

The cover features a collage of images related to business and construction, set against a background of large green and white geometric shapes. The collage includes: a blue line graph with an upward-pointing arrow on a grid; a yellow construction crane at a building site; a hand holding a smartphone over a calculator and papers; a red line graph with an upward-pointing arrow; and a night view of a modern glass skyscraper with light trails.

# **ANNUAL REPORT**

**2014 - 2015**

**INDIABULLS  
WHOLESALE  
SERVICES  
LIMITED**

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# Company Information

## Board of Directors

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

## Company Secretary

Ms. Priya Jain

## Chief Financial Officer

Mr. Saurabh Garg

## Statutory Auditors

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

## Internal Auditors

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

## Registrar and Transfer Agent

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

## Registered Office

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

## Corporate Offices

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

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

## Bankers

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

# Management Discussion and Analysis



## Economic and Industry Overview

Over the past decade, the Indian economy has passed through phases of growth and slowdown. The macroeconomic situation in India has improved significantly during last financial year. The new government has already indicated its desire to revive the investment cycle and to empower the bureaucracy to ensure successful execution of the government's plans. The Indian economy in 2013-14 has emerged as one of the largest economy with a promising outlook on the back of the controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. Growth is forecast to accelerate to over 8 percent in 2015 and 2016, benefiting from the acceleration of infrastructure projects, strong consumer spending due to lower inflation and monetary easing and gradual improvements in market sentiments. The reformation of public distribution system and upliftment of Tier II cities with a well developed civic infrastructure will boost the economy.

## Business Overview

The Company, directly and through its subsidiaries, is engaged in the businesses of real estate development, providing services of property and facility management, charter business of aircraft, and renting of plant and machinery. Your directors believe that all of these businesses have huge potential & scope for further business development.

## Business Outlook, Strengths & Strategy

The Company aims to build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the industry. The Company believes that following are its key strengths that provide competitive advantages in managing its business activities:

- (a) presence of dynamic leadership,
- (b) professional management team,
- (c) robust systems and process, and
- (d) competitive bargaining approach.

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

## Opportunities

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

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

## Threats / Risks & Concerns

The Government policies and reforms, if any, in the businesses in which your Company is engaged, can impact its business growth. Further, increased competition in these businesses may also adversely affect its operation. However,

## Management Discussion and Analysis (contd.)

your directors firmly believe that skilled professionally managed team, strong systems and process, competitive bargaining approach put your Company at advantageous position to face any such regulatory reforms and manage its businesses efficiently.

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

### Internal Controls and their Adequacy

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

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

### Cautionary Statement

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

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

# Directors' Report

Dear Shareholders,

Your Directors present to you the Eighth Annual Report together with audited statement of accounts for the financial year ended March 31, 2015.

## FINANCIAL RESULTS

The highlights of the standalone financial results of the Company for the financial year ended March 31, 2015 are as under:

Particulars	Amount in ₹	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Profit before Tax and Depreciation	178,403,902	77,542,267
Less: Depreciation and amortization expense	2,016,984	2,332,028
Profit before Tax	176,386,918	75,210,239
Less: Provision for Tax	42,684,699	27,287,494
Profit after Tax	133,702,219	47,922,745
Profit/ (Loss) brought forward	66,234,839	20,824,738
Less: Adjustments due to depreciation*	1,675,453	—
Amount available for appropriation	198,261,605	68,747,483
Less: Appropriations:		
Proposed dividend on preference shares	2,265,930	2,265,930
Corporate dividend tax thereon	161,168	106,014
Interim dividend on equity shares	—	140,700
Corporate dividend tax thereon	—	—
Transfer to general reserve	—	—
Balance carried forward to Balance Sheet	195,834,507	66,234,839

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

## OPERATIONS AND BUSINESS REVIEW

The total income of the Company during the year was ₹ 5,311.82 lacs with a profit after tax of ₹ 1,337.02 lacs. The consolidated revenue of the Company was ₹ 20,834.78 lacs with a profit after tax of ₹ 1,783.72 lacs. The Company, directly and through its subsidiaries, is engaged in the businesses of real estate development, providing services of property and facility management, charter business of aircraft, and renting of plant and machinery. Your directors believe that all of these businesses have huge potential & scope for further business development.

## DIVIDEND

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

## DIRECTORS & KEY MANAGERIAL PERSONNEL

To achieve the highest standards of Corporate Governance in its management, during the financial year 2014-15, the Board of Directors of the Company (Board) was re-constituted with appointment of Ms. Pia Johnson, as non -executive woman director and appointments of Mr. Shamsher Singh Ahlawat, Mr. Joginder Singh Kataria and Mr. Rajinder Singh Nandal, as independent directors.

## Directors' Report (contd.)

All the present Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Act and Clause 49 of the Listing Agreement.

Further, during the year, Mr. Karan Singh Khera, Independent Director, ceased to be director of the Company. The Board has placed on record its appreciation for the contributions made by him, during his tenure of office.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mehul Johnson (DIN: 00016075), Director, retire by rotation and, being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board of Directors recommends his re-appointment.

Ms. Pia Johnson, being an Additional Director of the Company, holds office as such, upto the date of ensuing Annual General Meeting. The Company has received a notice along with a deposit in terms of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Ms. Pia Johnson for the office of Director of the Company. The Board recommends her appointment.

The present composition of the Board along with the brief resume of the Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, are provided in the Report on Corporate Governance forming part of this Annual Report.

During the year under review, Mr. Saurabh Garg was appointed as CFO - a key managerial person of the Company, in accordance with the provisions of the Companies Act, 2013, with effect from April 23, 2014.

### EMPLOYEES STOCK OPTIONS

The disclosures required to be made in the Directors' Report, in terms of SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999, in respect of company's ESOP Scheme titled 'Indiabulls Wholesale Services Limited Employee Stock Option Scheme- 2011' are set out in the Annexure 1, forming part of this report.

### PUBLIC DEPOSITS

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

### LISTING WITH STOCK EXCHANGES

The Equity Shares (ISIN: INE 126M01010) of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2015-16 have been paid.

### AUDITORS

#### (a) Statutory Auditors

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

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

#### (b) Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the rules made thereunder, the Company has appointed Mr. B.D. Tapiya, a practicing Company Secretary as its Secretarial Auditor, to conduct the secretarial audit of the Company, for the Financial Year 2014-15. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditor for conducting said audit. The Report of Secretarial Auditor for the



Financial Year 2014-15, is annexed as Annexure 2, forming part of this Report. The Report is self-explanatory and therefore do not call for any further explanation.

### **CORPORATE SOCIAL RESPONSIBILITY**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Education and Rural Development, as per its CSR Policy (available on your Company's website [www.indiabulls.com/wholesale](http://www.indiabulls.com/wholesale)) and the details are contained in the Annual Report on CSR Activities given in Annexure 3, forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013, read with the relevant rules.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a certificate from a Practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2015 and the profit and loss of the company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES AND LISTING AGREEMENT**

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

### **GREEN INITIATIVES**

Electronic copies of the Annual Report 2015 and Notice of the Eighth AGM will be sent to all the members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015 and Notice of the Eighth AGM will be sent in the permitted mode.



## Directors' Report (contd.)

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the Eighth AGM. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement. The instructions for e-voting are provided in the AGM Notice.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Date: August 28, 2015  
Place : New Delhi

**Surinder Singh Kadyan**  
Executive Director  
(DIN: 03495880)

**Mehul Johnson**  
Director  
(DIN: 00016075)

# Annexure to the Directors' Report



## ANNEXURE A

### EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2015, pursuant to Section 92(3) of the Companies Act, 2013, in form MGT-9, are given in Annexure 4, forming part of this Report.

### BOARD MEETINGS

During the FY 2014-15, 11 (Eleven) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information required to be made available to the Board were circulated to all directors, well within the prescribed time, before the meeting or were placed at the meeting. During the year, separate meeting of the Independent Directors was held on March 24, 2015, without the presence of Non-Independent Directors and the members of the Company Management.

### BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its performance, the directors individually as well as the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this Annual Report.

### REMUNERATION POLICY

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

### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2014-15, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies.

The details of the loans, guarantees or investments made by Company are given in the notes to the financial statements.

### RELATED PARTY TRANSACTIONS

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company: [www.indiabulls.com/wholesale](http://www.indiabulls.com/wholesale).

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2015 and the date of this Report.

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

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

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