsidiary companies	-	131,120,000
Interest received on fixed deposit receipts	261,781	-
Loans and advances received back, net	29,600,000	10,000
Dividend received from units of mutual fund	2,388,610	1,005,236
Dividend received on preference share investments	1,782,835	-
Net cash generated from/ (used in) investing activities	34,835,675	(759,605)
C. Cash flow from financing activities:		
Proceeds from issue of equity share capital(including securities premium)	2,464,896	-
Dividends paid on equity share capital, including corporate dividend tax	(58,692,664)	-
Dividends paid on preference share capital, including corporate dividend tax	(2,651,025)	(1,093,703)
Net cash used in financing activities	(58,878,793)	(1,093,703)
D. Increase in cash and cash equivalents, net (A+B+C)	5,065,423	18,161,803
E. Cash and cash equivalents at the beginning of the year	19,644,866	1,483,063
F. Cash and cash equivalents at the end of the year (D+E)	24,710,289	19,644,866

Cash Flow Statement

for the year ended March 31, 2014 (contd.)

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

Note:

- a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements" as notified under the companies (Accounting Standards) Rules, 2006 as amended.
- b) **Cash and cash equivalents includes:**

	As at March 31, 2014	As at March 31, 2013
Cash on hand	31,005	6,749
Balances with banks		
- In current accounts	24,531,273	19,638,117
- In unclaimed dividend accounts	148,011	—
Total of cash and cash equivalents	24,710,289	19,644,866

- c) Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the Company does not have any right on the said money.
- d) Previous year figures have been regrouped and/ or reclassified wherever necessary to conform to those of the current year grouping and/or classification.

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN :000643N

Amar Mittal
Partner
Membership No.017755

Place: Mumbai
Date: April 23, 2014

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Mumbai
Date: April 23, 2014

Mehul Johnson
Director

Saurabh Garg
Chief Financial Officer

Notes to financial statements

(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 as a wholly owned subsidiary of Indiabulls Real Estate Limited ("IBREL").

The Company carries on wholesale trading and retail business and is also developing real estate projects on land situated in Ahmadabad (Gujarat) and Hyderabad (Andhra Pradesh).

A Scheme of Arrangement ("IBWSL Scheme of Arrangement") between Indiabulls Real Estate Limited ("Demerged Company", "IBREL") and the Company ("IBWSL", "Resulting 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. Upon coming into effect of the IBWSL Scheme of Arrangement on March 31, 2011 and with effect from the Appointed Date on April 01, 2010, the wholesale trading business stand demerged from IBREL and transferred to and vested in IBWSL on a going concern basis. In terms of the Scheme, with effect from the Appointed Date on April 01, 2010:

- Certain assets comprising of fixed assets and loans and advances in IBREL aggregating to ₹ 4,106,396,502 have been transferred to IBWSL, at their book values;
- The equity share capital of the demerged Company amounting to ₹ 1,000,000,000 was cancelled;
- The net adjustment for such transfer of assets, liabilities and cancellation and issue of equity share capital amounting to ₹ 5,005,826,316 has been shown in the General reserve account;
- In terms of the Scheme, all business activities of the IBREL made by IBREL in trust for IBWSL, carried out on or after the Appointed Date are deemed to have been carried out by the IBREL on behalf of the IBWSL on a going concern basis;
- The transfer of proportionate Share warrant has been made as per the net worth ratio between net worth of the IBREL transferred to IBWSL pursuant to Scheme and the net worth of the IBREL immediately before demerger as on appointed date. Proportionate liability in respect of share warrants representing 25% of the application money amounting to ₹ 94,248,700 has also been transferred to the Company;
- Pursuant to the scheme being given effect to, by the Company, IBWSL has allotted one (1) equity share of face value of ₹ 2 each credited as fully paid-up for every eight (8) equity share of ₹ 2 each held by such shareholders in the IBREL

In terms of the scheme, on April 27, 2011, the Company has issued and allotted 50,285,093 equity shares of face value of ₹ 2 each aggregating to ₹ 100, 570,186 to the respective shareholders of IBREL as on the record date i.e. April 25, 2011.

Pursuant to the scheme, the authorised share capital of the Company has been reorganised to ₹ 1,100,000,000 divided into 550,000,000 equity shares of ₹ 2 each.

2. Basis of preparation of financial statements

a) Statement of compliance

The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, as amended and as per Revised Schedule VI to the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of commencement notification of Companies Act, 2013, dated 12 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act and 2013 Act, to the extent applicable. 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 Revised Schedule VI to the 1956 Act.

b) Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known or materialized.

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

3. Significant accounting policies

a) Revenue recognition

- i) Revenue from real estate development projects and plots under development is recognized 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.
- ii) Revenue from sale of goods 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 company collects all relevant applicable taxes like sales taxes, value added taxes (VAT) etc. on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- iii) Revenue from sale of developed land and plots is recognized in the year in which the underlying sale deed is executed.
- iv) Interest income from deposits is recognized on accrual basis.
- v) Dividend income is recognized when the right to receive the dividend is unconditionally established.
- vi) 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.
- vii) Interest on delayed receipts, cancellation/forfeiture and transfer fees from customers is recognized, as per revenue recognition principles laid down in Accounting Standard - 9 on "Revenue Recognition", when certainty of its collection is established.

b) Inventories

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

Cost includes cost of acquisition and internal and external development costs, construction costs, and development/construction materials. Real estate projects under development represents land under development, cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto on unsold real estate projects and land held for real estate development is valued at cost.

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

Inventories of trading goods are valued at cost or estimated 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.

c) Fixed assets

Recognition and measurement

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

Depreciation and Amortization

Depreciation on fixed assets is provided on the straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, on a pro-rata basis from the date the asset is ready to put to use till the end of its useful life or till the asset is discarded, whichever is earlier. Individual assets costing up to ₹ 5,000 per item are fully depreciated in the year of purchase. Temporary structures are depreciated over a period of twelve months, on a pro-rata basis, from the date it is ready to put to use.

Notes to financial statements (contd.)

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

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

Description of asset	Estimated useful life
Computer Software	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 is included as capital advances under long term loans and advances.

d) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. 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 statement of profit and loss.

e) Investments

Investments are classified as long term or current investments. Long term investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are stated at the lower of cost or fair value.

f) 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.

g) 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 has unfunded defined benefit plans namely compensated absences and gratuity for its employees, the liability for which is determined on the basis of actuarial valuation, conducted by an independent actuary, in accordance with Accounting Standard 15 (Revised 2005) – 'Employee Benefits', notified under the Companies (Accounting Standards) Rules, 2006, as amended.

Actuarial gains and losses are recognized in the statement of profit and loss or inventorized, as the case may be.

h) 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, which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on the intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

i) Leases

In case of assets taken on operating lease, the lease rentals are charged to the statement of profit and loss in accordance with Accounting Standard 19 (AS 19) – 'Leases', as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

j) 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.

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

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.

k) 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.

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.

l) 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.

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

m) Earnings per equity share

Basic earnings per share is computed by dividing profit available to equity shareholders by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year.

n) Share issue expenses

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

o) 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.

p) Segment Reporting

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

Notes to financial statements (contd.)

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

Note - 4

SHARE CAPITAL

	As at March 31, 2014		As at March 31, 2013	
Authorised	No. of shares		No. of shares	
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
	430,000,000	1,100,000,000	430,000,000	1,100,000,000
Issued, subscribed and paid up				
Equity shares of face value of ₹ 2 each fully paid up				
Balance at the beginning of the year	50,285,093	100,570,186	50,285,093	100,570,186
Add: Issued during the year	276,700	553,400	-	-
Total of equity share capital	50,561,793	101,123,586	50,285,093	100,570,186
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	53,079,493	126,300,586	52,802,793	125,747,186

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.

- Pursuant to the IBWSL Scheme of Arrangement, 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 the IBREL (Refer Note 1)
- At the AGM held on September 30, 2011, the authorised share capital of the company has been reorganized to ₹ 1,100,000,000 divided into 400,000,000 equity share of ₹ 2 each and 30,000,000 preference share of ₹ 10 each.

	As at March 31, 2014	As at March 31, 2013
Details of equity share holding in excess of 5% of equity share capital:		
Number of share holders [including their nominees]	4	4
Number of shares held	20,019,301	17,429,723
Details of preference share holding in excess of 5% of preference share capital:		
Number of share holders	1	1
Number of shares held	2,517,700	2,517,700
Details of number of equity share reserved for issuance under contracts or options:		
Employee stock option scheme (Refer Note No. 25)	3,135,300	3,217,000

Notes to financial statements (contd.)

Note - 5

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

RESERVES AND SURPLUS

	As at March 31, 2014		As at March 31, 2013	
Capital reserve				
Balance as at the beginning of the year	94,248,700		94,248,700	
Add : Additions during the year	-	94,248,700	-	94,248,700
General reserve				
Balance as at the beginning of the year	5,014,971,517		5,005,826,316	
Add : Amount transferred from the surplus balance in the Statement of Profit and Loss	-	5,014,971,517	9,145,201	5,014,971,517
Securities premium:				
Balance as at the beginning of the year	2,492,523,000		2,492,523,000	
Add : Issue of Equity share capital	1,911,496	2,494,434,496	-	2,492,523,000
Surplus as per Statement of Profit and Loss				
Balance as at the beginning of the year	20,824,738		132,783,914	
Add: Profit / (Loss) for the year	47,922,745		(41,331,905)	
Profit available for appropriations	68,747,483		91,452,009	
Less: Appropriations				
Proposed dividend on preference shares	2,265,930		2,265,930	
Corporate dividend tax thereon	385,095		385,095	
Interim dividend on equity shares	140,700		50,285,093	
Corporate dividend tax thereon	(279,081)		8,545,952	
Transfer to General reserve	-	66,234,839	9,145,201	20,824,738
Total of reserves and surplus		7,669,889,552		7,622,567,955

Note - 6

OTHER LONG- TERM LIABILITIES

	As at March 31, 2014	As at March 31, 2013
Advance for land from related party	-	150,400,000
Total of other long -term liabilities	-	150,400,000

Note - 7

PROVISIONS

	As at March 31, 2014		As at March 31, 2013	
Long-term provisions				
Provision for employee benefits				
- For gratuity	490,581		551,654	
- For compensated absences	225,761	716,342	229,987	781,641
Total of long term provisions		716,342		781,641

Notes to financial statements (contd.)

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

	As at March 31, 2014		As at March 31, 2013	
Short-term provisions				
Provision for employee benefits :-				
- For gratuity	18,740		32,399	
- For compensated absences	9,827	28,567	14,511	46,910
Provision for income tax, Net of advance tax and tax deducted at source		11,670,911		-
Proposed dividend on preference shares		2,265,930		2,265,930
Corporate dividend tax thereon		385,095		385,095
Interim Dividend on equity shares		-		50,285,093
Corporate dividend tax thereon		-		8,545,952
Total of short term provisions		14,350,503		61,528,980

Note - 8

TRADE PAYABLES

	As at March 31, 2014	As at March 31, 2013
Due to micro and small enterprises	-	-
Retention Money Payable	749,098	1,258,152
Due to others	8,788,980	753,147
Total of Trade Payables	9,538,078	2,011,299

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

	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. This has been relied upon by the auditors.

Note - 9

OTHER CURRENT LIABILITIES

	As at March 31, 2014	As at March 31, 2013
Advance from customers	92,144,366	19,099,121
Payable to statutory or government authorities	1,725,100	418,122
Advance for land from related party	150,400,000	-
Security deposits - others	20,000	20,000
Unpaid dividend on equity shares	148,011	-
Other payables	9,036,521	4,629,036
Total of other Current liabilities	253,473,998	24,166,279

**Note - 10
FIXED ASSETS***(All Amounts in Indian ₹ except share data and where otherwise stated)*

Particulars	Gross block (at cost)			Accumulated depreciation/Amortisation			Net block	
	As at April 01, 2013	Additions during the year	Sales during the year	As at March 31, 2014	Provided during the year	Sales during the year	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets								
Building - Temporary Structure	212,754	-	-	212,754	-	-	-	-
Plant & Equipment	357,961	-	-	357,961	17,003	-	300,993	317,996
Office Equipment	2,726,235	-	-	2,726,235	127,404	-	1,977,404	2,104,808
Computers	9,070,340	89,400	-	9,159,740	1,412,696	-	444,649	1,767,945
Furniture and Fixtures	445,680	-	-	445,680	16,278	-	156,113	172,391
Vehicles	9,768,882	-	3,806,094	5,962,788	758,647	2,082,074	3,150,727	5,633,394
Total of Tangible Assets (A)	22,581,852	89,400	3,806,094	18,865,158	2,332,028	2,082,074	6,029,886	9,996,534
B. Intangible Assets								
Computer Software	43,972,893	-	-	43,972,893	-	-	-	-
Total of Intangible Assets (B)	43,972,893	-	-	43,972,893	-	-	-	-
Total of Fixed Assets [A+B]	66,554,745	89,400	3,806,094	62,838,051	2,332,028	2,082,074	6,029,886	9,996,534
Previous Year	64,596,895	1,745,096	-	66,341,991	9,812,652	-	9,996,534	-

Notes to financial statements (contd.)

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

Note - 11

INVESTMENTS

	As at March 31, 2014	As at March 31, 2013
Non-current investments		
Trade, quoted - fully paid up equity share (at Cost)		
In subsidiary company		
- 15,983,310 (previous year 15,983,310 fully paid up equity shares of face value ₹ 10 each in Store One Retail India Limited * (Formerly known as Indiabulls Retail Services Limited)	521,039,890	521,039,890
Trade, un-quoted - fully paid up equity share (at Cost)		
In subsidiary companies:		
- 50,000 (previous year 50,000) fully paid equity shares of face value ₹ 10 each in Lucina Infrastructure Limited	500,000	500,000
- 50,000 (previous year 50,000) fully paid equity shares of face value ₹ 10 each in Sentia Properties Limited	500,000	500,000
- 50,000 (previous year 50,000) fully paid equity shares of face value ₹ 10 each in Indiabulls Technology Solutions Limited	500,000	500,000
- 100,050,000 (previous year 100,050,000) fully paid equity shares of face value ₹10 each in Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	1,000,500,000	1,000,500,000
Trade, un-quoted - fully paid up preference share (at Cost)		
In subsidiary companies:		
- 30,000,000 (previous year 30,000,000) fully paid 0.0001% preference shares of face value ₹ 10 each in Albasta Wholesale Services Limited (formerly Albsta Power Limited)	300,000,000	300,000,000
- 1,979,500 (previous Year 1,979,500) fully paid 9% preference shares of face value ₹ 10 each in Store One Retail India Limited (Formerly Indiabulls Retails Services Limited)**	1,741,960,000	1,741,960,000
Trade, un-quoted - partly paid up equity warrants (at Cost)		
In subsidiary companies:		
- 4,400,000 (previous year 4,400,000) fully paid equity warrants face value ₹ 10 each in Store One Retail India Limited (Formerly Indiabulls Retails Services Limited)***	33,550,000	33,550,000
Total of Non-current investments	3,598,549,890	3,598,549,890
Aggregate book value of unquoted investments	3,077,510,000	3,077,510,000
Aggregate book value of quoted investments	521,039,890	521,039,890
Aggregate market value of quoted investments	410,771,067	434,746,032

* On 4th December 2012, the company has made a further acquisition of 3,200,000 equity shares of Store one Retail India Limited (SORIL) on preferential allotment basis, of face value of ₹ 10 each at the issue price of ₹ 30.50 per equity share.

** On 4th December 2012, Store one Retail India Limited (SORIL), redeemed 149,000 preference shares of face value of ₹ 10 held by the company at the price of ₹ 880 per preference share.

*** On 6th December 2012, the company has made a acquisition of 4,400,000 warrants of Store one Retail India Limited (SORIL) on preferential allotment basis, convertible into equivalent number of equity shares of face value of ₹ 10 each at a conversion price of ₹ 30.50 per equity share to the Company, among which 25% of total conversion price has been paid upfront.

Notes to financial statements (contd.)

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

Note - 12

LOANS AND ADVANCES

	As at March 31, 2014	As at March 31, 2013
Long-term loans and advances (Unsecured, considered good)		
Loans and advances to related parties	3,455,346,100	3,484,946,100
Security deposits -others	221,050	1,199,120
Total of Long term loans and advances	3,455,567,150	3,486,145,220
Short-term loans and advances (Unsecured, considered good)		
Security deposits - others	120,000	120,000
Mobilization advances	2,639,520	2,639,520
Other Advances	25,000,000	25,000,000
Advance to material / service providers	329,209,266	36,391,724
Prepaid expenses	42,500	105,186
Balances with statutory/ government authorities	3,408,604	400,416
Advance to employees	3,318,483	3,396,757
Advance income tax, including tax deducted at source, net of provision for tax	11,966,973	11,966,973
Total of short term loans and advances	375,705,346	80,020,576

Note - 13

INVENTORIES

	As at March 31, 2014	As at March 31, 2013
Real estate project under development (at cost)		
- Land	585,078,200	585,078,200
- license and other regulatory fees	20,719,514	19,579,243
- cost of materials, construction services and other overheads	1,042,108,359	922,300,940
	1,647,906,073	1,526,958,383
Less: cost of sale recognised till date	(1,257,575,342)	(962,648,651)
	390,330,731	564,309,732
Total of inventories	390,330,731	564,309,732

Note - 14

TRADE RECEIVABLE

	As at March 31, 2014	As at March 31, 2013
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	-
Other debts	223,159,175	213,282,418
Total of trade receivables	223,159,175	213,282,418

Notes to financial statements (contd.)

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

Note - 15

CASH AND BANK BALANCE

	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash on hand	31,005	6,749
Balances with banks		
- In current accounts	24,531,273	19,638,117
- In unclaimed dividend accounts*	148,011	—
Total of cash and bank balances	24,710,289	19,644,866

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

Note - 16

REVENUE FROM OPERATIONS

	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from real estate project under development	427,316,296	59,655,581
Sale of trading goods	-	9,673,603
Other operating income	4,577,562	4,624,290
Total of revenue from operations	431,893,858	73,953,474

Note - 17

OTHER INCOME

	For the year ended March 31, 2014	For the year ended March 31, 2013
Dividend income on units of mutual fund	2,388,610	1,005,236
Dividend on preference share investments	1,782,835	-
Income from advisory services	5,000,000	-
Interest on fixed deposits	261,781	-
Net gain on sale of units of mutual funds	345,182	255
Miscellaneous income	12	220,782
Total of other income	9,778,420	1,226,273

Note - 18

COST OF SALES

	For the year ended March 31, 2014		For the year ended March 31, 2013	
Cost of material and services consumed during the year		120,947,690		112,960,130
Increase in real estate project under development				
Opening stock	564,309,732		531,320,909	
Less: Closing stock	(390,330,731)	173,979,001	(564,309,732)	(32,988,823)
Total cost of sales		294,926,691		79,971,307

Notes to financial statements (contd.)

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

Note - 19

EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	13,764,146	13,937,626
Contribution to provident fund and other funds	17,076	26,082
Staff welfare expenses	221,132	341,390
Total of employee benefits expense	14,002,354	14,305,098

Note - 20

FINANCE COSTS

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest expenses		
- on taxation	-	1,140,938
- others	1,826	279,320
Total of finance costs	1,826	1,420,258

Note - 21

OTHER EXPENSES

	For the year ended March 31, 2014	For the year ended March 31, 2013
Advertisement expenses	9,567,842	313,051
Auditor's remuneration - as Auditors	1,525,869	1,685,400
- for other services	-	51,750
Communication expenses	1,765,297	1,955,484
Insurance expenses	41,826	96,800
Legal and professional charges	662,076	1,636,601
Loss on Sale of fixed assets	1,177,353	-
Power and fuel expenses	163,351	233,547
Printing and stationery	1,408,485	684,581
Rates and taxes	1,470,248	1,187,394
Rent expenses (Refer Note- 26)	251,040	3,763,661
Repairs and maintenance		
- Buildings	46,422	29,326
- Vehicles	140,659	389,589
- Others	272,201	1,416,755
Sales and marketing expenses	31,397,162	21,000
Security expenses	3,425,317	3,280,902
Travelling and conveyance expenses	1,803,465	1,462,146
Miscellaneous expenses	80,527	369,118
Total of other expenses	55,199,140	18,577,105

Notes to financial statements (contd.)

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

22. Employee benefits

Gratuity benefits

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Company has credited ₹ 19,690 (previous year: charge of ₹ 260,221) during the year ended March 31, 2014 and the amount outstanding as at March 31, 2014 is ₹ 509,321 (previous year: ₹ 584,053).

Compensated absence

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary. The Company had charged ₹ 2,65,440 (previous year: charge of ₹ 122,162) during the year ended March 31, 2014 and the amount outstanding as at March 31, 2014 is ₹ 235,588 (previous year: ₹ 244,498).

The components of gratuity & compensated absence cost recognized, in accordance with AS-15 (Revised) on "Employee benefits", for the years ended March 31, 2014 and March 31, 2013 are enumerated as below:

	Gratuity benefits		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2014	2013	2014	2013
Service cost	1,53,545	188,590	1,01,230	105,583
Interest cost	46,724	37,250	19,560	19,326
Actuarial (gain)/loss, net	(2,19,959)	34,381	1,44,650	(2,747)
Cost recognized during the year	(19,690)	260,221	2,65,440	122,162

Details of the employee benefits obligation are provided below:

	Gratuity benefits		Compensated absence	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Obligation at the beginning of the year	584,053	364,055	244,498	158,334
Cost recognized during the year	(19,690)	260,221	2,65,440	122,162
Benefits Paid	(55,042)	(40,223)	(2,74,350)	(35,998)
Obligation at the end of the year	5,09,321	584,053	2,35,588	244,498

The assumptions used to determine cost include:

	For the year ended March 31, 2014	For the year ended March 31, 2013
Discount rate (%)	8.50	8.00
Salary escalation rate (%)	5.00	5.00
Mortality table	IALM (2006 - 08)	IALM (1994-96)

23. Income Tax

Current tax

Current tax for the year includes earlier year tax charge of ₹ Nil (Previous Year: charge of ₹ 1,539,445).

Notes to financial statements (contd.)

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

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as notified under the Companies (Accounting Standards) Rules, 2006, as amended, the Company has recognized deferred tax charge of ₹ 15,037,512 (previous year: credit of ₹ 18,506,060) in the statement of profit and loss during the year ended March 31, 2014.

The breakup of deferred tax assets / (liabilities) as at March 31, 2014 into major components is as under:

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liability arising on account of timing differences due to:		
Depreciation	(167,622)	(802,647)
Deferred tax assets arising on account of timing differences due to:		
Accumulated losses	-	15,596,927
Demerger Expenses	139,229	198,899
Provision for compensated absences and gratuity	244,985	260,925
Deferred tax assets/ (liabilities), net	216,592	15,254,104

24. Earnings per equity share

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

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. 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 as appropriate.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit /(Loss) after tax as per Statement of Profit and Loss	47,922,745	(41,331,905)
Less: Dividend on preference shares	2,265,930	2,265,930
Less: Corporate dividend tax thereon	385,095	385,095
Profit /(Loss) attributable to equity shareholders	45,271,726	(43,982,930)
Weighted average number of shares used in computing basic earnings per equity share	50,469,283	50,285,093
Weighted average number of shares used in computing diluted earnings per equity share	51,936,160	50,285,093
Face value per equity share	2	2
Basic earnings per equity share	0.90	(0.87)
Diluted earnings per equity share	0.87	(0.87)

25. Employee Stock Option Schemes

During the year ended March 31, 2012, the Board of Directors and Shareholders of the Company have given their consent to create, issue, offer and allot, to the eligible employees of the Company and its Subsidiary Companies, stock options not exceeding 5,000,000 in number, representing 5,000,000 Equity shares of face value of ₹ 2 each of the Company, accordingly the Indiabulls Wholesale Services Limited Employee Stock Option Scheme - 2011 ("IBWSL ESOP - 2011") has been formed. As per the scheme Exercise Price will be the market price of the equity shares of the Company, being the latest available closing price, prior to the date of grant or as may be decided by the Board or Compensation Committee. These options vest uniformly over a period of 10 years, commencing one year after the date of grant. The stock option under each of the slabs, are exercisable by the option holder within a period of five years from the relevant vesting date.

Notes to financial statements (contd.)

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

The Compensation Committee of the Board of Directors of the Company granted 1,257,000 (Twelve Lac Fifty Seven Thousand only) stock options in its meeting held on February 28, 2012, 650,000 (Six Lac Fifty Thousand only) stock options in its meeting held on March 29, 2012, 150,000 (One Lakh Fifty Thousand only) stock options in its meeting held on July 10, 2012, 850,000 (Eight Lakhs Fifty Thousand only) stock options in its meeting held on September 17, 2012, 160,000 (One Lakhs Sixty Thousand only) stock options in its meeting held on February 2, 2013, 150,000 (One Lakhs Fifty Thousand only) stock options, in its meeting held on February 22, 2013, 2,50,000 (Two Lakh Fifty thousand only) stock options, in its meeting held on May 9, 2013, 4,00,000 (Four lakh only) stock options, in its meeting held October 1, 2013, 1,90,000 (One lakh ninety thousand only) in its meeting held on October 31, 2013 in terms of the IBWSL ESOP- 2011. These options represent an equal number of Equity shares of face value ₹ 2 each in the Company and shall vest within ten years beginning from March 1, 2013, March 30, 2013, July 11, 2013, September 18, 2013, February 3, 2014, February 23, 2014, May 10, 2014, October 2, 2014 and November 1, 2014, being the first vesting date(s), respectively. Further the options granted under each slab, can be exercised within a period of five years from the relevant vesting date(s).

The Company 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 deferred employee stock compensation cost has been recorded in the financial statements. The fair value of the options under IWSL ESOS -2011 using the Black-Scholes model, based on the following parameters, is as below, as certified by an independent firm of chartered accountants.

Particulars	IWSL ESOS – 2011								
Grant date of options	28-Feb-12	29-Mar-12	10-Jul-12	17-Sep-12	2-Feb-13	22-Feb-13	9-May-13	1-Oct-13	31-Oct-13
Fair value of option at grant date (₹ per option)	₹ 2.49	₹ 2.13	₹ 1.22	₹ 0.82	₹ 2.45	₹ 1.46	₹ 1.81	₹ 2.65	₹ 3.69
Exercise price (₹ per option)	₹ 8.28	₹ 7.80	₹ 10.75	₹ 9.10	₹ 15.05	₹ 12.45	₹ 13.65	₹ 15.00	₹ 17.90
Expected volatility	21.08%	20.92%	20.54%	20.43%	19.71%	19.65%	19.61%	20.33%	20.20%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option life (Weighted average)	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years	8 Years
Expected dividend yield	3.26%	3.57%	8.33%	9.78%	5.98%	7.38%	6.80%	6.19%	5.19%
Risk free rate of Interest	8.31%	8.60%	8.11%	8.16%	7.90%	7.87%	7.51%	8.83%	8.60%

The table below provides pro forma disclosures for the impact on the Company's net (loss)/ profit after taxes and basic and diluted earnings per share, had the compensation cost for the stock options granted under IWSL ESOS- 2011 been determined using the fair value method as prescribed in the Guidance Note.

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	As reported	Pro forma	As reported	Pro forma
Net profit/(loss) available to Equity Shareholders (as reported)	45,271,726	45,271,726	(41,331,905)	(41,331,905)
Less : Stock-based employee compensation expense determined using the fair value method for the year:				
Total Stock-based employee compensation expense recognisable over the vesting period of the options [Gross ₹ 8,221,993] (pro forma)	-	1,724,976	-	1,609,437
Net (loss)/ profit considered for computing EPS (pro forma)	45,271,726	43,546,750	(41,331,905)	(42,941,342)
Basic earnings per share	0.90	0.86	(0.87)	(0.85)
Diluted earnings per share	0.87	0.84	(0.87)	(0.85)

Notes to financial statements (contd.)

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

A summary of the movement, during the year, in various IWSL ESOS – 2011 is as below:

Particulars	IWSL ESOS – 2011								
Total number of option under Scheme	5,000,000								
Grant date of options under the Scheme	28-Feb-12	29-Mar-12	10-Jul-12	17-Sep-12	2-Feb-13	22-Feb-13	9-May-13	1-Oct-13	31-Oct-13
Number of options outstanding as at April 1, 2013	1,257,000	650,000	150,000	850,000	160,000	150,000	-	-	-
Number of options granted during the year	-	-	-	-	-	-	250,000	400,000	190,000
Number of options vested during the year	125,700	65,000	15,000	85,000	16,000	15,000	-	-	-
Number of options forfeited/ cancelled during the year	-	450,000	135,000	60,000	-	-	-	-	-
Number of options exercised during the year	125,700	65,000	15,000	46,000	10,000	15,000	-	-	-
Number of options expired during the year	-	-	-	-	-	-	-	-	-
Number of options outstanding as at March 31, 2014	1,131,300	135,000	-	744,000	150,000	135,000	250,000	400,000	190,000
Out of the outstanding option number of options exercisable as at March 31, 2014	125,700	15,000	-	33,000	6,000	-	-	-	-
Exercise price (₹ per option)	8.28	7.80	10.75	9.10	15.05	12.45	13.65	15.00	17.90
Remaining contractual life (Months)	95	96	99	101	106	106	109	114	115

26. Operating Lease

The company has taken office premises on operating lease at various locations and lease rent of ₹ 251,040 (Previous year ₹ 3,763,661) in respect of the same has been charged during the year. The underlying agreements are executed for a period generally ranging from one year to three years, renewable at the option of the Company 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, 2014	As at March 31, 2013
Within One Year	—	394,000
More than one year but not later than five years	—	—
Total	—	394,000

Notes to financial statements (contd.)

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

27. Discloser pursuant to Schedule VI of companies Act,1956:

Details of Purchases and Sales of Traded Goods made during the year ended March 31, 2014 with Opening and Closing of stock is as follows:-

Particulars	Cement	Total
Opening Stock	-	-
	-	-
Purchases	-	-
	9,391,847	9,391,847
Sales	-	-
	9,673,603	9,673,603
Closing Stock	-	-
	-	-
Profit	-	-
	281,756	281,756

Previous Year figures are stated in italics

28. Related party transactions

Disclosures in respect of Accounting Standard (AS) – 18 'Related party disclosures', as notified under the Companies (Accounting Standards) Rules, 2006 as amended:

a) Name and nature of relationship with related parties:

Relationship

Name of the related parties

i) Related parties where control exists

— Subsidiary Companies

Lucina Infrastructure Limited
Sentia Properties Limited
Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)
Indiabulls Technology Solutions Limited
Archalia Software Solutions Limited
IB Technology Solutions, Inc.
ITSL Holdings (Mauritius) Limited
IB Technology (Proprietary) Limited
Store One Retail India Limited
C-IB Technology solutions Pte. Ltd.

ii) Other related parties

— Key management personnel

Mr. Sameer Gehlaut (Promoter of the Company)
Mr. Rajiv Rattan (Promoter of the Company)
Mr. Saurabh Kumar Mittal (Promoter of the Company)
Mr. Surinder Singh Kadyan (Whole Time Director of the Company)

— Entity over which key management personnel have significant influence*

IIC Limited (formerly known as Indiabulls Infrastructure Company Limited)

*With whom transactions have been entered during the year/ previous year

Notes to financial statements (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, 2014	For the year ended March 31, 2013
Loans and advances (given) / received back, net		
<i>Subsidiary Companies:</i>		
— Lucina Infrastructure Limited	29,680,000	(40,000)
— Sentia Properties Limited	(80,000)	50,000
Advance for Land taken		
<i>Subsidiary Companies:</i>		
— Albasta Wholesale Services Limited	—	150,400,000
Sale of trading goods		
<i>Significant Interest Entities:</i>		
— IIC Limited	—	9,673,603
Expenses		
Construction cost incurred		
<i>Significant Interest Entities:</i>		
— IIC Limited	—	98,330,028
Travel expense incurred		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	397,818	72,439
Maintenance Expense Incurred		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	20,400	26,100
Investment in equity shares		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	—	97,600,000
Advisory Income		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	5,000,000	—
Dividend Income on Preference shares		
<i>Subsidiary company:</i>		
— Store One Retail India Limited	1,781,550	—
— Albasta Wholesale Services Limited	1,285	—
Investment in equity warrants		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	—	33,550,000
Redemption of preference shares		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	—	131,120,000

Notes to financial statements (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, 2014	For the year ended March 31, 2013
Loans and advances given		
<i>Subsidiary Companies:</i>		
— Lucina Infrastructure Limited	232,660,100	232,920,100
— Sentia Properties Limited	3,252,366,000	3,252,386,000
Advance for Land taken		
<i>Subsidiary Company:</i>		
— Albasta Wholesale Services Limited	150,400,000	151,900,000

d) Statement of balance outstanding:

Particulars	As at March 31, 2014	As at March 31, 2013
Loans and advances given		
<i>Subsidiary Companies:</i>		
— Lucina Infrastructure Limited	202,980,100	232,660,100
— Sentia Properties Limited	3,252,366,000	3,252,286,000
Advance for Land taken		
<i>Subsidiary Company:</i>		
— Albasta Wholesale Services Limited	150,400,000	150,400,000
Expense Payable		
<i>Subsidiary Company:</i>		
— Store One Retail India Limited	—	62,866

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.

29. Contingent liabilities and Commitment

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

Particulars	As at March 31, 2014	As at March 31, 2013
Income Tax matters for the Assessment Year 2010-11 in respect of the which appeals have been filed	2,428,094	3,029,743
Corporate Guarantee in respect of credit facility availed by Subsidiary	211,466,235	57,213,156

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) Capital and other commitment

On 6th December 2012, the company has made an acquisition of 44,00,000 equity warrants of Store One Retail India Limited (SORIL), convertible into equivalent number of equity shares of face value of ₹ 10 each at a conversion price of ₹ 30.50 per equity share, of which 25% amounting to ₹ 33,550,000 of the total conversion price has been paid up front. The remaining 75% of the conversion price aggregating to ₹ 100,650,000 is uncalled as on date and remain payable by the company.

Notes to financial statements (contd.)

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

30. Earnings in foreign currency

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Collection on customer booking	591,566	498,750

31. 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.
32. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2014.
33. 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.
34. 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, 2014, 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.
35. Previous year figures have been regrouped and/or re-arranged, wherever necessary to conform to current year groupings and/or classifications.

As per our report of even date attached

For **Sharma Goel & Co. LLP**
Chartered Accountants
FRN :000643N

Amar Mittal
Partner
Membership No.017755

Place: Mumbai
Date: April 23, 2014

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Mumbai
Date: April 23, 2014

Mehul Johnson
Director

Saurabh Garg
Chief Financial Officer

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

Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956, relating to company's interest in subsidiary companies for the financial year 2013-2014

Sr. No.	Name of the subsidiary company	Financial year/ period ending of the subsidiary	Date from which they became subsidiary companies	Holding company's interest		The net aggregate amount of profit/(losses) so far as it concerns the member of the Holding company			
				a.	b.	a. Not dealt with in the holding company accounts		b. Dealt with in the holding company accounts	
				Number of shares held	Extent of holding	i) For the financial year ended March 31, 2014	ii) For the previous financial years of the subsidiary companies since they become holding company's subsidiaries	i) For the financial year ended March 31, 2014	ii) For the previous financial years of the subsidiary companies since they become holding company's subsidiaries
1	Lucina Infrastructure Limited	March 31, 2014	January 01, 2010	50,000 equity shares of face value of ₹10 each fully paid up	100.00%	(70,390)	(4,743,887)	Nil	Nil
2	Sentia Properties Limited	March 31, 2014	January 01, 2010	50,000 equity shares of face value of ₹10 each fully paid up	100.00%	(58,017)	(27,944,136)	Nil	Nil
3	Store One Retail India Limited	March 31, 2014	April 10, 2008	15,983,310 equity shares of face value of ₹10 each fully paid up	68.89%	351,708,417	(676,855,854)	Nil	Nil
4	Albasta Wholesale Services Limited (Formerly Albasta Power Limited)	March 31, 2014	April 01, 2010	100,050,000 equity shares of face value of ₹10 each fully paid up	100.00%	988,970	(156,100,102)	Nil	Nil
5	Indiabulls Technology Solutions Limited	March 31, 2014	May 31, 2011	50,000 equity shares of face value of ₹10 each fully paid up	100.00%	7,097,513	134,271,647	Nil	Nil
6	Archalia Software Solutions Limited*	March 31, 2014	January 01, 2012	-	-	214,891	2,588,426	Nil	Nil
7	IB Technology Solutions, Inc*	March 31, 2014	January 23, 2012	-	-	22,705,645	14,050,442	Nil	Nil
8	ITSL Holdings (Mauritius) Limited*	March 31, 2014	September 05, 2012	-	-	(839,136)	(486,889)	Nil	Nil
9	IB Technology (Proprietary) Limited*	March 31, 2014	April 01, 2012	-	-	4,705,155	381,757	Nil	Nil
10	C-IB Technology Solutions (Pte.) Limited*	For the period from September 30, 2013 to March 31, 2014	September 30, 2013	-	-	(7,151)	N.A.	Nil	N.A.

*Being subsidiary of the Company in term of section 4(1)(c) of the Companies Act, 1956

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Place: Mumbai
Date: April 23, 2014

Mehul Johnson
Director

Saurabh Garg
Chief Financial Officer

Priya Jain
Company Secretary

Notes

[illegible]



Indiabulls

INDIABULLS WHOLESALE SERVICES LIMITED

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.

www.indiabulls.com/wholesale