

Indiabulls

Indiabulls Wholesale Services Limited

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— Annual Report 2012-13 —

Contents

Company Information	2
Management Discussion and Analysis	3
Directors' Report	5
Report on Corporate Governance	10
Consolidated Financials	23
Standalone Financials	56
Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956	83

Company Information

Board of Directors

Mr. Surinder Singh Kadyan
Mr. Mehul Johnson
Mr. Karan Singh Khara
Mr. Shamsher Singh Ahlawat

Company Secretary

Ms. Priya Jain

Statutory Auditors

Sharma Goel & Co.,
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
Website: www.indiabulls.com/wholesale

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

Bankers

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

Management Discussion and Analysis

Economic and Industry Overview

India's economic growth has slowed down in last year which is attributable to both external as well as domestic causes. While continuing global uncertainty did impact growth in India, a number of other challenges were domestic. These included low manufacturing growth, slower than required pace of reforms, high current account and fiscal deficits and persistently high inflation. The weak monsoon further exacerbated the situation by adversely impacting the agricultural growth. However, prospects for FY 2013-14 are looking brighter. There is moderation in inflation rates, which should allow further cuts in interest rates, thereby spurring investments. The Government's recent reforms include allowing FDI in multi-brand retail, aviation, hiking diesel price, capping the number of subsidized LPG cylinders, opening up pension sector to foreign investment and raising the FDI cap in insurance to 49 per cent are a positive sign and such moves will support investment sentiment. The said measures announced are aimed at restoring the fiscal health of the government and shrinking the current account deficit as also improving the growth rate.

Opportunities

The Industry segment in which the Company is carrying on its business operations has huge growth potential with opportunities existing in multiple sectors and segments. The principal growth drivers are rising economy, demographic changes, consumerism, growth of nuclear families and satellite townships, changes in consumer behavior and impact of working women, availability of real estate, FDI regulations, technological advances, electronic media and the rise in the use of plastic money. The large size of addressable global market, with relatively low current level of penetration suggests significant headroom for future growth. The Company and its subsidiaries have positioned itself well for the growth in business with an aligned strategy, structure and capabilities.

Threats / Risks & Concerns

Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect the operations and consequently affect its growth potentials. Global economic situation, protectionism, business model redundancy, loss of critical talent, currency volatility and increased competition in the industry segment in which the Company is carrying on its business operations may adversely affect its operation. 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 significant challenges which the industry is facing.

Business Review

Apart from its ongoing business activities, the Company, through its subsidiary, Indiabulls Technology Solutions Limited (ITSL), had ventured into the IT business with a focus on designing, developing and delivering technology enabled solutions for medium and large sized companies. ITSL's offerings span business and technology consulting, application services, systems integration, testing and validation, infrastructure management services, product engineering and business process outsourcing. It is a CMMI Level 3 company and has been certified in ISO 27001:2005 (information security standards), ISO 9001:2008 (quality management systems) and HIPAA (confidentiality and privacy of protected health information). This year ITSL took firm steps to become a known IT brand at global level. The services span a spectrum of verticals with primary focus on Life Sciences, Financial, High-tech and Telecom sector. In addition some of the key technology areas that ITSL focus on are: Application Development & Value Management (Custom and COTS Products), Quality Assurance and Testing Services, Big Data, DW/BI, Web technologies and Mobile technologies. ITSL has delivery centres in 7 locations across North America, Middle East, South Africa and Europe. Many of these locations serve as off shore delivery centres for marquee clients.

An interim dividend of ₹ 1/- per equity share (on the face value of ₹ 2/- per equity share) amounting to ₹ 502.85 lacs (excluding corporate dividend tax) was declared by the Board of Directors of the Company in its meeting held on April 24, 2013 and paid for the financial year 2012-13.

Management Discussion and Analysis (contd.)

Business Outlook & Strategy

The Company believes that presence of experienced 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 IT services business, while investing in new customers, services, markets and industries.

ITSL has built valuable experience of working with large and mid-sized marquee clients. Its strategy of working with clients is to forge and cultivate deep, long-term relationships. It believes in working closely with its clients to generate value for them, over the long term. As ITSL increases its footprint with existing clients and forges relationships with new clients it is also focused on building an organization that employees will be proud to work in. It continues to invest in its people and is recruiting the best talent. ITSL uses a combination of agility and senior executive involvement to deliver solutions that improve efficiency, accuracy, service quality and compliance. Additionally, it believes in adopting innovations in its delivery approach for all its projects and strives to deliver continuous improvements to all its clients.

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

Internal Controls and their Adequacy

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

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

Cautionary Statement

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

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

Directors' Report

Dear Shareholders,

Your Directors present to you the Sixth Annual Report and the audited accounts of the Company for the financial year ended March 31, 2013.

FINANCIAL RESULTS

The highlights of the standalone financial results for the year ended March 31, 2013 are as under:

Particulars	Amount in ₹	
	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Profit/ (loss) before Tax and Depreciation	(48,485,868)	85,774,992
Less: Depreciation and amortization expense	9,812,652	13,370,636
Profit/ (loss) before Tax	(58,298,520)	72,404,356
Less: Provision for Tax	(16,966,615)	24,451,337
Profit/ (loss) after Tax	(41,331,905)	47,953,019
Balance of Profit brought forward	132,783,914	85,924,598
Profit available for appropriation	91,452,009	133,877,617
Less: Appropriations:		
Proposed dividend on preference shares	2,265,930	941,042
Corporate dividend tax thereon	385,095	152,661
Interim dividend on equity shares	50,285,093	—
Corporate dividend tax thereon	8,545,952	—
Transfer to general reserve	9,145,201	—
Balance of Profit carried forward to Balance Sheet	20,824,738	132,783,914

OPERATIONS AND BUSINESS REVIEW

The total income of the Company during the year was ₹ 751.80 lacs with a net loss of ₹ 413.32 lacs. The consolidated revenue of the Company was ₹ 17,736.60 lacs with a profit after tax of ₹ 4117.57 lacs. The contribution of Company's subsidiary viz. Indiabulls Technology Solutions Limited (ITSL) in the total consolidated revenue of the Company was ₹ 4,504.14 lacs and that in its total consolidated profit after tax was ₹ 264.20 lacs.

The Company, through its subsidiary, Indiabulls Technology Solutions Limited (ITSL), had ventured into the IT business with a focus on designing, developing and delivering technology enabled solutions for medium and large sized companies. ITSL's offerings span business and technology consulting, application services, systems integration, testing and validation, infrastructure management services, product engineering and business process outsourcing. It is a CMMI Level 3 company and has been certified in ISO 27001:2005 (information security standards), ISO 9001:2008 (quality management systems) and HIPAA (confidentiality and privacy of protected health information). This year ITSL took firm steps to become a known IT brand at global level. Its services span a spectrum of verticals with primary focus on Life Sciences, Financial, High-tech and Telecom sector. In addition some of the key technology areas that it focus on: Application Development & Value Management (Custom and COTS Products), Quality Assurance and Testing Services, Big Data, DW/BI, Web technologies and Mobile technologies. It has delivery centres in 7 locations across North America, Middle East, South Africa and Europe. Many of these locations serve as off shore delivery centres for marquee clients.

Directors' Report (contd.)

DIVIDEND

The Board of Directors of the Company, had, for the FY 2012-13, declared an Interim Dividend on April 24, 2013, at the rate of Re. 1/- per equity share on face value of ₹ 2/- each. Your Directors recommend that the payment of the aforesaid interim dividend for the year ended on March 31, 2013 be confirmed.

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 a part of this report.

CHANGE IN CAPITAL

Subsequent to the FY 2012-13, and consequent upon issue of 1,90,700 Equity shares (face value of ₹ 2 each) upon exercise of stock options by certain eligible employees vested to them in terms of 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011', the paid-up Equity share capital of the Company stands increased from ₹ 10,05,70,186/- divided into 5,02,85,093 Equity shares of face value ₹ 2/- each to ₹ 10,09,51,586/- divided into 5,04,75,793 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 255 and 256 of the Companies Act, 1956 and the Article 121 of the Articles of Association of the Company, Mr. Mehul Johnson (DIN: 00016075), Director, retire by rotation and, being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

Brief resume of Mr. Johnson proposed to be reappointed, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/ chairmanships of Board Committees of various Companies, are provided in the Corporate Governance Report, which form an integral 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.

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 2013-14 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, 2013 and the loss 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 Sharma Goel & Co., Chartered Accountants, (Registration No.: 000643N), Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

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

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: September 2, 2013
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, 2013	For the year ended March 31, 2012
Customer Collections	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, 2013

Particulars	
a. Options Granted	3,217,000
b. Exercise price	<ul style="list-style-type: none"> • 1,257,000 options @ ₹ 8.28 • 650,000 options @ ₹ 7.80 • 150,000 options @ ₹ 10.75 • 850,000 options @ ₹ 9.10 • 160,000 options @ ₹ 15.05 • 150,000 options @ ₹ 12.45
c. Options vested	<ul style="list-style-type: none"> • 125,700 options @ ₹ 8.28 • 65,000 options @ ₹ 7.80
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	Nil
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	3,217,000
j. Employee wise details of options granted to:	
i. Senior Management personnel	Nil
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	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company.	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']	No Dilution in EPS
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 26 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 26 forming part of Notes to Financial Statements
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:	Refer Note 26 forming part of Notes to Financial Statements
i. risk free interest rate	
ii. expected life	
iii. expected volatility	
iv. expected dividends yield	
v. the price of the underlying share in market at the time of option grant	

Report on Corporate Governance

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, 2013 are depicted in the table given below:

S. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in Board Committees of various companies (including the Company)**	
				As Member [#]	As Chairman
1.	Mr. Surinder Singh Kadyan	Executive Director	10	1	Nil
2.	Mr. Mehul Johnson	Non-Executive Director	11	5	1
3.	Mr. Karan Singh Khera	Non-Executive Independent Director	7	6	4
4.	Mr. Shamsheer Singh Ahlawat	Non-Executive Independent Director	7	7	5

*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 Shareholders' Grievance 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 2012-13, the Board met 6 (Six) times. The dates of the meetings were April 30, 2012, July 5, 2012, July 21, 2012, August 30, 2012, October 23, 2012 and January 23, 2013.

The last Annual General Meeting (AGM) of the Company was held on September 27, 2012.

A table depicting the attendance of Directors at various Board Meetings and the Annual General Meeting held during FY 2012-13 is given below:

Sr. No.	Name of the Director	Meetings attended	Attendance at the last AGM
1.	Mr. Surinder Singh Kadyan (DIN: 03495880)	6	Yes
2.	Mr. Mehul Johnson (DIN: 00016075)	6	No
3.	Mr. Karan Singh Khera (DIN: 00017236)	6	Yes
4.	Mr. Shamsheer Singh Ahlawat (DIN: 00017480)	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.

Report on Corporate Governance (contd.)

3. COMMITTEES OF THE BOARD

The Board constituted committees namely, Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievance 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 Khera 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 Khera 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, include:

- To oversee the financial reporting process and disclosure of financial information.
- To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board.
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations.
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration.
- To hold discussions with the statutory and internal auditors.

Meetings and Attendance during the year

During the FY 2012-13, the Audit Committee met four times. The dates of the meetings being April 30, 2012, July 21, 2012, October 23, 2012 and January 23, 2013.

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

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

The Finance Head and Auditors attended the meetings by invitation.

(B) Remuneration Committee

Composition

The 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 Remuneration Committee, inter-alia, include:

- 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.

Meetings and Attendance during the year

No meeting of the Remuneration Committee was held during the financial year 2012-13.

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

Mr. 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 2012-13.

(C) Shareholders' / Investors' Grievance Committee

Composition

The Shareholders' / Investors' Grievance Committee of the Board comprises of three directors, namely, Mr. Shamsher Singh Ahlawat, Mr. Karan Singh Khera and Mr. Surinder Singh Kadyan.

Mr. Karan Singh Khera, 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 Mr. Surinder Singh Kadyan.

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

Meetings and Attendance during the year

During the FY 2012-13, the Shareholders' / Investors' Grievance Committee met four times. The dates of the meetings were April 2, 2012, July 2, 2012, October 1, 2012 and January 7, 2013.

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

Name of the Member	Meetings attended
Mr. Karan Singh Khera	4
Mr. Shamsher Singh Ahlawat	3
Mr. Surinder Singh Kadyan	4

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 financial year 2012-13

During the financial year 2012-13, 8 investor complaints were received and the same were resolved to the satisfaction of the shareholders and as on March 31, 2013, no investor complaint was pending.

Report on Corporate Governance (contd.)

4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2009-10	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2010	10:20 A.M.
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

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

In the AGM for the year 2009-10, no special resolution was passed.

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

- Special Resolution seeking members' 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 members' 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 members' 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 AGM for the year 2011-12, no special resolution was passed.

(C) Special resolution passed during FY 2012-13 through postal ballot

During the FY 2012-13, the Company, in pursuance of Section 192A of the Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended, conducted a postal ballot for seeking approval of the shareholders. Mr. Gaurav Kohli, Practicing Company Secretary, New Delhi, as the Board-appointed Scrutinizer, conducted the Postal Ballot exercise. The summary of the result is given below:

Date of declaration of result: June 1, 2012

Resolution No.	Description	% of valid votes in favor of resolution	% of valid votes against resolution
1.	Special Resolution under Section 81(1A) of the Companies Act, 1956, the SEBI ICDR Regulations and provisions of the other applicable statutes, if any, to the preferential issue of up to 86,00,000 Warrants convertible into an equivalent number of Equity shares of the Company, to certain Promoter group entities.	99.9999%	0.0001%

(D) Procedure for postal ballot

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

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

5. DISCLOSURES

(i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the FY 2012-13, 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.

Report on Corporate Governance (contd.)

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) 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.

(B) Profile of Directors seeking re-appointment

As per the Articles of Association of the Company, one-third of the Directors liable to retire by rotation every year, shall so retire by rotation at the Annual General Meeting and are eligible to be reappointed. Consequently, at the ensuing AGM, Mr. Mehul Johnson, Director, shall retire by rotation and being eligible, offer himself for reappointment, in accordance with the provisions of the Companies Act, 1956. Brief profile of Mr. Mehul Johnson is given below:

Mr. Mehul Johnson

Mr. Mehul Johnson, aged about 41 years, is a Non-Executive Director on the Board of Directors since April 25, 2011. He graduated from Punjab University with a degree in Economics. He is the founder of an infrastructure construction business where he successfully executed several prestigious projects by leading institutions, including the National Highway Authority of India, and the Prime Minister's Rural Road Development Scheme. He has more than 15 years of experience in his family business of hotels. His association on the Board of the Company will be to the benefit of the Company in the years to come, meriting his reappointment as Director on the Board of the Company.

Mr. Johnson is also on the Board of Store One Retail India Limited, Indiabulls Buildcon Limited, Indiabulls Lands Limited, Indiabulls Estate Limited, Bridget Builders And Developers Limited, Indiabulls Constructions Limited, Makala Infrastructure Limited, Indiabulls Industrial Infrastructure Limited, Airmid Aviation Services Private Limited, Indiabulls Water Supply and Waste Management Services Limited and Indiabulls Technology Solutions Limited. He is also member of the Audit Committee, Compensation Committee and Remuneration Committee of the Company, member of the Audit Committee, Shareholders'/ Investors' Grievance Committee and Compensation Committee of Store One Retail India Limited, member of the Audit Committee of Indiabulls Industrial Infrastructure Limited and Chairman of the Audit Committee of Indiabulls Estate Limited.

Mr. Johnson holds 24,375 Equity Shares of face value of ₹ 2/- each in the Company. He is not related to any other Director on the Board of the Company.

(C) Financial year

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

(D) Date of Book Closure

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

(E) (i) Distribution of equity shareholding as on March 31, 2013

Sl. No.	Shareholding of nominal value (in ₹)	No. of holders	% to total holders	Value in ₹	% to nominal value
	From To				
1.	1 - 5,000	79155	99.04	6,821,006	6.78
2.	5,001 - 10,000	282	0.35	2,136,826	2.13
3.	10,001 - 20,000	174	0.22	2,649,974	2.64
4.	20,001 - 30,000	73	0.09	1,833,370	1.82
5.	30,001 - 40,000	41	0.05	1,512,934	1.50
6.	40,001 - 50,000	28	0.04	1,289,032	1.28
7.	50,001 - 1,00,000	69	0.09	5,041,946	5.01
8.	1,00,001 and above	93	0.12	79,285,098	78.84
	Total	79915	100.00	100,570,186	100.00

(ii) Equity Shareholding pattern as on March 31, 2013

Sl.No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	18,853,251	37.49
2.	Banks	86	0.00
3.	FII's	735,731	1.46
4.	Bodies Corporate	7,762,571	15.44
5.	Indian Public	22,278,330	44.31
6.	NRIs	598,172	1.19
7.	Clearing Members	56,952	0.11
	Total	50,285,093	100.00

(F) Dematerialisation of shares and liquidity

Equity 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, 2013, 99.99% Equity shares of the Company representing 50,280,238 out of a total of 50,285,093 Equity shares were held in dematerialised form and the balance 4,855 shares were held in physical form.

Subsequent to the FY 2012-13 and consequent upon issue of 1,90,700 Equity shares (face value of ₹ 2 each) to certain eligible employees under the Company's ESOP Scheme, the outstanding Equity shares stands increased to 50,475,793 Equity shares, out of which 50,280,238 Equity shares representing 99.61% were held in dematerialized form and the balance 195,555 Equity shares representing 0.39% of the total equity capital of the Company were held in physical form.

Further, as on March 31, 2013, 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.

(G) Outstanding Stock Options

An aggregate of 3,217,000 stock options, granted under the Company's 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011' ("the Scheme") were outstanding as on March 31, 2013.

Report on Corporate Governance (contd.)

Subsequent to the FY 2012-13, 190,700 stock options were converted into equivalent equity shares and 250,000 stock options were granted under the said Scheme. An aggregate of 2,786,300 stock options are outstanding as on September 2, 2013 which are exercisable as per the vesting schedule of the Scheme. As and when these options get exercised, the equity share capital of the Company will stand increased accordingly.

(H) 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

(I) Stock Code

BSE Limited	- 533520
National Stock Exchange of India Limited	- IBWSL
ISIN for Dematerialisation	- INE 126M01010

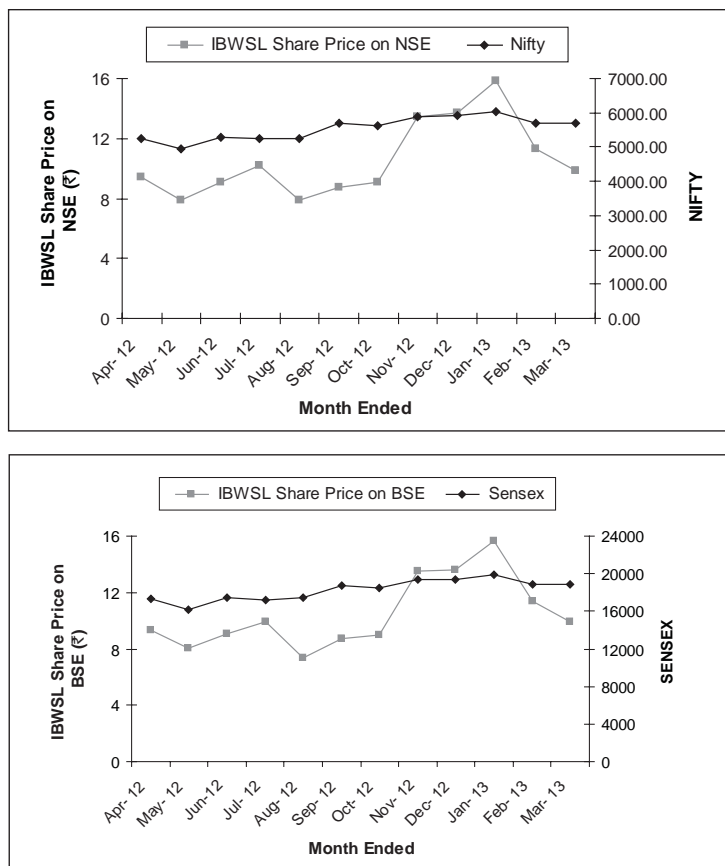
(J) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the period ended March 31, 2013 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	10.10	8.35	10.19	8.00
May 2012	10.35	7.50	10.35	7.55
June 2012	9.70	7.45	9.95	7.28
July 2012	11.50	8.70	11.10	8.55
August 2012	10.90	7.20	10.89	7.11
September 2012	9.55	7.55	9.58	7.26
October 2012	9.95	7.85	9.89	7.80
November 2012	13.45	8.20	13.54	8.12
December 2012	16.85	12.80	16.99	12.93
January 2013	17.55	13.75	17.70	13.70
February 2013	15.90	10.80	16.15	10.80
March 2013	13.35	8.90	13.25	9.15

Report on Corporate Governance (contd.)

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



(L) 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 : Mr. S.D Prabhakar, Asst. General Manager

Phone : 040-44655000/23420815-23420825

Fax : 040-23420814

E-mail : einward.ris@karvy.com

(M) Share Transfer System

For smooth and speedy processing of share transfers, the authority to approve share transfers has been delegated to the Shareholders' / Investors' Grievance 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.

(N) Address for Correspondence

(i) Registered Office:

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

(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 FINANCE HEAD CERTIFICATION

The certificate referred to under Clause 49(V) of the Listing Agreement duly signed by the WTD and Finance Head 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) Remuneration Committee

The Company has a duly constituted Remuneration Committee in place. For details as to the constitution of the 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 2012-13.

Surinder Singh Kadyan
Whole-time Director

Date : September 2, 2013
Place : New Delhi

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Indiabulls Wholesale Services Limited

We have examined the compliance of conditions of Corporate Governance by Indiabulls Wholesale Services Limited ("the Company"), for the year ended March 31, 2013, 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. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

We state that there were no outstanding investor grievances as on March 31, 2013 as per the records maintained by the Company.

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

For **Gaurav Kohli & Associates**
Company Secretaries

Place: New Delhi
Date: September 2, 2013

Gaurav Kohli
Proprietor
Membership No.: FCS 5006
C.P. No. - 8206

Independent Auditors' Report

To the Board of Directors of Indiabulls Wholesale Services Limited

1. 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, 2013, 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.

2. Management's Responsibility for the Consolidated 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 accounting principles generally accepted in India. 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.

3. Auditor's Responsibility

We report that the consolidated Financial Statements have been prepared by the Company's management in accordance with the 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 judgement, 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Total Assets of ₹ 100,619,149 as at March 31, 2013, Total Revenue of ₹235,831,602 and Net Cash Inflow of ₹26,976,008 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have 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 which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013 ;
- in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Amar Mittal
Partner
Membership No. 017755

Place: Gurgaon
Date : April 24, 2013

Consolidated Balance Sheet

as at March 31, 2013

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

	Note		As at March 31, 2013		As at March 31, 2012
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	4		125,747,186		125,747,186
Reserves and surplus	5		8,130,887,572		7,781,368,548
Total of Shareholders' funds			8,256,634,758		7,907,115,734
Minority interest			351,846		—
Non-current liabilities					
Long-term borrowings	6		73,143,342		—
Deferred tax liabilities, net	27		1,156,872		3,335,816
Long-term provisions	7		23,756,853		15,303,858
Total of Non-current liabilities			98,057,067		18,639,674
Current liabilities					
Trade payables	8		248,382,448		123,177,857
Other current liabilities	9		250,363,139		69,708,816
Short-term provisions	7		70,472,282		36,159,458
Total of Current liabilities			569,217,869		229,046,131
Total of Equity and Liabilities			8,924,261,540		8,154,801,539
II. ASSETS					
Non-current assets					
Goodwill on consolidation			3,235,930,238		584,202,282
Fixed assets	10				
- Tangible assets		752,737,361		18,783,336	
- Intangible assets		2,860,754		7,326,116	
- Capital work-in-progress		159,904,102	915,502,217	—	26,109,452
Deferred tax assets, net	27		15,392,337		1,449,457
Long-term loans and advances	11		166,615,580		5,505,660
Other non-current assets	12		4,766,063		351,434
Total of Non-current assets			4,338,206,435		617,618,285
Current assets					
Current investments	13		—		3,308,895,890
Inventories	14		578,700,606		531,453,239
Trade receivables	15		449,330,745		386,475,628
Cash and bank balances	16		147,116,486		38,897,993
Short-term loans and advances	11		3,404,362,668		3,266,807,756
Other current assets	17		6,544,600		4,652,748
Total of Current assets			4,586,055,105		7,537,183,254
Total of Assets			8,924,261,540		8,154,801,539

Significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Amar Mittal
Partner
Membership No. 017755

Place: Gurgaon
Date: April 24, 2013

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Gurgaon
Date: April 24, 2013

Mehul Johnson
Director

Consolidated Statement of Profit and Loss

for the year ended March 31, 2013

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

	Note		For the year ended March 31, 2013		For the year ended March 31, 2012
I. Revenue					
Revenue from operations	18		1,713,056,610		840,788,536
Other income	19		60,603,830		63,465,250
Total of Revenue			1,773,660,440		904,253,786
II. Expenses					
Cost of sales of real estate project under development and construction	20	145,027,150		372,428,057	
- Cost of materials consumed					
- Increase in real estate project under development		(32,988,823)	112,038,327	(133,386,561)	239,041,496
Cost of sales of trading goods					
- Purchase of stock-in-trade (Refer Note - 32)		21,262,535		95,940,256	
- Decrease in inventory of stock-in-trade, net		36,831,789	58,094,324	—	95,940,256
Employee benefits expense	21		564,983,331		177,633,782
Finance costs	22		6,033,891		107,440,754
Depreciation and amortisation expense	10		75,553,547		13,730,124
Other expenses	23		535,749,232		69,239,540
Total of Expenses			1,352,452,652		703,025,952
III. Profit before tax			421,207,788		201,227,834
Tax expense:	27				
Current tax (including earlier year taxes)			25,572,612		68,639,820
Deferred tax			(16,121,824)		(4,370,434)
IV. Profit for the year before minority interest			411,757,000		136,958,448
V. Minority interest			(381,742)		—
VI. Profit for the year after minority interest			411,375,258		136,958,448
VII. Earnings per equity share	29				
- Basic			8.12		2.70
- Diluted			8.04		2.70
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

For **Sharma Goel & Co.**
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

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

Consolidated Cash Flow Statement

for the year ended March 31, 2013

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

	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities:		
Net profit before tax	421,207,788	201,227,834
Adjustments for statement of profit and loss items:		
Adjustments in fixed assets	1,580,125	—
Bad debts /sundry balances /inventory written off	21,942,588	—
Depreciation and amortisation expense	75,553,547	13,730,124
Dividend income on units of mutual funds	(14,177,786)	(2,401,514)
Interest expense on loans and advance taken	1,615,229	103,083,055
Interest income on fixed deposit receipts	(3,731,589)	(154,561)
Interest income on loans and advances given	—	(57,791,455)
Liabilities written back	(36,703,539)	—
Net gain on sale of units of mutual funds	(17,299)	—
Other borrowing cost	1,233,145	—
Loss on sale of fixed assets, net	5,311,586	—
Provision for balances	21,612,302	—
Provision for gratuity and compensated absences	8,209,103	5,337,797
Unrealized foreign exchange (gain)/ loss	(837,978)	138,709
Operating profit before working capital changes and other adjustments	502,797,222	263,169,989
Working capital changes and other adjustments:		
(Decrease)/ increase in trade payables and other liabilities	(605,642)	143,562,663
Decrease/ (increase) in trade receivables	204,554,057	(83,696,823)
Increase in advances	(6,515,033)	(50,130,573)
Increase in inventories	(45,124,990)	(133,386,561)
Payment received for gratuity and compensated absences, net	—	10,002,072
Cash generated from operating activities	655,105,613	149,520,767
Income tax paid, net	(110,142,233)	(42,883,321)
Net cash generated from operating activities	544,963,380	106,637,446
B. Cash flow from investing activities:		
Deficit of net assets taken over on acquisition of subsidiary	—	(287,096,909)
Dividend received from units of mutual funds	14,177,786	2,401,514
Interest received on fixed deposits receipts	3,327,516	21,692
Interest received on loans and advances	—	250,958,773
Investment in equity shares of subsidiary company	—	(6,000,000)
Investment in preference shares of subsidiary company	—	(2,747,756,000)
Investments in fixed deposit accounts with original maturity of more than 3 months	(22,595,000)	(100,000)
Loans and advances (paid)/ received back	(39,599,729)	2,899,600,000
Proceeds from sale of fixed assets	1,730,685	—
Purchase of fixed assets (including capital work in progress)	(654,053,980)	(3,132,380)
Redemption of/ (investment in) units of mutual funds	137,717,299	(137,700,000)
Net cash used in investing activities	(559,295,423)	(28,803,310)
C. Cash flow from financing activities:		
Dividend paid on preference share capital including corporate dividend tax	(1,093,703)	—
Interest paid on loans and advances	(1,615,229)	(103,083,055)
Loans and advances taken/ (repaid)	101,693,325	(2,464,873,530)
Other borrowing cost	(1,233,145)	—
Proceeds from issue of preference share capital (including premium)	—	2,517,700,000
Net cash generated from/ (used in) financing activities	97,751,248	(50,256,585)

Consolidated Cash Flow Statement

for the year ended March 31, 2013 (contd.)

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

	For the year ended March 31, 2013	For the year ended March 31, 2012
D. Exchange difference on translation of balances denominated in foreign currency	31,675	—
E. Net increase in cash and cash equivalents (A+B+C+D)	83,450,880	27,577,551
F. Cash and cash equivalents at the beginning of the year	38,897,993	11,320,442
G. Opening cash and cash equivalents of Store One Retail India Limited being consolidated this year	2,267,613	—
H. Cash and cash equivalents at the end of the year (E+F+G)	124,616,486	38,897,993

Notes:

- 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, 2013	As at March 31, 2012
Cash on hand	1,465,080	453,495
Foreign currency on hand	5,519	—
Balances with scheduled banks		
- in current accounts	79,765,887	25,944,498
- in fixed deposit accounts *	70,425,500	12,600,000
	151,661,986	38,997,993
Less: balances with bank in fixed deposit accounts with original maturity of more than 3 months	(27,045,500)	(100,000)
Total of cash and cash equivalents	124,616,486	38,897,993

- c) *Fixed Deposit with banks of ₹ 200,000 (previous year ₹ 100,000), ₹ 375,000 (previous year ₹ nil) and 4,250,500 (previous year ₹ nil) is pledged for guarantee provided by the bank to the assessing authority of sales tax department, customs department, and High Court, Delhi respectively.
- d) Previous year figures have been regrouped and/ or re-classified wherever necessary to conform to those of the current year grouping and/or classification.

As per our report of even date

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

Amar Mittal
Partner
Membership No.017755

Place: Gurgaon
Date: April 24, 2013

For and on behalf of the Board

Surinder Singh Kadyan
Whole Time Director

Priya Jain
Company Secretary

Place: Gurgaon
Date: April 24, 2013

Mehul Johnson
Director

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, equipment 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 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 authorised share capital of the Company has been reorganised 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. 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 Companies Act, 1956.

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.

Notes to Consolidated financial statements (contd.)

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

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 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 unrealised 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 recognised 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 recognised 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, 2012 to March 31, 2013	100%
		April 01, 2011 to March 31, 2012	
Sentia Properties Limited	India	April 01, 2012 to March 31, 2013	100%
		April 01, 2011 to March 31, 2012	
Indiabulls Technology Solutions Limited	India	April 01, 2012 to March 31, 2013	100%
		May 31, 2011 to March 31, 2012	
Albasta Wholesale Services Limited (Formerly Albasta Power Limited)	India	April 01, 2012 to March 31, 2013	100%
		June 30, 2011 to March 31, 2012	
Archalia Software Solutions Limited	India	April 01, 2012 to March 31, 2013	100%
		December 26, 2011 to March 31, 2012	
IB Technology Solutions, Inc	USA	April 01, 2012 to March 31, 2013	100%
		January 23, 2012 to March 31, 2012	
ITSL Holdings (Mauritius) Limited	Mauritius	September 05, 2012 to March 31, 2013	100%
		Not Applicable	
IB Technology (Proprietary) Limited	South Africa	April 01, 2012 to March 31, 2013	50.001%
		Not Applicable	
Store One Retail India Limited	India	April 01, 2012 to March 31, 2013	68.89%
		—	

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, 2013: (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 (Formerly Albasta Power Limited)	IB Technology (Proprietary) Limited	ITSL Holdings (Mauritius) Limited	Store One Retail India Limited
Share capital	500,000	500,000	500,000	500,000	493	1,300,500,000	594	55	261,734,500
Reserves and surplus (net of (debit)/credit balance of statement of profit and loss)	500,000	500,000	500,000	500,000	493	1,300,500,000	—	—	231,224,500
Total assets (fixed assets + current assets + non-current assets + deferred tax assets)	(77,209,815)	(252,583,581)	134,271,687	26,188,426	14,160,940	(273,142,724)	703,112	(486,336)	597,703,218
Total assets (fixed assets + current assets + non-current assets + deferred tax assets)	(77,019,069)	(252,514,562)	83,279,488	27,112,192	(883,536)	(298,546,631)	—	—	288,243,434
Total liabilities (debts + current liabilities and provisions + non-current liabilities + deferred tax liabilities)	156,007,589	3,000,269,835	246,719,510	33,431,409	89,705,157	1,027,480,947	10,624,097	289,895	1,335,623,894
	156,309,753	3,000,377,618	127,288,295	31,082,418	15,147,281	1,017,232,607	—	—	835,437,295
	232,717,404	3,252,353,416	111,947,823	6,742,983	75,543,724	123,671	9,920,391	776,175	442,636,176
	232,828,822	3,252,392,180	43,508,807	3,484,980	16,030,325	1,322,784	—	—	315,969,361
Details of investments (excluding investment in the subsidiary companies)	—	—	—	—	—	—	—	—	—
Turnover/ total income	—	—	477,721,693	68,807,262	172,094,570	9,457,708	63,737,032	—	936,801,480
Profit / (loss) before taxation	857,735	—	320,470,015	12,162,452	4,769,894	1,189,093	—	—	514,201,405
	(95,923)	(69,019)	72,578,528	(1,127,255)	21,830,217	9,193,261	1,062,694	(486,889)	376,620,694
	800,535	(57,440)	122,800,031	5,086,052	(883,536)	1,077,836	—	—	118,392,539
Provision for taxation (including earlier year taxes)	94,823	—	21,586,329	(203,489)	6,896,240	(2,255,695)	299,195	—	—
	152,542	—	39,520,543	1,573,860	—	(1,428,896)	—	—	—
Profit / (loss) after taxation	(190,746)	(69,019)	50,992,199	(923,766)	14,933,977	11,448,956	763,499	(486,889)	376,620,694
	647,993	(57,440)	83,279,488	3,512,192	(883,536)	2,506,732	—	—	118,392,539
Proposed dividend (including corporate dividend tax)	—	—	—	—	—	1,503	—	—	3,130,910
	—	—	—	—	—	—	—	—	—

Previous year figures are stated in italics

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

Sr. No	Company	Currency	Balance Sheet (Closing rate)	Statement of Profit & Loss (Average rate)
1.	IB Technology Solutions, INC	USD	54.39	54.45
2.	IB Technology (Proprietary) Limited	ZAR	5.88	6.40
3.	ITSL Holdings (Mauritius) Limited	USD	54.39	54.45

(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 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 customers. 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.

Notes to Consolidated financial statements (contd.)

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

- x) Revenue from export of software services is recognised based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed price contracts, revenue is recognised 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 recognised 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.

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 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

Notes to Consolidated financial statements (contd.)

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

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.

j) **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.

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 semi-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.

Notes to Consolidated financial statements (contd.)

(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 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.

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 equity share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per equity 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 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 Consolidated financial statements (contd.)

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

Note - 4

SHARE CAPITAL

	As at March 31, 2013		As at March 31, 2012	
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 as at the beginning of the year	50,285,093	100,570,186	50,285,093	100,570,186
Add: Issued during the year	—	—	—	—
Total of equity share capital	50,285,093	100,570,186	50,285,093	100,570,186
9% Redeemable non-cumulative, non-convertible preference share of face value of ₹10 each				
Balance as 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	52,802,793	125,747,186	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.

- 1) 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 ₹ 2 each held by such shareholders in the IBREL (Refer Note 1)
- 2) 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.
- 3) On October 14, 2011, the Company had issued and allotted 2,517,700, 9% redeemable, non cumulative, non convertible preference share of face value of ₹ 10 each to Indiabulls Real estate Limited, the erstwhile holding company.

	As at March 31, 2013	As at March 31, 2012
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	17,429,723	14,943,427
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. 30)	3,217,000	1,907,000

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, 2013		As at March 31, 2012	
Capital reserve				
Balance as at the beginning of the year	94,248,700		—	
Add : Forfeiture of money received against share warrants	—	94,248,700	94,248,700	94,248,700
General reserve				
Balance as at the beginning of the year	5,005,826,316		5,005,826,316	
Add: Amount transferred from the surplus as per statement of profit and loss	9,145,201	5,014,971,517	—	5,005,826,316
Securities premium				
Balance as at the beginning of the year	2,492,523,000		—	
Add : Issue of preference share capital	—	2,492,523,000	2,492,523,000	2,492,523,000
Foreign currency translation reserve				
Balance as at the beginning of the year	—		—	
Add : Foreign exchange translations	80,859	80,859	—	—
Surplus as per statement of profit and loss				
Balance as at the beginning of the year	188,770,532		52,905,787	
Add: Profit for the year	411,375,258		136,958,448	
	600,145,790		189,864,235	
Less: Appropriations				
Proposed dividend on preference shares	2,265,930		941,042	
Corporate dividend tax thereon	840,118		152,661	
Interim dividend on equity shares	50,285,093		—	
Corporate dividend tax thereon	8,545,952		—	
Transfer to general reserve	9,145,201	529,063,496	—	188,770,532
Total of reserves and surplus		8,130,887,572		7,781,368,548

Note - 6

BORROWINGS

	As at March 31, 2013		As at March 31, 2012	
Long-term borrowings				
Secured				
Term loan from banks & others	101,693,325		—	
Less: Current maturities of term loan	(28,549,983)	73,143,342	—	—
Total of long-term borrowings		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 Bank	Loan outstanding	Rate of interest	Repayment terms	Nature of security
Kotak Mahindra Bank Ltd. Loan-1	14,276,010	12.08%	47 equated monthly installment from date of disbursal.	Secured by hypothecation of movable assets being financed.
Kotak Mahindra Bank Ltd. Loan-2	8,022,159	12.75%		
Kotak Mahindra Bank Ltd. Loan-3	22,182,000	12.00%		
SREI Equipment Finance Private Limited	57,213,156	12.00%	36 equated monthly installment from date of disbursal.	Secured by hypothecation of movable assets being financed and corporate guarantee given
TOTAL	101,693,325			

Note - 7 PROVISIONS

	As at March 31, 2013		As at March 31, 2012	
Long-term provisions				
Provision for employee benefits				
- For gratuity	18,195,342		12,238,873	
- For compensated absences	5,561,511	23,756,853	3,064,985	15,303,858
Total of long-term provisions		23,756,853		15,303,858
Short-term provisions				
Provision for employee benefits				
- For gratuity	1,127,872		373,771	
- For compensated absences	508,796	1,636,668	155,540	529,311
Provision for income tax [Net of advance income tax and tax deducted at source]		6,898,521		34,536,444
Proposed dividend on preference shares		2,265,930		941,042
Corporate dividend tax thereon		840,118		152,661
Interim dividend on equity shares		50,285,093		—
Corporate dividend tax thereon		8,545,952		—
Total of short-term provisions		70,472,282		36,159,458

Note - 8 TRADE PAYABLES

	As at March 31, 2013		As at March 31, 2012	
Due to micro and small enterprises		1,175,737		—
Retention money payable		1,258,152		5,796,556
Due to others		245,948,559		117,381,301
Total of trade payables		248,382,448		123,177,857

Notes to Consolidated financial statements (contd.)

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

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

Sr. No	Particulars	Amount
i)	The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year;	1,175,737
	The interest amount due thereon remaining unpaid to any supplier as at the end of each accounting year;	2,851,438
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;	51,361
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	339,466
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, 2013	As at March 31, 2012
Advance from customers	23,519,311	36,764,336
Current maturities of secured term loan - from banks & others	28,549,983	—
Expenses payables	118,303,276	18,819,794
Other liabilities	11,122,080	1,540,973
Payable to statutory or government authorities	8,848,489	11,622,957
Security deposits - others	60,020,000	20,000
Temporary book overdraft	—	940,756
Total of other current liabilities	250,363,139	69,708,816

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 01, 2012	Addition during the year *	Sales during the year	Forex adjustment	As at March 31, 2013	As at April 01, 2012	Depreciation for the year *	Sales during the year	Forex adjustment	As at March 31, 2013	As at March 31, 2012
A. Tangible Assets											
Plant & Equipment #	398,340	543,592,911	8,446,598	—	535,544,653	23,310	76,985,566	7,338,788	—	465,874,565	375,030
Office Equipment	4,109,272	4,075,011	—	804	8,185,087	770,844	595,336	—	12	6,818,919	3,338,428
Computers	13,425,827	142,366,241	13,713,347	1,748	142,080,469	6,583,031	96,528,139	11,865,359	31	50,834,689	6,842,796
Furniture and Fixtures	2,861,106	319,373,785	34,442,076	—	287,792,815	1,054,988	140,316,296	28,775,480	122	175,197,133	1,806,118
Vehicles #	10,676,205	55,879,485	248,072	—	66,307,618	4,255,240	8,288,393	248,070	—	54,012,055	6,420,964
Total of Tangible Assets (A)	31,470,750	1,065,287,433	56,850,093	2,552	1,039,910,642	12,687,413	322,713,730	48,227,697	165	752,737,361	18,783,336
B. Intangible Assets											
Computer Software	43,982,207	108,096,745	8,990,650	589	143,088,891	36,656,092	112,562,727	8,990,650	32	2,860,754	7,326,116
Total of Intangible Assets (B)	43,982,207	108,096,745	8,990,650	589	143,088,891	36,656,092	112,562,727	8,990,650	32	2,860,754	7,326,116
C. Capital Work In Progress											
Total of Fixed Assets [A+B+C]	75,452,957	1,173,384,178	65,840,743	3,141	1,182,999,533	49,343,505	435,276,457	57,218,347	197	915,502,217	26,109,452
Previous Year	64,587,944	10,865,013	—	—	75,452,957	33,162,169	16,181,336	—	—	26,109,452	

* Of which ₹ 664,176,449 and ₹ 359,777,063 pertains to opening balance of assets and accumulated depreciation respectively of Store One Retail India Limited being consolidated this year.

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, 2013	As at March 31, 2012
Long-term loans and advances (Unsecured, considered good)			
Capital advance		84,651,847	—
Security deposits - premises		80,551,673	4,560,000
Security deposits - others		1,412,060	945,660
(Unsecured, considered doubtful)			
Security deposits - premises	83,508,729	—	—
Less: Provision against doubtful advances	(83,508,729)	—	—
Total of long-term loans and advances		166,615,580	5,505,660
Short-term loans and advances (Unsecured, considered good)			
Advance income tax, including tax deducted at source, net of provision for tax		89,449,128	17,858,746
Advance to employees		6,819,141	7,633,363
Advance to material/ service providers		57,754,825	30,173,370
Balances with statutory or government authorities		60,369,855	5,486,425
Earnest money deposit		3,572,943	—
MAT credit entitlement		2,309,474	12,948,471
Mobilization advances		2,639,520	2,639,520
Other advances		3,175,000,000	3,175,000,000
Other receivables		1,247,568	1,324,493
Prepaid expenses		5,080,214	8,063,368
Security deposits - others		120,000	5,680,000
(Unsecured, considered doubtful)			
Advance to material/ service providers	134,277,291	—	—
Less: Provision against doubtful advances	(134,277,291)	—	—
Total of short-term loans and advances		3,404,362,668	3,266,807,756

Note - 12

OTHER NON-CURRENT ASSETS

	As at March 31, 2013	As at March 31, 2012
Other bank balances- in fixed deposit accounts maturing beyond 12 months (Refer Note - 16)	4,545,500	100,000
Accrued interest - on fixed deposit accounts	7,331	—
Security deposits - others	213,232	251,434
Total of other non-current assets	4,766,063	351,434

Notes to Consolidated financial statements (contd.)

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

Note - 13

CURRENT INVESTMENTS

	As at March 31, 2013	As at March 31, 2012
Trade, quoted - fully paid up equity share (at Cost)		
Investment in subsidiary company		
- (previous year 12,783,310) fully paid up equity share of face value ₹10 each in Store One Retail India Limited	—	423,439,890
Trade, un-quoted - fully paid up preference share (at Cost)		
Investment in subsidiary company		
- (previous year 3,122,450) fully paid preference share of face value ₹10 each in Store One Retail India Limited	—	2,747,756,000
Non-trade, un-quoted		
Investments in mutual funds (at cost or fair value, whichever is lower)		
- Reliance fixed horizon fund- XIV series 10 No. of units: Nil (previous year: 12,500,000) NAV: ₹ Nil (previous year: ₹ 10.8446 per unit)	—	125,000,000
- Indiabulls liquid fund - growth (LFGP) No. of units: Nil (previous year: 12,193.099) NAV: ₹ Nil (previous year: ₹ 1041.9834 per unit)	—	12,700,000
Total of current investments	—	3,308,895,890
Aggregate book value of un-quoted investments	—	2,885,456,000
Aggregate book value of quoted investments	—	423,439,890
Aggregate market value of quoted investments	—	209,007,119

Note - 14

INVENTORIES

	As at March 31, 2013	As at March 31, 2012
(i) Real estate project under development (at cost):		
- land	585,210,530	585,210,530
- license and other regulatory fees	19,579,243	19,169,952
- cost of materials, construction services and other overheads	922,300,940	809,750,101
	1,527,090,713	1,414,130,583
Less: cost of sale recognised till date	(962,648,651)	(882,677,344)
	564,442,062	531,453,239
(ii) Trading goods and others:		
Raw materials	391,254	—
Stores and spares	8,348,214	—
Stock-in-trade	42,207,058	—
Less: Provision for shrinkage and shortages	(36,687,982)	—
Total of inventories	578,700,606	531,453,239

Notes to Consolidated financial statements (contd.)

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

Note - 15

TRADE RECEIVABLE

	As at March 31, 2013		As at March 31, 2012	
(Unsecured, considered good)				
Debts outstanding for a period exceeding six months		2,633,337		—
Other debts		446,147,410		386,475,628
(Unsecured, considered doubtful)				
Debts outstanding for a period exceeding six months	1,255,279		—	
Less: Provision for doubtful debts	(705,281)	549,998	—	—
Other debts		—		—
Total of trade receivables		449,330,745		386,475,628

Note - 16

CASH AND BANK BALANCES

	As at March 31, 2013		As at March 31, 2012	
Cash and cash equivalents				
Cash on hand		1,465,080		453,495
Foreign currency on hand		5,519		—
Balances with banks				
- in current accounts	79,765,887		25,944,498	
- in fixed deposit accounts with original maturity within 3 months*	43,380,000	123,145,887	12,500,000	38,444,498
Other bank balances*				
- in fixed deposit accounts with maturity of more than 3 months but less than 12 months	22,500,000		—	
- in fixed deposit accounts maturing beyond 12 months	4,545,500		100,000	
Less: non-current bank balances in fixed deposit accounts	(4,545,500)	22,500,000	(100,000)	—
Total of cash and bank balances		147,116,486		38,897,993

* Fixed Deposit with banks of ₹ 200,000 (previous year ₹ 100,000), ₹ 375,000 (previous year ₹ nil) and 4,250,500 (previous year ₹ nil) is pledged for guarantee provided by the bank to the assessing authority of sales tax department, customs department, and High Court, Delhi respectively.

Note - 17

OTHER CURRENT ASSETS

	As at March 31, 2013		As at March 31, 2012	
(Unsecured, considered good)				
Interest accrued on:				
- loans and advances		5,852,978		4,519,879
- fixed deposit accounts		691,622		132,869
Total of other current assets		6,544,600		4,652,748

Notes to Consolidated financial statements (contd.)

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

Note - 18

REVENUE FROM OPERATIONS

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Revenue from real estate project under development		59,655,581		394,293,544
Revenue from services				
- Information technology solutions	746,166,471		336,018,857	
- Facility maintenance and other related activities	637,802,143		—	
- Equipment hiring services	156,125,200		—	
- Tour and travel services	8,671,065	1,548,764,879	—	336,018,857
Revenue from sale of trading goods and products		61,107,363		98,734,735
Revenue from sale of construction materials		38,904,497		—
Other operating income		4,624,290		11,741,400
Total of revenue from operations		1,713,056,610		840,788,536

Note - 19

OTHER INCOME

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Concessionaire income		120,000		—
Dividend income on units of mutual funds		14,177,786		2,401,514
Foreign exchange gain				
- realized	952,196		—	
- unrealized	837,978	1,790,174	—	—
Interest - others		1,026,642		3,064,949
Interest income on fixed deposit receipts		3,776,671		154,561
Interest income on loans and advances		—		57,791,455
Liabilities written back		36,703,539		—
Miscellaneous income		2,968,314		52,771
Net gain on sale of units of mutual funds		17,299		—
Profit on sale of fixed assets		23,405		—
Total of other income		60,603,830		63,465,250

Note - 20

COST OF SALES

	For the year ended March 31, 2013		For the year ended March 31, 2012	
- For real estate project under development and construction				
Cost of materials consumed		145,027,150		372,428,057
Increase in real estate project under development				
Opening stock	531,453,239		398,066,678	
Less: Closing stock	(564,442,062)	(32,988,823)	(531,453,239)	(133,386,561)
- For trading goods and products				
Decrease in inventory of stock-in-trade, net				
Opening stock	42,350,865		—	
Less: Closing stock	(5,519,076)	36,831,789	—	—
Total of cost of sales		148,870,116		239,041,496

Notes to Consolidated financial statements (contd.)

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

Note - 21

EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	552,375,313	176,227,277
Contribution to provident fund and other funds	4,487,070	418,156
Staff welfare expenses	8,120,948	988,349
Total of employee benefits expense	564,983,331	177,633,782

Note - 22

FINANCE COSTS

	For the year ended March 31, 2013	For the year ended March 31, 2012
Cash discount	26,137	—
Foreign exchange loss	—	216,172
Interest expenses on		
- taxation	2,399,953	3,506,713
- loans and advances	1,615,229	103,083,055
- others	669,136	634,814
Other borrowing cost	1,323,436	—
Total of finance costs	6,033,891	107,440,754

Note - 23

OTHER EXPENSES

	For the year ended March 31, 2013	For the year ended March 31, 2012
Advertisement and sales promotion	755,042	714,412
Auditors' remuneration		
- As auditors	5,092,358	2,830,626
- For others services	176,638	—
Bad debts/ balances written off	14,979,258	—
Less:- Provision for doubtful debts	(12,778,012)	—
Common area maintenance, electricity & water charges	39,695,179	—
Communication expenses	9,510,391	3,698,567
Consumables	11,188,569	—
Donations	—	50,000
Foreign exchange loss	643,099	—
Insurance expenses	1,196,215	457,561
Labour charges	4,480,554	—
Legal and professional charges	108,405,941	26,337,117
Loss on sale/ disposal of fixed assets	5,334,991	—
Miscellaneous expenses	913,987	954,564
Office expenses	2,811,843	—
Power and fuel expenses	2,387,079	1,611,530
Preliminary expenses	197,385	121,188
Printing and stationery	2,529,969	738,027
Provision for debts & advances	2,705,281	—

Notes to Consolidated financial statements (contd.)

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

	For the year ended March 31, 2013		For the year ended March 31, 2012	
Rates and taxes		5,166,930		993,781
Recruitment expenses		4,376,969		1,042,218
Rent expenses (Refer Note - 31)		30,999,758		8,128,730
Repairs and maintenance				
- Buildings	100,041,443		—	
- Plant and machinery	73,060,726		—	
- Vehicles	490,070		425,356	
- Others	16,834,292	190,426,531	4,566,309	4,991,665
Sales and marketing expenses		503,641		1,098,818
Security expenses		47,155,855		2,460,053
Software expenses		801,015		162,424
Subscription fees		2,192,019		2,737,877
Tender expenses		56,693		—
Tour and travel expenses		8,257,602		—
Travelling and conveyance expenses		45,586,452		10,110,382
Total of other expenses		535,749,232		69,239,540

24. Share warrants:

During the year ended March 31, 2011, the Board of Directors of the Indiabulls Real Estate Limited (IBREL) at their meeting held on August 26, 2010 and as already approved by the shareholders of IBREL through postal ballot on August 12, 2010 has allotted 28,700,000 share warrants, convertible into 28,700,000 equity shares of ₹ 2 each to the promoter group entities and key management personnel of IBREL on preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956 at a conversion price of ₹165 per equity share of the IBREL, as determined with applicable provisions of chapter VII of SEBI (issue of Capital and Disclosure Requirements) Regulation 2009 and 25% application money amounting to ₹ 1,183,875,000 was received from them.

Pursuant to the IBWSL Scheme of Arrangement, the IBWSL has issued 3,587,500 warrants of the Company and proportionate liability in respect of these share warrants amounting to ₹ 94,248,700 (representing 7.96% of total application money received by IBREL) has been transferred by IBREL.

The holder of 3,587,500 warrants has informed the Company about their unwillingness to exercise these warrants at an exercise price of ₹ 105.09 per warrant of the Company (out of which ₹ 26.27 was already paid-up). In view thereof, 3,587,500 warrants allotted to them have been lapsed and money collected against these warrants was added to the capital reserve of the company.

The movement during the year in share warrants is given below:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening balance of share warrants	NIL	94,248,700
Less: Forfeiture of money received against share warrants	NIL	(94,248,700)
Closing balance of share warrants	NIL	NIL

25. The Company acquired 12,783,310 and 3,200,000 equity shares of Piramyd Retail Limited ("PRL"), comprising 68.89% of the outstanding share capital of PRL. The name of PRL was changed to Indiabulls Retail Services Limited ("IBRSL"), subsequent to receipt of approval from PRL's Shareholders on May 12, 2008. During the year ended March 31, 2010, the name of IBRSL was changed to Store One Retail India Limited ("SORIL"), subsequent to receipt of approval from IBRSL's Shareholders on September 30, 2009.

Notes to Consolidated financial statements (contd.)

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

The Company's investment in 68.89% of the outstanding equity shares of SORIL was acquired and is held with an exclusive intention to be disposed in the near future. The Board of Director of the Company at its meeting held on April 30, 2012, advised the management to discuss & evaluate various options to restructure the wholesale trading business, being carried by the Company and its subsidiaries including SORIL with an intent that the investment in SORIL on long term basis. Hence the subsidiary SORIL being consolidated.

26. 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 ₹7,087,322 (previous year: charged of ₹2,501,469) during the year ended March 31, 2013 and the amount outstanding as at March 31, 2013 is ₹19,323,214 (previous year: ₹12,612,644).

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 ₹2,609,503 (previous year: charged of ₹2,836,328) during the year ended March 31, 2013 and the amount outstanding as at March 31, 2013 is ₹6,070,307 (previous year: ₹3,220,525).

The components of gratuity & compensated absence cost recognized, in accordance with AS-15 (Revised) on "Employee benefits", for the years ended March 31, 2013 and March 31, 2012 are enumerated as below:

	Gratuity benefits		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2013	2012	2013	2012
Service cost	5,155,336	2,357,840	2,209,566	806,796
Interest cost	1,261,711	744,661	371,042	132,403
Actuarial (gain)/ loss, net	670,275	(601,032)	28,895	1,897,129
Cost recognized during the year	7,087,322	2,501,469	2,609,503	2,836,328

Details of the employee benefits obligation are provided below:

	Gratuity benefits		Compensated absence	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Obligation as at the beginning of the year	12,612,644	351,600	3,220,525	141,700
Obligation on account of consolidation of subsidiary	907,800	9,874,070	443,449	292,511
Benefits paid during the year	(1,284,552)	(104,567)	(203,170)	(49,718)
Cost recognized during the year	7,087,322	2,501,469	2,609,503	2,836,328
Cost transferred to related parties	—	(9,928)	—	(296)
Obligation at the end of the year	19,323,214	12,612,644	6,070,307	3,220,525

The assumptions used to determine cost include:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount rate (%)	8.00	8.50
Salary escalation rate (%)	5.00	5.50
Mortality table	IALM (1994-96)	LIC (1994-96) duly modified

Notes to Consolidated financial statements (contd.)

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

27. Income Tax

Current tax

Current tax for the year includes earlier year tax adjustments of ₹ 1,634,419 (previous year credit of ₹ Nil). The group has recognized the MAT credit entitlement of ₹ 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 recognised deferred tax credit (net) of ₹ 16,121,824 (previous year: credit of ₹ 4,370,434) in the statement of profit and loss.

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

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred tax liability arising on account of :		
Depreciation	(4,575,176)	(3,439,638)
Total of deferred tax liability	(4,575,176)	(3,439,638)
Deferred tax asset arising on account of :		
Provision for compensated absences and gratuity	3,184,609	103,822
Preliminary expenses	4,867	—
Provision for doubtful debts	228,828	—
Total of deferred tax asset	3,418,304	103,822
Deferred tax liability, net	(1,156,872)	(3,335,816)

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

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred tax liability arising on account of :		
Depreciation	(1,179,594)	(180,506)
Total of deferred tax liability	(1,179,594)	(180,506)
Deferred tax asset arising on account of :		
Accumulated losses	15,596,927	—
Provision for compensated absences and gratuity	776,105	1,623,474
Demerger expenses	198,899	—
Preliminary expenses	—	6,489
Total of deferred tax asset	16,571,931	1,629,963
Deferred tax asset, net	15,392,337	1,449,457

Notes to Consolidated financial statements (contd.)

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

28. 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	12,333,275	64,279,871	746,166,471	637,802,143	156,125,200		
	98,734,735	406,034,944	336,018,857	—	—		
Inter - segment revenue	5,500	—	26,029,545	29,326	476,923	(26,541,294)	
	—	—	—	—	—	—	
Total Segmental revenue	12,338,775	64,279,871	772,196,016	637,831,469	156,602,123	(26,541,294)	1,616,706,960
	98,734,735	406,034,944	336,018,857	—	—	—	840,788,536
Add: Unallocated revenue							96,349,650
							—
Total revenue							1,713,056,610
							840,788,536
SEGMENT RESULT							
Segment result	(80,987,221)	(52,745,379)	82,041,487	258,365,570	131,216,748	—	337,891,204
	(3,993,998)	125,694,622	128,541,279	—	—	—	250,241,903
Add: Unallocated income net of unallocated expenses							89,299,933
							58,210,513
Add: Interest income							24,405
							—
Less: Interest expense							6,007,754
							107,224,582
Less: Income taxes							9,450,788
							64,269,386
Net profit after taxes							411,757,000
							136,958,448
SEGMENT ASSETS	294,498,665	4,003,431,754	214,962,705	211,768,246	681,893,188	—	5,406,554,558
	7,623,194	4,069,353,733	101,924,916	—	—	—	4,178,901,843
Unallocated corporate assets							3,517,706,982
							3,975,899,696
Total assets							8,924,261,540
							8,154,801,539
SEGMENT LIABILITIES	186,299,090	26,943,263	127,958,221	52,403,966	106,230,645	—	499,835,185
	—	162,794,929	36,883,001	—	—	—	199,677,930
Unallocated corporate liabilities							167,439,751
							48,007,875
Total liabilities							667,274,936
							247,685,805
Capital advance given during the year to acquire tangible & intangible fixed assets	—	—	—	—	84,651,847		84,651,847
	—	—	—	—	—		—
Depreciation and amortisation provided during the year	34,525,040	9,793,686	6,528,608	7,191,822	17,514,391		75,553,547
	30,358	13,340,278	359,488	—	—		13,730,124
Significant non-cash expenses, other than depreciation and amortization	42,228,488	306,162	7,145,073	3,664,395	—		53,344,118
	36,265	3,048	5,437,193	—	—		5,476,506

Notes to Consolidated financial statements (contd.)

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

- a) The group has determined the following business segments as the primary segments for disclosure:
 - (i) Trading
 - (ii) Real estate project under development
 - (iii) Information technology solutions
 - (iv) Facility maintenance and other related activities
 - (v) 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	1,260,849,799	355,857,161	1,616,706,960
		<i>822,347,305</i>	<i>18,493,946</i>	<i>840,841,251</i>
II	Segment assets	5,335,835,434	70,719,124	5,406,554,558
		<i>4,150,288,782</i>	<i>28,613,061</i>	<i>4,178,901,843</i>
III	Capital expenditure	650,199,677	3,854,305	654,053,982
		<i>8,364,108</i>	<i>49,693</i>	<i>8,413,801</i>

- 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.
 - (i) Within India
 - (ii) Outside India.
- 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.

29. 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, 2013	For the year ended March 31, 2012
Profit after tax	411,757,000	136,958,448
Less:- Dividend on preference share including corporate dividend tax	(3,106,048)	(1,093,703)
Less: Share of minority interest	(381,742)	—
Profit attributable to equity shareholders	408,269,210	135,864,745
Weighted average number of shares used in computing basic earnings per equity share	50,285,093	50,285,093

Notes to Consolidated financial statements (contd.)

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Weighted average number of shares used in computing diluted earnings per equity share	50,799,721	50,285,093
Face value per equity share	2	2
Basic earnings per equity share	8.12	2.70
Diluted earnings per equity share	8.04	2.70

30. 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 and 150,000 (one lakhs fifty thousand only) stock options, in its meeting held on February 22, 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 and February 23, 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
Fair value of option at grant date (₹ per option)	2.49	2.13	1.22	0.82	2.45	1.46
Exercise price (₹ per option)	8.28	7.80	10.75	9.1	15.05	12.45
Expected volatility	21.08%	20.92%	20.54%	20.43%	19.71%	19.65%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil
Option life (weighted average)	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%
Risk free rate of interest	8.31%	8.60%	8.11%	8.16%	7.90%	7.87%

The table below provides pro forma disclosures for the impact on the Company's net 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.

Notes to Consolidated financial statements (contd.)

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

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	As reported	Pro forma	As reported	Pro forma
Net profit available to equity shareholders (as reported)	408,269,210	408,269,210	135,864,745	135,864,745
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 ₹6,009,868] (pro forma)	—	1,609,437	—	87,852
Net profit considered for computing EPS (pro forma)	408,269,210	406,659,773	135,864,745	135,776,893
Basic earnings per share	8.12	8.09	2.70	2.70
Diluted earnings per share	8.04	8.01	2.70	2.70

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
Number of options outstanding as at April 1, 2012	1,257,000	650,000	—	—	—	—
Number of options granted during the year	—	—	150,000	850,000	160,000	150,000
Number of options vested during the year	125,700	65,000	—	—	—	—
Number of options forfeited/cancelled during the year	—	—	—	—	—	—
Number of options exercised during the year	—	—	—	—	—	—
Number of options expired during the year	—	—	—	—	—	—
Number of options outstanding as at March 31, 2013	1,131,300	585,000	150,000	850,000	160,000	150,000
Out of the outstanding options number of options exercisable as at March 31, 2013	125,700	65,000	—	—	—	—
Exercise price (₹ per option)	8.28	7.80	10.75	9.10	15.05	12.45
Remaining contractual life (Months)	107	108	111	113	118	118

31. Operating Lease

The Group has taken office premises on operating lease at various locations and lease rent of ₹ 30,999,758 (Previous year ₹ 8,128,730) 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, 2013	As at March 31, 2012
Within one year	17,644,677	7,370,492
More than one year but not later than five years	44,736,388	20,628,808
More than five years	28,815,589	1,184,234
Total	91,196,654	29,183,534

Notes to Consolidated financial statements (contd.)

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

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

Details of purchases and sales of trading goods made during the year ended March 31, 2013 with opening and closing of stock is as follows:

Particulars	Cement	Steel	Apparels and household items	Desktops	Servers	Switches	Printers	*Others (includes scrap)	Total
Opening stock (net of provision for shrinkages/shortages)	—	—	31,416,604	—	—	—	—	10,934,261	42,350,865
	—	—	—	—	—	—	—	—	—
Purchases	9,391,847	—	—	4,305,000	465,648	419,134	131,380	6,549,526	21,262,535
	23,929,046	72,011,210	—	—	—	—	—	—	95,940,256
Sales	9,673,603	—	1,189,954	—	466,975	508,067	125,124	49,143,641	61,107,363
	24,647,018	74,087,717	—	—	—	—	—	—	98,734,735
Closing Stock (net of provision for shrinkages/shortages)	—	—	1,144,476	4,305,000	—	—	—	69,600	5,519,076
	—	—	—	—	—	—	—	—	—

The Group having dealt in a large number of products, the inventory has been furnished only a consolidated figure in respect of major items namely apparels and household, construction material along with store & spares 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, 2013 with opening and closing of stock is as follows:

Particulars	Construction material	Raw material	Total
Opening stock	—	—	—
	—	—	—
Purchases	—	32,458,276	32,458,276
	—	—	—
Consumption	32,067,022	—	32,067,022
	—	—	—
Closing stock	—	391,254	391,254
	—	—	—

Provision for Shrinkages/Shortages

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Opening balance	17,780,961	—
Addition during the year	18,907,021	—
Utilized during the year	—	—
Closing balance	36,687,982	—

Notes to Consolidated financial statements (contd.)

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

33. 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 company

Store One Retail India Limited

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* ("Significant interest entities")

— IIC Limited

(Formerly known as Indiabulls Infrastructure Company Limited)

— IINFC Limited

(Formerly known as Indiabulls Infra Constructions 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, 2013	For the year ended March 31, 2012
Loans and advances (given) to / received back		
Subsidiary company:		
- Store One Retail India Limited	—	3,719,600,000
Income		
Interest income on loans and advances given		
Subsidiary company:		
- Store One Retail India Limited	—	70,015,242
Purchase of trading goods		
Significant interest entities:		
- IIC Limited	—	10,662,439
Sale of trading goods		
Significant interest entities:		
- IIC Limited	9,673,603	84,984,001
- IINFC Limited	—	13,750,734
Total of sale of trading goods	9,673,603	98,734,735
Expenses		
Construction cost Incurred		
Significant interest entities:		
- IIC Limited	98,330,028	241,617,723

Notes to Consolidated financial statements (contd.)

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Expense incurred and reimbursed by		
<i>Subsidiary company:</i>		
- Store One Retail India Limited	—	195,000
I.T support expenses		
<i>Subsidiary company:</i>		
- Store One Retail India Limited	—	8,333,327
Investment		
Investment in preference shares		
<i>Subsidiary company:</i>		
- Store One Retail India Limited	—	3,622,432,000
Purchase of preference shares of Albasta Wholesale Services Limited (Formerly Albasta Power Limited) from		
- Store One Retail India Limited	—	300,000,000
Total of investment in preference shares	—	3,922,432,000
Purchase of equity shares of Albasta Wholesale Services Limited (Formerly Albasta Power Limited) from		
- Store One Retail India Limited	—	1,000,500,000

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Loans and advances to		
<i>Subsidiary Company:</i>		
- Store One Retail India Limited	—	3,945,800,000

d) **Statement of balance outstanding:**

Particulars	As at March 31, 2013	As at March 31, 2012
Advance from customers		
<i>Significant interest entities:</i>		
- IIC Limited	—	18,999,924
Trade receivable		
<i>Significant interest entities:</i>		
- IINFC Limited	—	2,032,417
Trade payable		
<i>Significant interest entities:</i>		
- IIC Limited	—	105,985,460

Notes to Consolidated financial statements (contd.)

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

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.

34. Contingent liabilities and Commitments

Particulars	As at March 31, 2013	As at March 31, 2012
Contingent liabilities:		
Income tax matters for the Assessment year 2010-11 in respect of which appeal has been filled	3,029,743	—
Guarantees issued by banks to High court Delhi (secured by way of fixed deposits of the Company)	4,250,500	—
Guarantees issued by banks to sale tax & customs department (secured by way of fixed deposits of the Company)	575,000	100,000
Claims (excluding interest) against the Company not acknowledged as debts	10,218,890	—
Commitments		
- Estimated amount of contracts remaining to be executed on capital account, net of advances	58,918,121	12,355,363

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.

35. 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.

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

Particulars	Currency	As at March 31, 2013		As at March 31, 2012	
		(in FCY)	(in INR)	(in FCY)	(in INR)
Trade receivable	USD	352,399	19,166,720	268,849	13,465,780
	AED	283,178	4,192,170	—	—
	EURO	18,753	1,304,155	—	—
Total		654,330	24,663,045	268,849	13,465,780

36. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2012.
37. 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, 2013, 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.
38. 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

For **Sharma Goel & Co.**
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

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

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 comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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 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"). 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. 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, 2013;
- b) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other legal and Regulatory Requirements

1. 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.
2. 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 sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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.**
Chartered Accountants
FRN: 000643N

Amar Mittal
Partner
Membership No. 017755

Place: Gurgaon
Date : April 24, 2013

Annexure to the Auditor's Report

Annexure to the Auditor's Report of even date to the members of Indiabulls Wholesale Services Limited on the financial statements for the year ended March 31, 2013 (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. A major portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification. 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 any fixed assets during the year.
- 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 areas.
- 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 at relevant time.
- 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 our examination 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 of aforesaid dues were in arrears, as at March 31, 2013 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.

ANNEXURE TO THE AUDITORS' REPORT (contd.)

- x) The company has no accumulated losses at the end of the current financial year. It has incurred cash losses in the current financial year but it has not incurred in the immediately preceding financial year.
- xi) Based on our audit procedures and in our opinion, the Company has not defaulted in repayment of dues to a financial institution or a bank 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 clause 4(xii) of the Order are not applicable.
- xiii) The Company is not a Chit Fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, the provisions clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the company is not dealing or trading in shares, debentures, securities and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- 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 according 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 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.
- xix) In our opinion and according to 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.
- xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- 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.**
Chartered Accountants
FRN: 000643N

Amar Mittal
Partner
Membership No. 017755

Place: Gurgaon
Date : April 24, 2013

Balance Sheet

as at March 31, 2013

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

	Note		As at March 31, 2013		As at March 31, 2012
I. EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	4		125,747,186		125,747,186
Reserves and surplus	5		7,622,567,955		7,725,381,930
Total of Shareholders' funds			7,748,315,141		7,851,129,116
Non-current liabilities					
Deferred tax liabilities, net	24		—		3,251,956
Other long-term liabilities	6		150,400,000		—
Long-term provisions	7		781,641		509,969
Total of Non-current liabilities			151,181,641		3,761,925
Current liabilities					
Trade payables	8		2,011,299		112,611,782
Other current liabilities	9		24,166,279		49,660,758
Short-term provisions	7		61,528,980		22,840,471
Total of Current liabilities			87,706,558		185,113,011
Total of Equity and Liabilities			7,987,203,340		8,040,004,052
II. ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		9,996,534		10,747,239	
Intangible assets		—	9,996,534	7,316,851	18,064,090
Non-current investments	11		3,598,549,890		1,302,000,000
Deferred tax assets, net	24		15,254,104		—
Long-term loans and advances	12		3,486,145,220		3,485,713,820
Total of Non-current assets			7,109,945,748		4,805,777,910
Current assets					
Current investment	11		—		2,296,519,890
Inventories	13		564,309,732		531,320,909
Trade receivables	14		213,282,418		334,549,607
Cash and bank balances	15		19,644,866		1,483,063
Short-term loans and advances	12		80,020,576		70,352,673
Total of Current assets			877,257,592		3,234,226,142
Total of Assets			7,987,203,340		8,040,004,052

Significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Sharma Goel & Co.**
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

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

Statement of Profit and Loss

for the year ended March 31, 2013

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

	Note		For the year ended March 31, 2013		For the year ended March 31, 2012
I. Revenue					
Revenue from operations	16		73,953,474		504,769,679
Other income	17		1,226,273		60,034,918
Total of Revenue			75,179,747		564,804,597
II. Expenses					
Cost of sales for real estate project under development	18			372,428,057	
- Cost of materials consumed		112,960,130			
- Increase in real estate project under development		(32,988,823)		(133,386,561)	
		79,971,307		239,041,496	
Purchase of stock-in-trade		9,391,847	89,363,154	95,940,256	334,981,752
Employee benefits expense	19		14,305,098		12,558,066
Finance costs	20		1,420,258		107,196,826
Depreciation and amortisation expense	10		9,812,652		13,370,636
Other expenses	21		18,577,105		24,292,961
Total of Expenses			133,478,267		492,400,241
III. (Loss)/Profit before tax			(58,298,520)		72,404,356
Tax expense:	24				
Current tax (including of earlier year taxes)			1,539,445		27,456,174
Deferred tax			(18,506,060)		(3,004,837)
IV. (Loss)/Profit for the year			(41,331,905)		47,953,019
V. Earnings per equity share	25				
- Basic			(0.87)		0.93
- Diluted			(0.87)		0.93
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

For **Sharma Goel & Co.**
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

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

Cash Flow Statement

for the year ended March 31, 2013

Indiabulls

Indiabulls Wholesale Services Limited

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

	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities:		
Net (Loss)/Profit before tax	(58,298,520)	72,404,356
Adjustments for Statement of Profit and Loss items:		
Depreciation and amortisation expense	9,812,652	13,370,636
Interest expense on loans and advances taken	—	103,083,055
Net gain on sale of units of mutual fund	(255)	—
Excess liability written back	(149,322)	—
Interest income on loans and advances given	—	(57,218,258)
Dividend income on units of mutual fund	(1,005,236)	(600,390)
Provision for gratuity and compensated absences	306,162	29,089
Operating (loss)/profit before working capital changes and other adjustments	(49,334,519)	131,068,488
Working capital changes and other adjustments		
- Decrease/(increase) in trade receivables	121,267,189	(31,770,802)
- Increase in advances	(22,803,008)	(5,389,852)
- Increase in inventories	(32,988,823)	(133,386,561)
- (Decrease)/increase in trade payables	(110,600,483)	101,101,067
- Increase in other liabilities	125,054,843	11,917,941
Cash generated from operating activities	30,595,199	73,540,281
Income tax paid	(10,580,088)	(16,772,577)
Net cash generated from operating activities	20,015,111	56,767,704
B. Cash flow from investing activities:		
Purchase of fixed assets	(1,745,096)	(8,951)
Investment in equity share of subsidiary companies	(131,150,000)	(1,001,000,000)
Investment in preference share of subsidiary companies	—	(2,173,080,000)
Net gain on sale of units of mutual fund	255	—
Redemption of preference share of subsidiary companies	131,120,000	—
Loans and advances received back, net	10,000	2,907,584,000
Interest received on loans and advance	—	250,385,576
Dividend received from units of mutual fund	1,005,236	600,390
Net cash used in investing activities	(759,605)	(15,518,985)
C. Cash flow from financing activities:		
Proceeds from issue of preference share capital (including securities premium)	—	2,517,700,000
Loans and advances taken/(repaid), net	—	(2,464,873,530)
Interest paid on loans and advances	—	(103,083,055)
Dividends paid on preference share capital, including corporate dividend tax	(1,093,703)	—
Net cash used in financing activities	(1,093,703)	(50,256,585)
D. Increase/(decrease) in cash and cash equivalents, net (A+B+C)	18,161,803	(9,007,866)
E. Cash and cash equivalents at the beginning of the year	1,483,063	10,490,929
F. Cash and cash equivalents at the end of the year (D+E)	19,644,866	1,483,063

Cash Flow Statement

for the year ended March 31, 2013 (contd.)

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

Notes:

- 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, 2013	As at March 31, 2012
Cash on hand	6,749	153,213
Balances with banks		
- In current accounts	19,638,117	1,329,850
Total of cash and cash equivalents	19,644,866	1,483,063

- c) 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

For **Sharma Goel & Co.**
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

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

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 Ahmedabad (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. 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 Companies Act, 1956.

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.

Notes to financial statements (contd.)

(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 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	Four 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 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 semi-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.

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

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

Notes to financial statements (contd.)

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

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 equity share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per equity 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, 2013		As at March 31, 2012	
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	—	—	—	—
Total of equity share capital	50,285,093	100,570,186	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	52,802,793	125,747,186	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.
- On October 14, 2011, the Company had issued and allotted 2,517,700, 9% redeemable, non-cumulative, non-convertible preference share of face value of ₹ 10 each to Indiabulls Real estate Limited, the erstwhile holding company.

	As at March 31, 2013	As at March 31, 2012
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	17,429,723	14,943,427
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)	3,217,000	1,907,000

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, 2013		As at March 31, 2012
Capital reserve				
Balance as at the beginning of the year	94,248,700		—	
Add : Forfeiture of money received against share warrants	—	94,248,700	94,248,700	94,248,700
General reserve				
Balance as at the beginning of the year	5,005,826,316		5,005,826,316	
Add: Amount transferred from the surplus balance in the Statement of Profit and Loss	9,145,201	5,014,971,517	—	5,005,826,316
Securities premium				
Balance as at the beginning of the year	2,492,523,000		—	
Add : Issue of preference share capital	—	2,492,523,000	2,492,523,000	2,492,523,000
Surplus as per Statement of Profit and Loss				
Balance as at the beginning of the year	132,783,914		85,924,598	
Add: (Loss)/Profit for the year	(41,331,905)		47,953,019	
	91,452,009		133,877,617	
Less: Appropriations				
Proposed dividend on preference shares	2,265,930		941,042	
Corporate dividend tax thereon	385,095		152,661	
Interim dividend on equity shares	50,285,093		—	
Corporate dividend tax thereon	8,545,952		—	
Transfer to General reserve	9,145,201	20,824,738	—	132,783,914
Total of reserves and surplus		7,622,567,955		7,725,381,930

Note - 6

OTHER LONG-TERM LIABILITIES

	As at March 31, 2013	As at March 31, 2012
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, 2013	As at March 31, 2012
Long-term provisions		
Provision for employee benefits :-		
- For gratuity	551,654	359,412
- For compensated absences	229,987	150,557
Total of long-term provisions	781,641	509,969

Notes to financial statements (contd.)

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

	As at March 31, 2013		As at March 31, 2012	
Short-term provisions				
Provision for employee benefits :-				
- For gratuity	32,399		4,643	
- For compensated absences	14,511	46,910	7,777	12,420
Provision for income tax, Net of advance tax and tax deducted at source		—		21,734,348
Proposed dividend on preference shares		2,265,930		941,042
Corporate dividend tax thereon		385,095		152,661
Interim dividend on equity shares		50,285,093		—
Corporate dividend tax thereon		8,545,952		—
Total of short-term provisions		61,528,980		22,840,471

Note - 8

TRADE PAYABLES

	As at March 31, 2013		As at March 31, 2012	
Due to micro and small enterprises		—		—
Retention money payable		1,258,152		5,796,556
Due to others		753,147		106,815,226
Total of trade payables		2,011,299		112,611,782

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

Sr. No	Particulars	Amount
i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	nil
ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	nil
iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	nil
iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	nil
v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	nil

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

Note - 9

OTHER CURRENT LIABILITIES

	As at March 31, 2013		As at March 31, 2012	
Advance from customers		19,099,121		36,764,336
Payable to statutory or government authorities		418,122		8,663,476
Security deposits - others		20,000		20,000
Other payables		4,629,036		4,212,946
Total of other current liabilities		24,166,279		49,660,758

Notes to 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 01, 2012	Additions during the year	As at March 31, 2013	As at April 01, 2012	Provided during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
A. Tangible Assets								
Plant and Equipment	357,961	—	357,961	22,962	17,003	39,965	317,996	334,999
Office Equipment	2,726,235	—	2,726,235	494,023	127,404	621,427	2,104,808	2,232,212
Computers	9,070,340	—	9,070,340	5,851,308	1,451,087	7,302,395	1,767,945	3,219,032
Furniture and Fixtures	445,680	—	445,680	257,011	16,278	273,289	172,391	188,669
Vehicles	8,023,786	1,745,096	9,768,882	3,251,459	884,029	4,135,488	5,633,394	4,772,327
Total of Tangible Assets (A)	20,624,002	1,745,096	22,369,098	9,876,763	2,495,801	12,372,564	9,996,534	10,747,239
B. Intangible Assets								
Computer Software	43,972,893	—	43,972,893	36,656,042	7,316,851	43,972,893	—	7,316,851
Total of Intangible Assets (B)	43,972,893	—	43,972,893	36,656,042	7,316,851	43,972,893	—	7,316,851
Total of Fixed Assets [A+B]	64,596,895	1,745,096	66,341,991	46,532,805	9,812,652	56,345,457	9,996,534	18,064,090
Previous Year	64,587,944	8,951	64,596,895	33,162,169	13,370,636	46,532,805	18,064,090	

Notes to financial statements (contd.)

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

Note - 11

INVESTMENTS

		As at March 31, 2013	As at March 31, 2012
Non-current investments			
Trade, quoted - fully paid up equity share (at Cost)			
In subsidiary company:			
- 15,983,310 fully paid up equity shares of face value ₹10 each in Store One Retail India Limited*		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 preference shares of face value ₹10 each in Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)		300,000,000	300,000,000
- 1,979,500 fully paid preference shares of face value ₹10 each in Store One Retail India Limited***		1,741,960,000	—
Trade, un-quoted - partly paid up equity warrants (at Cost)			
In subsidiary company:			
- 4,400,000 (previous year Nil) fully paid equity warrants face value ₹10 each in Store One Retail India Limited**		33,550,000	—
Total of non-current investments		3,598,549,890	1,302,000,000
Current investments			
Trade, quoted - fully paid up equity share (at Cost)			
- 15,983,310 (previous year 12,783,310) fully paid up equity shares of face value ₹10 each in Store One Retail India Limited	521,039,890	423,439,890	423,439,890
Less: Transferred to Non Current Investment	(521,039,890)	—	—
Trade, un-quoted - fully paid up preference share (at Cost)			
- 1,979,500 (previous year 2,128,500) fully paid preference shares of face value ₹10 each in Store One Retail India Limited	1,741,960,000	1,873,080,000	1,873,080,000
Less: Transferred to Non Current Investment	(1,741,960,000)	—	—
Total of current investments		—	2,296,519,890
Total of investments		3,598,549,890	3,598,519,890
Aggregate book value of un-quoted investments		3,077,510,000	3,175,080,000
Aggregate book value of quoted investments		521,039,890	423,439,890
Aggregate market value of quoted investments		434,746,032	209,007,119

Notes to financial statements (contd.)

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

*- During the year, 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.

** - During the year, the company has made an acquisition of 4,400,000 equity 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.

*** - During the year, 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.

Note - 12

LOANS AND ADVANCES

	As at March 31, 2013	As at March 31, 2012
Long-term loans and advances (Unsecured, considered good)		
Loans and advances to related parties	3,484,946,100	3,484,956,100
Security deposits - others	1,199,120	757,720
Total of long-term loans and advances	3,486,145,220	3,485,713,820
Short-term loans and advances (Unsecured, considered good)		
Security deposits - others	120,000	5,680,000
Mobilization advances	2,639,520	2,639,520
Other Advances	25,000,000	25,000,000
Advance to material / service providers	36,391,724	4,286,099
Prepaid expenses	105,186	183,673
Wealth tax recoverable	—	14,476
Balances with statutory or government authorities	400,416	4,480,833
Advance to employees	3,396,757	3,407,394
MAT credit entitlement	—	12,948,471
Advance income tax, including tax deducted at source, net of provision for tax	11,966,973	11,712,207
Total of short-term loans and advances	80,020,576	70,352,673

Note - 13

INVENTORIES

	As at March 31, 2013	As at March 31, 2012
Real estate project under development (at cost)		
- Land	585,078,200	585,078,200
- License and other regulatory fees	19,579,243	19,169,952
- Cost of materials, construction services and other overheads	922,300,940	809,750,101
	1,526,958,383	1,413,998,253
Less: cost of sale recognised till date	(962,648,651)	(882,677,344)
Total of inventories	564,309,732	531,320,909

Notes to financial statements (contd.)

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

Note - 14

TRADE RECEIVABLE

	As at March 31, 2013	As at March 31, 2012
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	—	—
Other debts	213,282,418	334,549,607
Total of trade receivables	213,282,418	334,549,607

Note - 15

CASH AND BANK BALANCES

	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Cash on hand	6,749	153,213
Balances with banks		
- In current accounts	19,638,117	1,329,850
Total of cash and bank balances	19,644,866	1,483,063

Note - 16

REVENUE FROM OPERATIONS

	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue from real estate project under development	59,655,581	394,293,544
Sale of trading goods	9,673,603	98,734,735
Other operating income	4,624,290	11,741,400
Total of revenue from operations	73,953,474	504,769,679

Note - 17

OTHER INCOME

	For the year ended March 31, 2013	For the year ended March 31, 2012
Dividend income on units of mutual fund	1,005,236	600,390
Interest on loans and advance given	—	57,218,258
Interest - others	—	2,216,270
Net gain on sale of units of mutual fund	255	—
Miscellaneous income	220,782	—
Total of other income	1,226,273	60,034,918

Note - 18

COST OF SALES

	For the year ended March 31, 2013	For the year ended March 31, 2012
Cost of materials consumed	112,960,130	372,428,057
Increase in real estate project under development		
Opening stock	531,320,909	397,934,348
Less: Closing stock	(564,309,732) (32,988,823)	(531,320,909) (133,386,561)
Total cost of sales	79,971,307	239,041,496

Notes to financial statements (contd.)

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

Note - 19

EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	13,937,626	12,160,065
Contribution to provident fund and other funds	26,082	17,798
Staff welfare expenses	341,390	380,203
Total of employee benefits expenses	14,305,098	12,558,066

Note - 20

FINANCE COSTS

	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expenses		
- on taxation	1,140,938	3,479,157
- on loans and advances	—	103,083,055
- others	279,320	634,614
	1,420,258	107,196,826
Total of finance costs	1,420,258	107,196,826

Note - 21

OTHER EXPENSES

	For the year ended March 31, 2013	For the year ended March 31, 2012
Advertisement expenses	313,051	714,412
Auditor's remuneration		
- As auditors	1,685,400	1,685,400
- For others services	51,750	—
Communication expenses	1,955,484	2,166,001
Donations	—	50,000
Insurance expenses	96,800	454,506
Legal and professional charges	1,636,601	1,890,052
Power and fuel expenses	233,547	1,470,305
Printing and stationery	684,581	609,386
Rates and taxes	1,187,394	819,995
Rent expenses (Refer Note- 27)	3,763,661	6,845,352
Repairs and maintenance		
- Buildings	29,326	—
- Vehicles	389,589	363,756
- Others	1,416,755	1,701,186
Sales and marketing expenses	21,000	1,000,822
Security expenses	3,280,902	2,432,497
Travelling and conveyance expenses	1,462,146	1,682,743
Miscellaneous expenses	369,118	406,548
Total of other expenses	18,577,105	24,292,961

22. Share Warrants

During the year ended March 31, 2011, the Board of Directors of the Indiabulls Real Estate Limited (IBREL) at their meeting held on August 26, 2010 and as already approved by the Shareholders of IBREL through postal ballot on August 12, 2010 has allotted 28,700,000 share warrants, convertible into 28,700,000 Equity Shares of face value of ₹ 2 each to the promoter group entities and key management personnel of IBREL on preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956 at a conversion price of ₹165 per Equity Share of the IBREL, as determined with applicable provisions of chapter VII of SEBI (issue of Capital and Disclosure Requirements) Regulation 2009 and 25% application money amounting to ₹ 1,183,875,000 was received from them.

Notes to financial statements (contd.)

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

Pursuant to the IBWSL Scheme of Arrangement, the company has issued 3,587,500 warrants of the Company and proportionate liability in respect of these share warrants amounting to ₹ 94,248,700 (representing 7.96% of total application money received by IBREL) has been transferred by IBREL.

The holders of 3,587,500 warrants have informed the Company about their unwillingness to exercise these warrants at an exercise price of ₹ 105.09 per warrant of the Company (out of which ₹ 26.27 was already paid-up). In view thereof, 3,587,500 warrants allotted to them now stands lapsed and money collected against these warrants stand added to the capital reserve of the company.

The movement during the year in share warrants is given below:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening balance of Share Warrants	NIL	94,248,700
Less: Forfeiture of money received against share warrants	NIL	(94,248,700)
Closing balance of Share Warrants	NIL	NIL

23. 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 had charged ₹260,221 (previous year: credit of ₹ 22,383) during the year ended March 31, 2013 and the amount outstanding as at March 31, 2013 is ₹ 584,053 (previous year: ₹ 364,055).

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 ₹ 122,162 (previous year: credit of ₹ 16,930) during the year ended March 31, 2013 and the amount outstanding as at March 31, 2013 is ₹244,498 (previous year: ₹ 158,334).

The components of gratuity & compensated absence cost recognized, in accordance with AS-15 (Revised) on "Employee benefits", for the years ended March 31, 2013 and March 31, 2012 are enumerated as below:

	Gratuity benefits		Compensated absence	
	For the year ended March 31,		For the year ended March 31,	
	2013	2012	2013	2012
Service cost	188,590	149,564	105,583	69,393
Interest cost	37,250	27,280	19,326	10,857
Actuarial (gain)/loss, net	34,381	(154,461)	(2,747)	(63,320)
Cost recognized during the year	260,221	22,383	122,162	16,930

Details of the employee benefits obligation are provided below:

	Gratuity benefits		Compensated absence	
	As at March 31,		As at March 31,	
	2013	2012	2013	2012
Obligation as at the beginning of the year	364,055	351,600	158,334	141,700
Cost recognized during the year	260,221	22,383	122,162	16,930
Benefits Paid	(40,223)	(9,928)	(35,998)	(296)
Obligation at the end of the year	584,053	364,055	244,498	158,334

The assumptions used to determine cost include:

	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount rate (%)	8.00	8.50
Salary escalation rate (%)	5.00	5.50
Mortality table	IALM (1994-96)	LIC (1994-96) duly modified

Notes to financial statements (contd.)

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

24. Income Tax

Current tax

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

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 recognised deferred tax credit of ₹ 18,506,060 (previous year: credit of ₹ 3,004,837) in the statement of profit and loss during the year ended March 31, 2013.

The breakup of deferred tax assets / (liabilities) as at March 31, 2013 into major components is as under:

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred tax liability arising on account of timing differences due to:		
Depreciation	(802,647)	(3,264,711)
Deferred tax asset arising on account of timing differences due to:		
Accumulated losses	15,596,927	—
Demerger Expenses	198,899	—
Provision for compensated absences and gratuity	260,925	12,755
Deferred tax assets/(liabilities), net	15,254,104	(3,251,956)

25. 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, 2013	For the year ended March 31, 2012
(Loss)/Profit after tax as per Statement of Profit and Loss	(41,331,905)	47,953,019
Less:- Preference Dividend accrued for the year on Preference share capital	2,265,930	941,042
Less:- Corporate dividend tax thereon	385,095	152,661
(Loss)/Profit attributable to equity shareholders	(43,982,930)	46,859,316
Weighted average number of shares used in computing basic and diluted earnings per equity share	50,285,093	50,285,093
Face value per equity share	2	2
Basic earnings per equity share	(0.87)	0.93
Diluted earnings per equity share	(0.87)	0.93

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.

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 and 150,000 (One Lakhs Fifty Thousand only) stock options, in its meeting held on February 22, 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 and February 23, 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					
	28-Feb-12	29-Mar-12	10-Jul-12	17-Sep-12	2-Feb-13	22-Feb-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
Exercise price (₹ per option)	₹ 8.28	₹ 7.80	₹ 10.75	₹ 9.1	₹ 15.05	₹ 12.45
Expected volatility	21.08%	20.92%	20.54%	20.43%	19.71%	19.65%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil
Option life (Weighted average)	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%
Risk free rate of Interest	8.31%	8.60%	8.11%	8.16%	7.90%	7.87%

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, 2013		For the year ended March 31, 2012	
	As reported	Pro forma	As reported	Pro forma
Net (loss)/profit available to Equity Shareholders (as reported)	(41,331,905)	(41,331,905)	46,859,316	46,859,316
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 ₹ 6,009,868] (pro forma)	—	1,609,437	—	87,852
Net (loss)/profit considered for computing EPS (pro forma)	(41,331,905)	(42,941,342)	46,859,316	46,771,464
Basic earnings per share	(0.87)	(0.85)	0.93	0.93
Diluted earnings per share	(0.87)	(0.85)	0.93	0.93

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
Number of options outstanding as at April 1, 2012	1,257,000	650,000	—	—	—	—
Number of options granted during the year	—	—	150,000	850,000	160,000	150,000
Number of options vested during the year	125,700	65,000	—	—	—	—
Number of options forfeited/cancelled during the year	—	—	—	—	—	—
Number of options exercised during the year	—	—	—	—	—	—
Number of options expired during the year	—	—	—	—	—	—
Number of options outstanding as at March 31, 2013	1,131,300	585,000	150,000	850,000	160,000	150,000
Out of the outstanding options number of options exercisable as at March 31, 2013	125,700	65,000	—	—	—	—
Exercise price (₹ per option)	8.28	7.80	10.75	9.10	15.05	12.45
Remaining contractual life (Months)	107	108	111	113	118	118

27. Operating Lease

The company has taken office premises on operating lease at various locations and lease rent of ₹3,763,661 (Previous year ₹6,845,352) 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, 2013	As at March 31, 2012
Within one year	394,000	1,127,838
More than one year but not later than five years	—	—
Total	394,000	1,127,838

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

Details of Purchases and Sales of Trading Goods made during the year ended March 31, 2013 with Opening and Closing of stock is as follows:

Particulars	Cement	Steel	Total
Opening Stock	—	—	—
	—	—	—
Purchases	9,391,847	-	9,391,847
	23,929,046	72,011,210	95,940,256
Sales	9,673,603	-	9,673,603
	24,647,018	74,087,717	98,734,735
Closing Stock	—	—	—
	—	—	—
Profit	281,756	—	281,756
	7,17,972	20,76,507	27,94,479

Previous year figures are stated in italics

Notes to financial statements (contd.)

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

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

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

ii) Other related parties

– Key management personnel

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

– Entity over which key management personnel have significant influence* ("significant interest entities")

– IIC Limited
(formerly known as Indiabulls Infrastructure Company Limited)
– IINFC Limited
(Formerly known as Indiabulls Infra Constructions 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 31-Mar-13	For the year ended 31-Mar-12
Loans and advances (given)/received back, net		
Subsidiary Companies:		
- Lucina Infrastructure Limited	(40,000)	8,000,000
- Sentia Properties Limited	50,000	(16,000)
- Store One Retail India Limited	—	2,899,600,000
Total of loans and advance (given)/received back	10,000	2,907,584,000
Advance for Land taken		
Subsidiary Company:		
- Albasta Wholesale Services Limited	150,400,000	—
Income		
Interest income on loans and advances given		
Subsidiary Company:		
- Store One Retail India Limited	—	57,218,258

Notes to financial statements (contd.)

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

Particulars	For the year ended 31-Mar-13	For the year ended 31-Mar-12
Purchase of trading goods		
<i>Significant Interest Entities:</i>		
- IIC Limited	—	10,662,439
Sale of trading goods		
<i>Significant Interest Entities:</i>		
- IIC Limited	9,673,603	84,984,001
- IINFC Limited	—	13,750,734
Total of sale of trading goods	9,673,603	98,734,735
Expenses		
Construction cost incurred		
<i>Significant Interest Entities:</i>		
- IIC Limited	98,330,028	241,617,723
Travel expense incurred		
<i>Subsidiary Company:</i>		
- Store One Retail India Limited	72,439	—
Maintenance Expense Incurred		
<i>Subsidiary Company:</i>		
- Store One Retail India Limited	29,326	—
Total of Expenses incurred	98,431,793	241,617,723
Reimbursement of expenses incurred by		
<i>Subsidiary Companies:</i>		
- Indiabulls Technology Solutions Limited	—	1,341,498
- Store One Retail India Limited	—	195,000
Total of expenses incurred and reimbursed	—	1,536,498
Liabilities		
Employee benefit liabilities transfer		
<i>Subsidiary Company</i>		
- Store One Retail India Limited	—	10,224
Investment		
Investment in preference shares		
<i>Subsidiary Company:</i>		
- Store One Retail India Limited	—	1,873,080,000
Purchase of preference shares of Albasta Wholesale Services Limited from		
- Store One Retail India Limited	—	300,000,000
Total of investment in preference shares	—	2,173,080,000
Purchase of equity shares of Albasta Wholesale Services Limited from		
- Store One Retail India Limited	—	1,000,500,000

Notes to financial statements (contd.)

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

Investment in equity shares		
<i>Subsidiary Company:</i>		
- Store One Retail India Limited	97,600,000	—
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	—

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

Particulars	For the year ended 31-Mar-13	For the year ended 31-Mar-12
Loans and advances given		
<i>Subsidiary Companies:</i>		
- Lucina Infrastructure Limited	232,920,100	240,620,100
- Sentia Properties Limited	3,252,386,000	3,252,336,000
- Store One Retail India Limited	—	3,125,800,000
- Indiabulls Technology Solutions Limited	—	11,000,000
Total of loans and advances given	3,485,306,100	6,629,756,100
Advance for Land taken		
<i>Subsidiary Company:</i>		
- Albasta Wholesale Services Limited	151,900,000	—

d) Statement of balance outstanding:

Particulars	As at 31-Mar-13	As at 31-Mar-12
Loans and advances given		
<i>Subsidiary Companies:</i>		
- Lucina Infrastructure Limited	232,660,100	232,620,100
- Sentia Properties Limited	3,252,286,000	3,252,336,000
Total of loans and advances given	3,484,946,100	3,484,956,100
Advance for Land taken		
<i>Subsidiary Company:</i>		
- Albasta Wholesale Services Limited	150,400,000	—
Advance from customers		
<i>Significant Interest Entities:</i>		
- IIC Limited	—	18,999,924
Trade receivable		
<i>Significant Interest Entities:</i>		
- IINFC Limited	—	2,032,417
Trade payable		
<i>Significant Interest Entities:</i>		
- IIC Limited	—	105,985,460
Expense Payable		
<i>Subsidiary Company:</i>		
- Store One Retail India Limited	62,866	—

Notes to financial statements (contd.)

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

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.

30. Contingent liabilities and Commitment

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

Particulars	As at 31-Mar-13	As at 31-Mar-12
Income Tax matters for the Assessment Year 2010-11 in respect of which appeals have been filed	3,029,743	—
Corporate Guarantee in respect of credit facility availed by Subsidiary	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 upfront. The remaining 75% of the conversion price aggregating to ₹ 100,650,000 is uncalled as on date and remain payable by the company.

31. Earnings in foreign currency

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Customer Collection	498,750	—

32. 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.
33. 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, 2013.
34. 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
35. 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, 2013, 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.
36. 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

For **Sharma Goel & Co.**
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

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

(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 2012-2013

Sr. No	Name of the subsidiary company	Financial year/period ending of the subsidiary	Date from which they became subsidiary companies	The net aggregate amount of profit/(losses) so far as it concerns the member of the Holding company			
				a.	b.	b. Dealt with in the holding company accounts	
				Holding company's interest number of shares held	Extent of holding	i) For the financial year ended 31st March 2013	ii) For the previous financial years of the subsidiary companies since they become holding company's subsidiaries
1	Lucina Infrastructure Limited	March 31, 2013	January 01, 2010	50,000 equity shares of face value of Rs. 10 each fully paid up	100%	(190,746)	(4,553,141)
2	Sentia Properties Limited	March 31, 2013	January 01, 2010	50,000 equity shares of face value of Rs. 10 each fully paid up	100%	(69,019)	(27,875,117)
3	Store One Retail India Limited	March 31, 2013	April 10, 2008	15,983,310 equity shares of face value of Rs. 10 each fully paid up	68.89%	376,620,694	(1,053,476,548)
4	Albasta Wholesale Services Limited (Formerly Albasta Power Limited)	March 31, 2013	April 01, 2010	100,050,000 equity shares of face value of Rs. 10 each fully paid up	100%	11,448,956	(167,549,058)
5	Indiabulls Technology Solutions Limited	March 31, 2013	May 31, 2011	50,000 equity shares of face value of Rs. 10 each fully paid up	100%	50,992,199	83,279,448
6	Archalia Software Solutions Limited *	March 31, 2013	January 01, 2012	—	—	(923,766)	3,512,192
7	IB Technology Solutions, Inc *	March 31, 2013	January 23, 2012	—	—	14,933,977	(883,535)
8	ITSL Holdings (Mauritius) Limited *	For the period from September 05, 2012 to March 31, 2013	September 05, 2012	—	—	(486,889)	N.A.
9	IB Technology (Proprietary) Limited *	March 31, 2013	April 01, 2012	—	—	381,757	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: Gurgaon
Date: April 24, 2013

Mehul Johnson
Director

Priya Jain
Company Secretary

**Registered Office**

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Maharashtra