

— STORE —
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Store One Retail India Limited

— Annual Report 2013-14 —

Property & Facility Management Services | Renting of Plant and Machinery

Contents

Company Information	02
Management Discussion and Analysis	03
Directors' Report	06
Report on Corporate Governance	12
Financials	24

Company Information

Board of Directors

Mr. Abhimanyu Singh Mehlawat
Mr. Mehul Johnson
Mr. Shamsheer Singh Ahlawat
Mr. Aishwarya Katoch
Mr. Karan Singh Kherra
Mr. Prem Prakash Mirdha

Company Secretary

Mr. Vikas Khandelwal

Chief Financial Officer

Mr. Vijay Kumar Agrawal

Statutory Auditors

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

Registrar and Transfer Agent

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

Registered Office

M – 62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001
CIN: L52190DL2005PLC181536
Website: www.storeone.in
E-mail: helpdesk@indiabulls.com
Tel: 0124-6681199, Fax: 0124-6681240

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
Kotak Mahindra Bank Limited
Axis Bank Limited
Yes Bank Limited
ICICI Bank Limited

Management Discussion and Analysis

ECONOMIC OVERVIEW

The Republic of India, is the seventh largest country in the world by area. The population of over 1.2 billion makes it the second most populous country in the world as well as the largest democracy. Today, India's economy is amongst the largest in the world on the basis of Purchasing Power Parity. It is one of the most attractive destinations for business and investment opportunities with the available large manpower base, diversified natural resources and strong macroeconomic fundamentals. Over the past decade, the Indian economy has passed through phases of growth and slowdown.

Though the last years have not been very encouraging one for Indian Economy, political uncertainty and policy paralysis have hurt investor sentiment, but the mood has turned optimistic towards the end of the year, with hope of a pro development government coming in to power. The markets have begun to respond to this favorable change, with the national indices hitting all time high. Foreign and domestic institutional investors have started pumping in money in the equity and debt markets. With the political stability, 2014 appears to be in a better shape than what it was in 2012 and 2013. Of course, the performance of the economy will also depend on the policies and preferences of that new government.

BUSINESS REVIEW

The Company is primarily engaged into the business of providing property and facility management services, rental services of plant and machinery etc. Your directors believe that these businesses have huge potential & scope for further business development.

Property & Facility Management Services

The Company is engaged in all avenues of the business of Property & facility management, which is a multi-discipline field involving maintenance and care of the buildings and properties, maintenance of all the common facilities including common area development and landscaping, security, pest control, waste disposal and recycling etc. The vast area of business operations & revenue generation in this field gives huge business opportunities to the Company.

Renting of Plant and Machinery

The Company is aggressively involved in the rental business of plant and machinery. Our brand new asset base includes tower cranes, boom placers, hoists, transit mixers, dumpers, excavators, formwork for construction of building / structures. The renting of machinery is done on both terms, i.e. dry and wet lease basis.

OPPORTUNITIES

Property & Facility Management Services

Your Directors believe that due to increased demand from high-end service sectors like healthcare, banking, hospitality, education, infrastructure, aviation etc. and due to increased number of multistoried high-end residential, commercial & retail space, there is huge business opportunities and potential in the business of providing property & facility management services.

Renting of Plant and Machinery

Your Directors believe that due to rapid growth & demand of infrastructural development in the country, the rental business of plant and machinery in the space of infrastructure development, which includes renting of tower cranes,

Management Discussion and Analysis (contd.)

boom placers, hoists, transit mixers, dumpers, excavators, formwork etc, has huge business potential & scope for further business development in this stage.

STRENGTHS

Leadership & strong management team

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

Diversified business portfolio

To capitalize existing potential, the Company has diversified in the business of facility management services, business support services, equipment/machinery rental services etc. Thus the diversified business portfolio of the Company is a real key strength for its business expansion and future growth.

Strong Systems and Process

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

THREATS AND COMPETITIVE ADVANTAGES

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

STRATEGY

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

HUMAN RESOURCES

The Company's businesses are managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the competitive market. The Company has a structured recruitment process, the focus is on recruiting people who have the right mindset for working at desired levels, supported by structured training programs and internal growth opportunities.

INTERNAL CONTROLS AND THEIR ADEQUACY

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

Management Discussion and Analysis (contd.)

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 at regular periodical interval.

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 Ninth Annual Report together with audited statement of accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS

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

Particulars	Amount in ₹	
	Year ended March 31, 2014	Year ended March 31, 2013
Profit/ (Loss) before Tax and Depreciation	429,931,534	435,832,981
Less: Depreciation/ Impairment of Fixed Assets	77,785,008	59,212,287
Profit/ (Loss) before Tax	352,146,526	376,620,694
Less: Provision for Taxation & Prior Period Tax Adjustments	438,109	—
Profit/ (Loss) after Tax and Prior Period Tax Adjustment	351,708,417	376,620,694
Profit/ (Loss) brought forward	(3,116,831,977)	(3,490,321,761)
Balance carried forward to Balance Sheet	(2,765,123,560)	(3,113,701,067)

BUSINESS REVIEW

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Property & Facility Management Services

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Renting of Plant and Machinery

The Company is aggressively involved in the rental business of plant and machinery. Our brand new asset base includes tower cranes, boom placers, hoists, transit mixers, dumpers, excavators, formwork for construction of building / structures. The renting of machinery is done on both terms, i.e. dry and wet lease basis.

CHANGE IN THE CAPITAL OF THE COMPANY

Subsequent to the financial year ended March 31, 2014, the Company allotted 4,400,000 equity shares of face value ₹ 10 each to Indiabulls Wholesale Services Limited, the Promoter, against conversion of equivalent number of warrants, consequent to which the paid up equity share capital of the Company increased from ₹ 232,000,000 divided into 23,200,000 Equity Shares of face value ₹ 10 each to ₹ 276,000,000 divided into 27,600,000 Equity Shares of face value ₹ 10 each.

DIVIDEND

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

EMPLOYEES STOCK OPTIONS

The disclosures required to be made in the Directors' Report in respect of the stock options granted under 'Store One

Directors' Report (contd.)

Retail India Limited Employees Stock Option Scheme-2009', in terms of the format prescribed under SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999, are set out in the annexures forming a part of this report.

Shareholders of the Company in their Annual General Meeting held on September 30, 2009 have approved the launch of 'Store One Retail India Limited Employees Stock Option Scheme-2009 (II)' ('SORIL ESOS – 2009 (II)') covering 3,000,000 (Three Millions) stock options, for the benefit of the Eligible Employees. However, no options have yet been granted by the Board/Compensation Committee under this scheme.

FIXED DEPOSITS

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

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, 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 of the Company (Board) recommend his re-appointment.

The Board has proposed the appointment of Mr. Shamsher Singh Ahlawat (DIN: 00017480), Mr. Aishwarya Katoch (DIN: 00557488) and Mr. Prem Prakash Mirdha (DIN: 01352748), as Independent Directors of the Company. Keeping in view their vast experience & knowledge, the Board is of the view that it will be in the interest of the Company that aforesaid persons are appointed as Independent Directors on its Board.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

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

LISTING WITH STOCK EXCHANGES

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

Directors' Report (contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITORS' REPORT

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

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

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

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

GREEN INITIATIVES

Electronic copies of the Annual Report for the FY 2013-14 and Notice of the 9th AGM are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report for the FY 2013-14 and Notice of the 9th AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting is provided in the Notice.

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

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

Directors' Report (contd.)

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, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information, is being sent to all the Members of the Company and others entitled thereto. Any Member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Date : August 26, 2014
Place : New Delhi

Abhimanyu Singh Mehlawat
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 were no earnings in the foreign exchange during the year under review, the foreign exchange outgo is given in the table below:

Particulars	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Capital expenditure	390,801,462	198,306,223

Annexure to the Directors' Report regarding the ESOP issue

Store One Retail India Limited Employees Stock Option Scheme – 2009 – As on March 31, 2014

Particulars	
a. Options Granted	1,500,000
b. Exercise price	₹ 30.45
c. Options vested	60,000
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	1,350,000
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	150,000
j. Employee wise details of options granted to: <ul style="list-style-type: none"> i. Senior Management personnel ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company. 	Mr. Abhimanyu Singh Mehlawat - 150,000
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']	₹ 15.02
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 to Note no. 29 of Financial Statements forming part of the Annual Report
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.	Weighted-average exercise price: ₹ 30.45 per option Weighted-average fair value: ₹ 24.06 per option
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: <ul style="list-style-type: none"> i. risk free interest rate ii. expected life iii. expected volatility iv. expected dividends iv. the price of the underlying share in market at the time of option grant 	Refer to Note no. 29 of Financial Statements forming part of the Annual Report

Corporate Governance Report

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Corporate Governance policy in Store One Retail India Limited ("SORIL" 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 SORIL 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 like finance, retail, real estate, facility management, banking, hoteling and technology etc.

The Board consists of six directors of whom one is executive director and the remaining five directors are non-executive directors. Of the five non-executive directors, four are independent directors.

The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various board Committees, as on March 31, 2014 are depicted in the table given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
				As Member [#]	As Chairman
1.	Mr. Abhimanyu Singh Mehlawat	Executive Director	11	2	0
2.	Mr. Mehul Johnson	Non-Executive Director	10	5	0
3.	Mr. Aishwarya Katoch	Non-Executive Independent Director	4	7	3

Corporate Governance Report (contd.)

Sl. No.	Name of the Director	Category of Directorship	No. of Directorships in other Companies*	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
				As Member [#]	As Chairman
4.	Mr. Shamsheer Singh Ahlawat	Non-Executive Independent Director	7	7	5
5.	Mr. Karan Singh Kherra	Non-Executive Independent Director	7	7	4
6.	Mr. Prem Prakash Mirdha	Non-Executive Independent Director	4	4	Nil

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

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

This includes the chairmanship in the Committees.

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

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

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

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

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

Sl. No.	Name of the Director	Meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
1.	Mr. Abhimanyu Singh Mehlawat (DIN: 02229285)	5	5	Yes
2.	Mr. Mehul Johnson (DIN: 00016075)	5	5	Yes
3.	Mr. Aishwarya Katoch (DIN: 00557488)	5	2	Yes
4.	Mr. Shamsheer Singh Ahlawat (DIN: 00017480)	5	4	Yes
5.	Mr. Karan Singh Kherra (DIN: 00017236)	5	5	Yes
6.	Mr. Prem Prakash Mirdha (DIN: 01352748)	5	1	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.storeone.in. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Executive 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.

Corporate Governance Report (contd.)

3. COMMITTEES OF THE BOARD

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

(A) Audit Committee

Composition

The Audit Committee comprises of three members namely Mr. Shamsheer Singh Ahlawat as the Chairman, Mr. Aishwarya Katoch and Mr. Mehul Johnson, all Non-Executive Directors. Two out of three members namely Mr. Shamsheer Singh Ahlawat and Mr. Aishwarya Katoch are Independent Directors. Mr. Vikas Khandelwal, Secretary of the Company also acts as the Secretary of the Audit Committee.

Terms of reference

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

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

Meetings and Attendance thereat during the year

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

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

Name of the Member	Meetings held during the tenure	Meetings attended
Mr. Shamsheer Singh Ahlawat	4	4
Mr. Aishwarya Katoch	4	4
Mr. Mehul Johnson	4	4

The Finance Head and Auditors attended the meetings by invitation.

Corporate Governance Report (contd.)

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

Composition

The Nomination & Remuneration Committee of the Board comprises of three Independent, Non-Executive Directors namely, Mr. Aishwarya Katoch as the Chairman, Mr. Shamsheer Singh Ahlawat and Mr. Prem Prakash Mirdha, as members.

Terms of reference

The terms of reference of Nomination & Remuneration Committee, *inter-alia*, includes:

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

Meetings and Attendance thereat during the year

No meeting of the Committee was held during the year.

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. Abhimanyu Singh Mehlawat, Executive Director does not draw any remuneration from the Company.

(ii) Remuneration of Non-Executive Directors

Non-Executive Directors have not been paid any remuneration/ sitting fees during the FY 2013-14.

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

Composition

The Stakeholders Relationship Committee constituted by the Board presently comprises of three directors namely, Mr. Aishwarya Katoch, Mr. Mehul Johnson and Mr. Abhimanyu Singh Mehlawat.

Mr. Aishwarya Katoch, 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. Abhimanyu Singh Mehlawat.

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

Meetings and Attendance thereat during the year

During the FY 2013-14, the Committee met four times. The dates of the meetings were April 1, 2013, July 1, 2013, October 7, 2013 and January 6, 2014.

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

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Aishwarya Katoch	4	3
Mr. Mehul Johnson	4	3
Mr. Abhimanyu Singh Mehlawat	4	4

Corporate Governance Report (contd.)

a) Name and designation of Compliance Officer

Mr. Vikas Khandelwal, 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 FY 2013-14

During the FY 2013-14, four complaints were received; two pertaining to non-receipt of Annual Report and two pertaining to non-receipt of shares and the same were redressed to the satisfaction of the complainants.

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

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

Terms of Reference

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

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

Meetings and Attendance during the year

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

4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2010-11	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2011	11.30 A.M.
2011-12	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 27, 2012	11.45 A.M.
2012-13	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2013	10.00 A.M.

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

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

Special Resolution seeking member's approval to the amendment to the 'Store One Retail India Limited Employees Stock Option Scheme-2009' and 'Store One Retail India Limited Employees Stock Option Scheme-2009 (II)' (the "Stock Option Schemes"), so as to amend the exercise price under respective Stock Option Schemes, to be the market price of the equity shares of the Company (being the latest available closing price prior to the date of grant) or the price as may be decided by the Board.

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

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

During the FY 2013-14, no resolution was passed by the Company through Postal Ballot.

Corporate Governance Report (contd.)

(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 2013-14, are contained in the notes to the annual accounts which form a part of the Annual Report.

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

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

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

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

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

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

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

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

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

6. MEANS OF COMMUNICATION

(i) **Publication of Results:** The quarterly / annual results of the Company are published in leading newspapers like Financial Express, Business Standard and Jansatta.

(ii) **News, Release, etc:** The Company has its own website: www.storeone.in 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 this Annual Report.

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

7. GENERAL SHAREHOLDERS' INFORMATION

(A) Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L52190DL2005PLC181536.

Corporate Governance Report (contd.)

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

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

(C) Profile of Directors seeking appointment/ re-appointment

(i) Mr. Mehul Johnson (DIN: 00016075)

Mr. Mehul Johnson has over 15 years of leadership experience in construction, real estate & hospitality Industry. During his long association with Indiabulls Group, he has provided leadership & guidance in the areas of strategic planning, resource management, regulatory, hospitality & projects execution etc. Prior to his joining Indiabulls, he had set up, owned and managed 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.

Mr. Johnson graduated from Punjab University with a degree in Economics.

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

Mr. Johnson is also on the Board of Indiabulls Wholesale Services Limited, Indiabulls Buildcon Limited, Indiabulls Lands Limited, Indiabulls Estate Limited, Indiabulls Constructions Limited, Makala Infrastructure Limited, Indiabulls Industrial Infrastructure Limited, Airmid Aviation Services Private Limited and Indiabulls Water Supply and Waste Management Services Limited. He is also member of the Audit Committee, Stakeholders Relationship Committee, Compensation Committee and Corporate Social Responsibility Committee of the Company, member of the Audit Committee, Compensation Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of Indiabulls Wholesale Services Limited, member of the Audit Committee of Indiabulls Industrial Infrastructure Limited and Makala Infrastructure Limited.

(ii) Mr. Shamsheer Singh Ahlawat (DIN: 00017480)

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

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

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

Mr. Ahlawat is also on the Board of Indiabulls Real Estate Limited, Indiabulls Constructions Limited, Indiabulls Wholesale Services Limited, Elena Power And Infrastructure Limited, Indiabulls Realtech Limited, Indiabulls Housing Finance Limited and Indiabulls Power Limited. He is Chairman of Audit Committee and Corporate Social Responsibility Committee and also member of Nomination & Remuneration Committee and Compensation Committee of the Company. He is Chairman of Audit Committee, Compensation Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Indiabulls Power Limited. He is also Chairman of Corporate Social Responsibility Committee and member of Audit Committee and Nomination & Remuneration Committee of Indiabulls Realtech Limited. He is also Chairman of Audit Committee and member of Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Compensation Committee of Indiabulls Real Estate Limited. He is also Chairman of Nomination & Remuneration Committee, Compensation Committee and Corporate Social Responsibility Committee and member of Audit Committee and Stakeholders Relationship Committee of Indiabulls Wholesale Services Limited. He is also Chairman of Audit Committee, Corporate Social Responsibility Committee and Compensation Committee and member of Nomination & Remuneration Committee and Stakeholders Relationship Committee of Indiabulls Housing Finance Limited. He is also member of Corporate Social Responsibility Committee of Elena Power and Infrastructure Limited.

(iii) Mr. Aishwarya Katoch (DIN: 00557488)

Mr. Aishwarya Katoch is in the hotel industry and managing leisure and heritage hotels across the country. He has over 20 years of rich and varied experience in the areas of administration, finance, regulatory and projects execution.

Corporate Governance Report (contd.)

He holds a bachelor's degree in business administration and merchandising from American College of Applied Arts, London.

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

Mr. Katoch is also on the Board of Indiabulls Real Estate Limited, Indiabulls Securities Limited, Indiabulls Distribution Services Limited, Royal Expeditions Private Limited and Royal Kangra Consultants Private Limited. He is Chairman of Stakeholders Relationship Committee, Nomination & Remuneration Committee and Compensation Committee and member of Audit Committee of the Company. He is also Chairman of Nomination & Remuneration Committee and Corporate Social Responsibility Committee and member of Audit Committee and Compensation Committee of Indiabulls Securities Limited. He is also Chairman of Stakeholders Relationship Committee, Nomination & Remuneration Committee and Compensation Committee and member of Audit Committee of Indiabulls Real Estate Limited. He is also Chairman of Corporate Social Responsibility Committee of Indiabulls Distribution Services Limited.

(iv) Mr. Prem Prakash Mirdha (DIN: 01352748)

Mr. Prem Prakash Mirdha is currently managing his own cement plants. He also operates lime kilns which are suppliers to enterprises engaged in steel and sugar industries. He has over 20 years of rich and varied experience in the areas of administration, finance, regulatory and projects execution. Prior to this, he had a long stint of 11 years with the merchant navy.

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

Mr. Mirdha is also on the Board of Indiabulls Real Estate Limited, Indiabulls Housing Finance Limited, Indiabulls Securities Limited, Happy Tummy Kitchens Private Limited and Indiabulls Power Limited. He is member of Audit Committee, Compensation Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Indiabulls Power Limited. He is also member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of Indiabulls Securities Limited and Indiabulls Housing Finance Limited and also member of the Nomination & Remuneration Committee of the Company and Indiabulls Real Estate Limited.

(D) Financial year

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

(E) Date of Book Closure

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

(F) Dividend Payment date

No dividend has been recommended by the Board for the financial year 2013-14.

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

Sl.No.	Shareholding of nominal value (in ₹)	No. of holders	% to total no. of holders	Value in ₹	% to nominal value
	From To				
1.	1 - 5,000	11191	89.19	11,709,310	5.05
2.	5,001 - 10,000	613	4.89	5,090,590	2.19
3.	10,001 - 20,000	323	2.57	4,955,390	2.14
4.	20,001 - 30,000	128	1.02	3,348,030	1.44
5.	30,001 - 40,000	55	0.44	2,002,880	0.86
6.	40,001 - 50,000	58	0.46	2,773,470	1.20
7.	50,001 - 1,00,000	97	0.77	7,436,820	3.21
8.	1,00,001 and above	83	0.66	194,683,510	83.91
	Total	12548	100.00	232,000,000	100.00

Corporate Governance Report (contd.)

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

Sl.No.	Category	No. of Shares	% holding
1.	Promoter	15,983,310	68.89
2.	Banks	561	0.01
3.	FII's	48,990	0.21
4.	Bodies Corporate	968,476	4.17
5.	Indian Public	6,110,134	26.34
6.	NRIs	57,243	0.25
7.	Clearing Members	31,286	0.13
	Total	23,200,000	100.00

(H) 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, 2014, 99.998% Equity shares of the Company representing 23,199,504 out of a total of 23,200,000 Equity shares were held in dematerialised form and the balance 496 shares were held in physical form.

Further, as on March 31, 2014, 2,973,450 Preference shares of face value ₹ 10 each of the Company were held in physical mode. Same are presently not listed on any Stock Exchange.

(I) Outstanding Stock Options and Warrants

An aggregate of 150,000 stock options, out of the 1,500,000 stock options granted under the Company's 'Store One Retail India Limited Employees Stock Option Scheme-2009' ("the Scheme") were outstanding as on March 31, 2014, 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.

The Company had 4,400,000 warrants outstanding as on March 31, 2014, which, on exercise by the warrant holder got converted into equivalent number of equity shares, on April 28, 2014.

(J) Listing on Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai-400 051

(K) Stock Code

BSE Limited	– 532679
National Stock Exchange of India Limited	– STOREONE
ISIN for Dematerialisation	– INE 034H01016

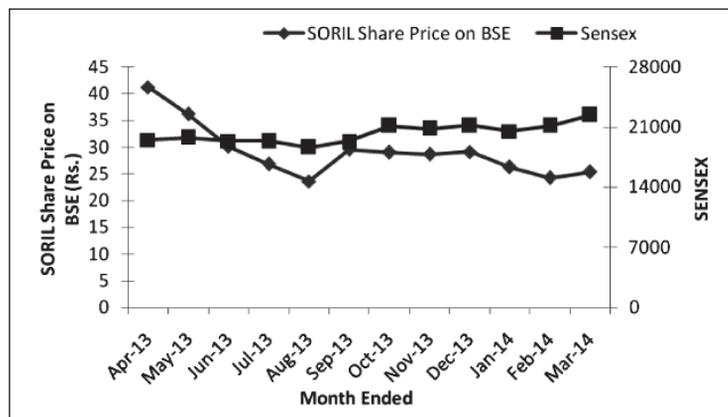
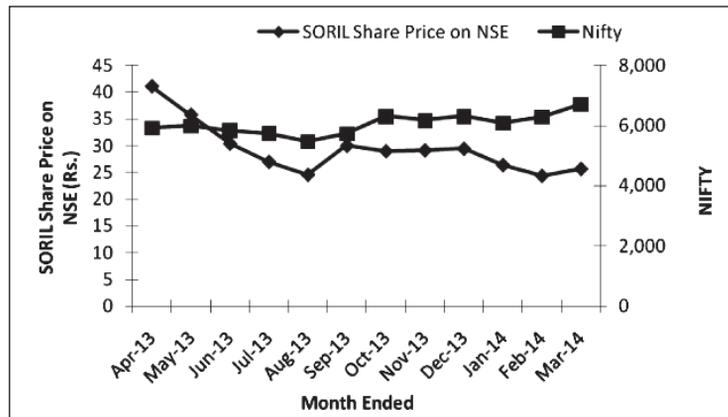
Corporate Governance Report (contd.)

(L) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2014 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	41.15	27.35	41.25	28.00
May 2013	45.00	32.95	45.30	32.25
June 2013	37.40	30.00	36.65	29.80
July 2013	36.00	26.00	35.50	24.60
August 2013	30.30	22.00	29.50	22.00
September 2013	37.75	23.00	37.80	23.00
October 2013	34.40	27.10	35.00	25.65
November 2013	32.90	25.65	33.70	27.50
December 2013	35.90	28.00	35.00	28.20
January 2014	32.60	25.60	33.50	26.10
February 2014	29.30	24.25	29.00	23.25
March 2014	28.70	22.20	27.60	22.15

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



Corporate Governance Report (contd.)

(N) Registrar and Transfer Agents

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

The contact details are as under:

Karvy Computershare Private Limited

(Unit : Store One Retail India Limited)

Plot No.17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

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

Phone : 040-44655000/23420815-23420825

Fax : 040-23420814

E-mail : einward.ris@karvy.com

(O) Share Transfer System

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

(P) Address for Correspondence

(i) Registered Office:

M-62 & 63, First Floor,

Connaught Place,

New Delhi – 110 001

Website: www.storeone.in

E-mail: helpdesk@indiabulls.com

Tel: 0124-6681199, Fax: 0124-6681240

(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. EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

10. NON-MANDATORY REQUIREMENTS

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

(A) Nomination & Remuneration Committee

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

Corporate Governance Report (contd.)

(B) 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.

(C) 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 Executive Director of Store One Retail India Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for FY 2013-14.

Date : August 26, 2014
 Place : New Delhi

Abhimanyu Singh Mehlawat
 Executive Director

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Store One Retail India Limited

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

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

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

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

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

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

Date: August 1, 2014
 Place: New Delhi

Independent Auditor's Report

To the Members of Store One Retail India Limited Report on the Financial Statements

We have audited the accompanying financial statements of Store One Retail India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating

the overall presentation of the financial statements.

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

Opinion

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

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

Report on Other legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("in Act"); read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

Independent Auditor's Report (contd.)

- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Amar Mittal

Place : Mumbai
Date : April 23, 2014

Partner
Membership No. : 017755

Annexure to the Independent Auditor's Report

Annexure to the Auditor's Report of even date to the members of Store One Retail India Limited, on the financial statements for the year ended March 31, 2014 (Referred to our report of even date)

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

- i) In respect of Fixed Assets of the Company and in our opinion:
 - a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a programme of physical verification of its fixed assets by which they are verified annually. In accordance with this programme, fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of the physical verification is reasonable having regards to the size of the company and nature of fixed assets.
 - c. The Company has not disposed off substantial part of any fixed assets during the year. Therefore the going concern assumption is not affected.
- ii) In respect of Inventories of the Company and in our opinion:
 - a. Inventories have been physically verified by management during the year and the frequency of verification is reasonable.
 - b. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- iii) The company has not granted any loans 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 any 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. We have not observed any major weakness in the internal control system during the course of the audit.
- v)
 - (a) In our opinion, the particulars of all contracts or arrangement that are needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) In our opinion, the transaction made in pursuance of such contracts and arrangements with parties with whom transactions exceeding value of Rupees Five Lakh have been entered during the financial year are reasonable having regard to prevailing market prices. For price justification reliance is placed on the information and explanation given by the management.
- vi) In our opinion, the Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The maintenance of cost records prescribed under section 209(1)(d) of the Companies Act, 1956, is not applicable to the company.
- 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, 2014 for a period of more than six months from the date they became payable, wherever applicable.

- b. There are no dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute, wherever applicable.
- x) The accumulated losses of the company at the end of the financial year are not more than 50% of the net worth of the company and it has not incurred cash losses in the current year and immediately preceding financial year as well.
- xi) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to financial institutions or banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of paragraph 4 clause (xii) of the Order are not applicable to the Company.
- xiii) The Company is not a Chit Fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, the provisions of paragraph 4 clause (xiii) of the Order are not applicable to the Company.

- xiv) In our opinion the company is not dealing or trading in shares, debentures, securities and other investments. Accordingly, the provisions of paragraph 4 clause (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, the Company has not given any guarantee in terms of paragraph 4 clause (xv).
- xvi) In our opinion and to the best of our knowledge and belief, proceeds of term loans taken earlier were, prima facie, applied for the purposes they were obtained for.
- xvii) In our opinion and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis, prima facie, have not been used for the long-term investment by the company.
- xviii) In our opinion, 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.
- xix) In our opinion and according to the records examined by us, no debentures were issued during the year.
- xx) The Company has not raised any monies by way of public issue during the year. Accordingly, the provisions of paragraph 4 clause (xx) of the Order are not applicable to the company.
- xxi) In our opinion, no material fraud on or by the Company has been noticed or reported during the period covered in our audit.

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

Amar Mittal
 Partner

Place : Mumbai
 Date : April 23, 2014

Membership No. : 017755

Balance Sheet

as at March 31, 2014

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

Particulars	Note	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	4	261,734,500	261,734,500
(b) Reserves and Surplus	5	946,280,725	597,703,218
(c) Money received against share warrants	6	33,550,000	33,550,000
Total of Shareholders' funds		1,241,565,225	892,987,718
Non-Current Liabilities			
(a) Long-term borrowings	7	130,395,589	73,143,342
(b) Long-term provisions	8	3,451,675	2,862,302
Total of Non-Current Liabilities		133,847,264	76,005,644
Current Liabilities			
(a) Trade payables	9	295,726,707	238,348,808
(b) Other current liabilities	10	138,213,465	124,949,331
(c) Short-term provisions	11	3,199,557	3,332,393
Total of Current Liabilities		437,139,729	366,630,532
Total of Equity and Liabilities		1,812,552,218	1,335,623,894
II. ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		1,317,765,408	683,475,828
(ii) Intangible assets		—	148,770
(iii) Capital work-in-progress		—	159,904,102
(b) Long-term loans and advances	13	15,293,155	158,047,644
(c) Other non-current assets	14	125,000	4,350,500
Total of Non-current assets		1,333,183,563	1,005,926,844
Current assets			
(a) Inventories	15	1,716,768	9,883,944
(b) Trade receivables	16	311,615,909	110,115,210
(c) Cash and bank balances	17	24,799,351	80,935,733
(d) Short-term loans and advances	18	141,145,336	128,078,466
(e) Other current assets	19	91,291	683,697
Total of Current assets		479,368,655	329,697,050
Total of Assets		1,812,552,218	1,335,623,894

Significant accounting policies 3
The accompanying notes are an integral part of financial statements.

As per our report of even date

For **Sharma Goel & Co. LLP** For and on behalf of the Board of Directors
Chartered Accountants
FRN:- 000643N

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlatw **Karan Singh Kherra** **Vijay Kumar Agrawal** **Vikas Khandelwal**
Whole Time Director Director Chief Financial Officer Company Secretary

Place: Mumbai
Date: April 23, 2014

Place: Mumbai
Date: April 23, 2014

Statement of Profit and Loss

for the year ended March 31, 2014

— STORE —
One

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

Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
I. REVENUE			
(a) Revenue from operations	20	1,168,378,024	892,373,418
(b) Other Income	21	54,425,891	44,428,062
Total of Revenue		1,222,803,915	936,801,480
II. EXPENSES			
Cost of materials consumed	22	6,973,475	32,067,021
Purchases of stock-in-trade	23	4,856,208	6,169,776
Change in inventories of finished goods, WIP and stock in trade	15	1,281,172	41,206,389
Employee benefits expense	24	78,076,873	82,650,115
Finance costs	25	23,960,639	3,188,998
Depreciation and Amortization expenses	12	77,785,008	59,212,287
Other expenses	26	677,724,014	335,686,200
Total of Expenses		870,657,389	560,180,786
III. Profit before tax (I - II)		352,146,526	376,620,694
IV. Tax expenses			
(a) Current tax	32	438,109	—
(b) Deferred tax		—	—
V. Profit for the year (III- IV)		351,708,417	376,620,694
Earnings per Equity Share	33		
(a) Basic		15.02	17.76
(b) Diluted		15.02	17.40
Face value per Equity Share		10.00	10.00
Significant accounting policies	3		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For **Sharma Goel & Co. LLP** For and on behalf of the Board of Directors
Chartered Accountants
FRN:- 000643N

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat **Karan Singh Khera** **Vijay Kumar Agrawal** **Vikas Khandelwal**
Whole Time Director Director Chief Financial Officer Company Secretary

Place: Mumbai
Date: April 23, 2014

Place: Mumbai
Date: April 23, 2014

Cash Flow Statement

for the year ended March 31, 2014

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A Cash flow from Operating Activities :		
Net Profit before tax	352,146,526	376,620,694
Adjustments for statement of Profit and Loss items:		
Provision for shrinkages and shortages	—	18,907,021
Provision for doubtful debts, advances and security deposits	74,672,131	2,000,000
Sundry balances written off	2,623,462	371,734
Adjustments in Fixed Assets	—	1,580,125
Liabilities written back	(38,764,328)	(35,101,211)
Provision for Gratuity / Compensated Absences	1,722,524	1,845,309
Loss on sale on fixed assets	42,150,696	5,334,991
Interest Income on fixed deposits	(872,980)	(3,752,266)
Dividend on units of mutual funds	(1,146,063)	(3,022,879)
Loss on Inventory written off	—	21,321,467
Interest expenses on Term Loan	22,950,442	1,615,229
Other finance charges	—	1,234,302
Unrealised foreign exchange gain	(574,559)	—
Depreciation and Amortization expenses	77,785,008	59,212,287
	<u>180,546,333</u>	<u>71,546,109</u>
Operating Profit before working capital changes	532,692,859	448,166,803
Adjustments for changes in working capital:		
(Increase) / Decrease in Trade Receivables	(201,500,698)	136,271,934
Decrease / (Increase) in Other Receivables	(8,376,356)	(1,117,248)
Decrease / (Increase) in Inventories	8,167,176	(7,761,567)
Increase / (Decrease) in Trade Payables	57,377,899	(22,485,020)
Increase in Other Liabilities & Provisions	11,782,591	77,290,534
	<u>(132,549,388)</u>	<u>182,198,633</u>
Cash generated from Operating Activities	400,143,471	630,365,436
Income tax (paid) / Refund received, net	(8,603,482)	(27,025,975)
	<u>(8,603,482)</u>	<u>(27,025,975)</u>
Net cash generated from Operating Activities	391,539,989	603,339,460
B Cash flow from Investing Activities :		
Purchase of Fixed Assets (including Capital Work in Progress)	(523,317,841)	(591,443,806)
Capital Advances paid	—	(39,599,729)
Proceeds from Sale of Fixed Assets	702,646	1,244,942
Interest received on Fixed Deposits	1,465,385	3,230,580
Dividend received from Mutual Funds	1,146,063	3,022,879
Redemption / (Investments) made in FDR's	25,087,180	(22,400,000)
Net cash used in Investing Activities	(494,916,567)	(645,945,134)

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

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
C Cash flow from Financing Activities :		
Net proceeds from Issue of Equity Shares (including Securities Premium)	—	97,600,000
Net outflow on Redemption of Preference Shares (including Securities Premium)	—	(131,120,000)
Net proceeds from Issue of Share Warrant	—	33,550,000
Net Proceeds from Borrowing (Secured Term Loan)	94,183,228	101,693,325
Interest paid on Term Loan	(22,950,442)	(1,615,229)
Other finance charges	—	(1,234,302)
Dividend paid on Equity Share Capital, including corporate dividend tax	(3,130,910)	—
Net cash generated from Financing Activities	68,101,876	98,873,794
D Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(35,274,702)	56,268,120
E Cash and cash equivalents at the beginning of the year	58,535,733	2,267,613
F Cash and cash equivalents at the end of the year (D+E)	23,261,031	58,535,733

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statements' as notified by the Companies (Accounting Standards) Rules, 2006 as amended.
- Cash and cash equivalents at the end of the year includes:

Cash and cash equivalents

(a) Cash on hand	49,601	1,039,103
(b) Bank Balances		
— in Current Accounts	20,161,430	14,296,630
— in Fixed Deposit Accounts	4,713,320	24,874,750
	<u>24,874,750</u>	<u>69,950,500</u>
Total (a+b)	24,924,351	85,286,233
Less: Balance with bank in Fixed Deposit Accounts with original maturity of more than 3 months but less than 12 month	(1,538,320)	(22,400,000)
Less: fixed deposit accounts with original maturity more than 12 month (Refer Note 27(a))	(125,000)	(4,350,500)
	<u>23,261,031</u>	<u>58,535,733</u>

- 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. LLP** For and on behalf of the Board of Directors
Chartered Accountants
FRN:- 000643N

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat **Karan Singh Kherra** **Vijay Kumar Agrawal** **Vikas Khandelwal**
Whole Time Director Director Chief Financial Officer Company Secretary

Place: Mumbai
Date: April 23, 2014

Place: Mumbai
Date: April 23, 2014

Notes to Financial Statements

for the year ended March 31, 2014

(1) Company Overview:

- i) Store One Retail India Limited (“the Company”) was incorporated as Pyramid Retail Limited on March 18, 2005. The name of the company was subsequently changed to Indiabulls Retail Services Limited on 22nd May, 2008 and further changed to Store One Retail India Limited on 30th September, 2009 as per the provisions of the Companies Act, 1956. The company received fresh certificate of incorporation consequent upon the change of name, from the Registrar of Companies, National Capital Territory of Delhi and Haryana on October, 6, 2009.

Indiabulls Wholesale Services Limited (IBWSL) Holding Company of the Company, erstwhile Subsidiary of Indiabulls Real Estate Limited, completed the acquisition of 63.92% of the outstanding Equity Share Capital of the Company from the then existing promoters in terms of the Share Purchase Agreement dated December 08, 2007 and Public Announcement dated December 09, 2007. In the open offer, which concluded on April 10, 2008, IBWSL purchased 310 shares from the general public. Indiabulls Wholesale Limited demerged from Indiabulls Real estate Limited with effect from the appointed date 1st April, 2010 vide a scheme of arrangement 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 got listed in National Stock Exchange and Bombay Stock Exchange.

(2) Basis of Preparation of financial statement

i) Statement of compliance

The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, as amended and as per Revised Schedule VI to the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of commencement notification of Companies Act, 2013, dated 12 September, 2013 of Ministry of Corporate Affairs) and the relevant provision of the 1956 Act and 2013 Act, to the extent applicable. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

ii) 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.

(3) Significant Accounting Policies

i) Fixed Assets

(a) Tangible Assets:

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

(b) Intangible Assets:

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

(c) Capital work in progress:

Cost 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.

ii) Depreciation / Amortisation

- a) Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed asset is provided for up to the date of sale / deduction, as the case may be. Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.
- b) Intangible assets consisting of Computer Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

iii) Impairment of Assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of, an asset’s net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the

Notes to Financial Statements (contd.)

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 if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount and Impairment Losses previously recognized are accordingly reversed.

iv) Investments

Investments are classified as long term or current investments. Long term investments are stated at cost. Provision for diminution in the 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.

v) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized :

- a) Revenue from sale of goods/value added construction material is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The 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.
- b) Revenue from maintenance contracts and renting of equipments are recognised on pro-rata basis over the period of contract as and when services are rendered. The Company collects service tax on behalf of government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- c) Interest income from fixed deposits is recognized on accrual basis.
- d) Dividend income on equity shares is recognized when the right to receive the dividend is unconditionally established.
- e) Profit on sale of investments is recognized on the date of the transaction of sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.
- f) Tour & Travel income is recognise on the basis of confirm booking of ticket/hotel net of cancellation and commission/incentive on a mercantile basis.
- g) 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.

vi) Inventories

Inventories 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.

Goods / Merchandise received under concessionaire arrangements or in respect of third party sales counters, belong to such consignees / third parties, and are accordingly excluded from the Company's inventories.

vii) 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.

viii) Foreign Currency Transactions

a) Initial Recognition

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

b) 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.

c) Exchange Rate Differences

Exchange Rate differences arising on the settlement/conversion of monetary items or on reporting, the Company's monetary items at rates different from those at which they were initially recorded, are recognized as income or expense 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 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 as income or expenses in the Statement of Profit and Loss.

Notes to Financial Statements (contd.)

ix) Taxes on Income

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

Deferred Tax Assets are recognised where realisation is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty of realisation backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

x) Deferred Employee Stock Compensation Cost

Deferred Employee Stock Compensation Costs 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 intrinsic value as on the grant date. The compensation expense is amortized over the vesting period of the options.

xi) 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 (AS) 19 – “Leases” as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

xii) 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 Company's contribution to Employee Provident Fund and Employee State Insurance Schemes (defined contribution schemes) is charged to the Statement of Profit and Loss.

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 Company has unfunded defined benefit plans, namely compensated absences and gratuity the liability for which is determined on the basis of actuarial valuation, conducted on annual basis, by an independent actuary, in accordance with Accounting Standard 15 (AS 15) – 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 or losses are recognized in the Statement of Profit and Loss as income or expenses.

xiii) 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:

- a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or,
- b) 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 which may never be realized.

xiv) Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

xv) 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.

xvi) 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.

xvii) Segment Reporting

The company identifies primary based on the dominant sources, nature of risk & returns and internal organisation and management structure. The operating segments are the segments for which the separate financial information is available and for which operating profit/loss amount are evaluated regularly by the executive management in performance assessment and decision making with regard to resource allocation.

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 above.

Notes to Financial Statements (contd.)

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

(4) Share Capital	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Authorised				
Equity Shares of face value ₹10 each	28,000,000	280,000,000	28,000,000	280,000,000
Preference Shares of face value ₹10 each	4,000,000	40,000,000	4,000,000	40,000,000
		320,000,000		320,000,000
Issued, subscribed and fully paid up shares				
Equity Shares of face value of ₹ 10 each fully paid up	23,200,000	232,000,000	23,200,000	232,000,000
9% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of face value of ₹10 each fully paid up	2,973,450	29,734,500	2,973,450	29,734,500
Total Issued, subscribed and fully paid up share Capital		261,734,500		261,734,500

a. Reconciliation of the number of Shares and amount outstanding at the beginning and at the end of the year
Equity Shares

Particulars	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
At the beginning of the year	23,200,000	232,000,000	20,000,000	200,000,000
Issued during the year against payment received in cash	—	—	3,200,000	32,000,000
Outstanding at the end of the year	23,200,000	232,000,000	23,200,000	232,000,000

Preference Shares

Particulars	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
At the beginning of the year	2,973,450	29,734,500	3,122,450	31,224,500
Fresh Issue during the year	—	—	—	—
Redemption during the year	—	—	149,000	1,490,000
Outstanding at the end of the year	2,973,450	29,734,500	2,973,450	29,734,500

b. Authorised Share Capital

During the previous year ended March 31, 2013, the authorized share capital of the Company has been increased from ₹ 290,000,000 (Rupees Two hundred Ninety millions) to ₹ 320,000,000 (Rupees Three hundred twenty millions) with distribution as 28,000,000 (Twenty Eight millions) equity shares of ₹ 10 (Rupees Ten) each and 4,000,000 (Four millions) Preference Shares of ₹ 10 (Rupees Ten) each, through shareholders' authorisation by the postal ballot, result where of was declared on November 22, 2012.

c. Issuance of Fresh Equity Shares

During the previous year, the Company has pursuant to and in terms of shareholders' authorisation through Postal Ballot, result whereof was declared on November 22, 2012 and in the meeting of board of director of the company held on December 04, 2012 issued and allotted of 3,200,000 (Three million two hundred thousands) equity share of face value ₹ 10 each of the Company to Indiabulls Wholesale Services Limited, the promoter of the Company on preferential allotment basis at an issued price of ₹ 30.50 per equity share.

Notes to Financial Statements (contd.)

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

d. Terms/rights attached to Equity/Preference Shares

The company has only one class of equity shares having a face value of ₹ 10 (Rupees Ten) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. In the event of distributing dividends by the company and winding up, the preference shareholders will be preferred over the equity shareholders. The holders of preference shares are entitled to receive dividends, but they do not have any voting rights except for in the conditions mentioned in the Companies Act, 1956 and 2013 Act, to the extent applicable. 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.

e. Redemption of Preference Shares

During the previous year, the Company had redeemed its 149,000 non-convertible redeemable preference shares of ₹ 10 each at a premium of ₹ 870/- per share. Post redemption 2,973,450 non-convertible redeemable preference shares are outstanding as on March 31, 2014.

f. Shares held by holding company and/or their subsidiaries/associates

	As at March 31, 2014 Amount (₹)	As at March 31, 2013 Amount (₹)
(i) Indiabulls Wholesale Services Limited, the Holding Company 15,983,310 (Previous Year 15,983,310) Equity Shares of face value ₹ 10 each	159,833,100	159,833,100
1,979,500 (Previous Year 1,979,500) Preference Shares of face value ₹ 10 each	19,795,000	19,795,000
(ii) Albasta Wholesale Services Limited (formerly known as Albasta Power Limited), the Fellow Subsidiary Company 993,950 (Previous Year 993,950) Preference Shares of face value ₹ 10 each	9,939,500	9,939,500

g. Shareholders holding 5 % or more shares

No. of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i) Equity Shares				
One shareholder (Previous Year - One Shareholder) is holding more than 5% of Equity share capital.				
Equity shares of ₹ 10 each fully paid-up.	15,983,310	68.89%	15,983,310	68.89%
(ii) Preference Shares				
Two shareholders (Previous Year - two Shareholder) are holding more than 5% of Preference share capital				
Preference shares of ₹ 10 each fully paid-up.	2,973,450	100%	2,973,450	100%

Notes to Financial Statements (contd.)

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

h. Shares reserved for issue under options

Equity shares reserved for issuance under Employees stock options - Refer note no. 29

	As at March 31, 2014 Amount (₹)		As at March 31, 2013 Amount (₹)
(5) Reserves and Surplus			
Securities Premium Account			
Balance at the beginning of year	3,714,535,195		3,778,565,195
Add: Additions during the year	—		65,600,000
Less: Reduction during the year	—		(129,630,000)
	3,714,535,195		3,714,535,195
Surplus/(Deficit) as per Statement of Profit and Loss			
Opening balance	(3,116,831,977)		(3,490,321,761)
Add: Profit / (Loss) for the year	351,708,417		376,620,694
Net deficit in the statement of Profit and Loss	(2,765,123,560)		(3,113,701,067)
Less: Appropriations			
Proposed dividend on preference shares	(2,676,105)	(2,676,105)	
Corporate dividend tax thereon	(454,805)	(3,130,910)	(454,805)
	(2,768,254,470)		(3,116,831,977)
Total of Reserves and Surplus	946,280,725		597,703,218
(6) Money received against Share Warrants			
Share Warrants			
Balance at the beginning of the year	33,550,000		—
Add: Additions during the year	—		33,550,000
Total of Money received against share warrants	33,550,000		33,550,000
Issuance of Shares Warrant			
During the previous year ended March 31, 2013, the company had issued 4,400,000 (four million four hundred thousands) share warrant on preferential allotment basis, at a exercise price of ₹ 30.50 each, Convertible into the 4,400,000 (four million four hundred thousands) equivalent number of equity share of face value ₹ 10 each, to Indiabulls Wholesale Services Limited, the holding company, among which 25% of exercise price has been paid by the holder of warrant as upfront money. The said warrants will be exercisable upto June 5, 2014.			
(7) Long term borrowings - Secured			
Term Loans			
— from bank & others	195,876,553	101,693,325	
Less- current maturities of long term loans	(65,480,964)	130,395,589	(28,549,983)
Total of Long term borrowings	130,395,589		73,143,342

Notes to Financial Statements (contd.)

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

Secured Long term Borrowing and Terms of repayment

Particulars	loan outstanding	Rate of interest	Repayment terms	Nature of security
SREI Equipment Finance Private Limited	38,216,190 <i>(57,213,156)*</i>	12.00%	35 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by holding company Indiabulls Wholesale Services Limited
Kotak Mahindra Bank Ltd	76,317,254 <i>(44,480,169)*</i>	12% to 12.91%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed.
ICICI Bank Loan	81,343,109 <i>(Nil)*</i>	10.92% to 12.23%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by holding company Indiabulls Wholesale Services Limited
TOTAL	195,876,553 <i>(101,693,325)*</i>			

*Figures in respect of previous year are stated in Italics.

	As at March 31, 2014 Amount (₹)	As at March 31, 2013 Amount (₹)
(8) Long term provisions		
Provision for Gratuity (Refer note - 28)	2,305,589	1,964,554
Provision for Compensated Absences (Refer note - 28)	1,146,086	897,748
Total of Long term provisions	<u>3,451,675</u>	<u>2,862,302</u>
(9) Trade payables		
Dues to Micro and Small Enterprises	–	1,175,737
Dues to others	295,726,707	237,173,071
Total of Trade payables	<u>295,726,707</u>	<u>238,348,808</u>
There is no dues with Micro, Small and Medium Enterprises as on March 31, 2014 (previous year ₹1,175,737).		
(10) Other current liabilities		
Current maturities of long-term debt - Secured		
– from banks and others	65,480,964	28,549,983
Advance from Customers	3,480,961	4,420,190
Payable to statutory authorities	8,268,797	3,351,587
Expenses payable	51,561,245	77,483,469
Other liabilities	9,421,498	11,144,102
Total of Other current liabilities	<u>138,213,465</u>	<u>124,949,331</u>

Notes to Financial Statements (contd.)

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

	As at March 31, 2014 Amount (₹)	As at March 31, 2013 Amount (₹)
(11) Short-term provisions		
Provision for Gratuity (Refer note - 28)	32,631	77,208
Provision for Compensated Absences (Refer note - 28)	36,016	124,275
Proposed dividend on preference shares	2,676,105	2,676,105
Corporate dividend tax on proposed dividend on preference shares	454,805	454,805
Total of Short-term provisions	3,199,557	3,332,393

(12) Fixed Assets

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

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2013	Additions during the year	Adjustments/ Sales during the Year	As at March 31, 2014	As at April 1, 2013	Provided during the year	Sales/ write off during the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
A. Tangible Assets										
Plant & Equipment	535,146,313	752,574,879	6,092,733	1,281,628,459	69,629,775	52,852,764	1,986,515	120,496,024	1,161,132,435	465,516,538
Computers	82,790,193	363,720	14,740,091	68,413,822	78,656,504	1,549,534	14,253,557	65,952,481	2,461,341	4,133,689
Office Equipment	1,028,225	593,483	—	1,621,708	110,310	93,282	—	203,592	1,418,116	917,915
Furniture & Fixtures	276,434,341	39,078	72,050,900	204,422,519	110,508,658	14,435,687	33,790,310	91,154,035	113,268,484	165,925,683
Vehicles	53,886,317	1,208,000	—	55,094,317	6,904,314	8,704,971	—	15,609,285	39,485,032	46,982,003
TOTAL (A)	949,285,389	754,779,160	92,883,724	1,611,180,825	265,809,561	77,636,238	50,030,382	293,415,417	1,317,765,408	683,475,828
B. Intangible Assets										
Computer Softwares	96,113,521	—	—	96,113,521	95,964,751	148,770	—	96,113,521	—	148,770
TOTAL (B)	96,113,521	—	—	96,113,521	95,964,751	148,770	—	96,113,521	—	148,770
C. Capital work in progress and advances there against, at cost										159,904,102
TOTAL (A+B+C)	1,045,398,910	754,779,160	92,883,724	1,707,294,346	361,774,312	77,785,008	50,030,382	389,528,938	1,317,765,408	843,528,700
Previous Year	664,176,449	446,597,556	65,375,095	1,045,398,910	359,777,063	59,212,287	57,215,038	361,774,312	843,528,700	—

Note:- During the Year March 31, 2014 and previous year March 31, 2013 company has created a charge on the Tangible assets (Plant and Equipment & Vehicle) (Refer Note No-7)

	As at March 31, 2014 Amount (₹)	As at March 31, 2013 Amount (₹)
(13) Long-term loans and advances		
(Unsecured, considered good)		
(a) Capital Advances	13,094,630	84,651,847
(b) Security Deposits		
Considered Good	2,198,525	73,395,797
Considered Doubtful	155,530,001	83,508,729
Less: Provision for Doubtful Deposits	155,530,001	83,508,729
Total of Long-term loans and advances	15,293,155	158,047,644

Notes to Financial Statements (contd.)

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

	As at March 31, 2014 Amount (₹)	As at March 31, 2013 Amount (₹)
(14) Other non-current assets		
Other Bank Balances		
– in Fixed Deposit accounts*	125,000	4,350,500
Total of Other non-current assets	125,000	4,350,500

*Bank Guarantees of ₹ 100,000 (Previous Year ₹ 100,000) issued in favour of Assessing Authority, sales tax deptt. - Gurgaon, Secured by way of pledge of Fixed Deposits for ₹ 100,000 (Previous Year ₹ 100,000).

*Bank Guarantees of ₹ 25,000 (Previous Year ₹ Nil) issued in favour of Assistant Commissioner Commercial - UP, Secured by way of pledge of Fixed Deposits for ₹ 25,000 (Previous Year ₹ Nil).

*Bank Guarantees of ₹ Nil (Previous Year ₹ 4,250,500) issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for ₹ Nil (Previous Year ₹ 4,250,500).

(15) Inventories

(Valued at cost or net realised value, which ever is lower)

Raw materials	–		254,558	
Store and spares	1,716,768	1,716,768	8,348,214	8,602,772
Stock-in-trade	–		37,969,154	
Less: Provision for shrinkages and shortages	–	–	(36,687,982)	1,281,172
Total of Inventories		1,716,768		9,883,944

Details of Inventory (net of provisions)

(Amount in ₹)

Particulars	Store and spares	Raw Materials	Others	Total
Opening Stock	8,348,214	254,558	1,281,172	9,883,944
	–	–	42,487,561	42,487,561
Purchases of stock in Trade/ Issued to Consumption (net of returns and applicable taxes)	24,441,136	6,718,917	4,856,208	36,016,261
	9,890,052	32,321,579	6,169,776	48,381,407
Cost of Sales/ Consumption / Written Off	31,072,582	6,973,475	6,137,380	44,183,437
	1,541,838	32,067,021	47,376,165	80,985,024
Closing Stock	1,716,768	–	–	1,716,768
	8,348,214	254,558	1,281,172	9,883,944

The Company dealt in large number of products, the inventory has been furnished only in respect of major items namely Store & Spares ; Raw materials and other 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 Company.

During the year ending March 31, 2014, the Company has written off stock amounting Rs. 37,832,458.

Figures in respect of previous year are stated in Italics and have been regrouped wherever necessary.

Notes to Financial Statements (contd.)

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

	As at March 31, 2014 Amount (₹)	As at March 31, 2013 Amount (₹)
(16) Trade receivables		
(Considered good, unsecured)		
Outstanding for a period exceeding six months	28,278,812	549,998
Others	283,337,097	109,565,212
Total of Trade receivables	<u>311,615,909</u>	<u>110,115,210</u>
(17) Cash and bank balances		
Cash and cash equivalents		
Cash on hand	49,601	1,039,103
Balances with banks		
– in current accounts	20,161,430	14,296,630
– in fixed deposit accounts (Refer note 27)	4,713,320	69,950,500
Less: Non current bank balances in fixed deposit accounts(Refer note 27)	(125,000)	(4,350,500)
Less: Balances with bank in fixed deposit accounts with original maturity of more than 3 months but less than 12 month	(1,538,320)	(22,400,000)
	<u>3,050,000</u>	<u>43,200,000</u>
	<u>23,261,031</u>	<u>58,535,733</u>
Other bank balances		
Fixed deposit accounts with original maturity of more than 3 months but less than 12 month	1,538,320	22,400,000
Total of cash and bank balances	<u>24,799,351</u>	<u>80,935,733</u>
(18) Short-term loans and advances		
Security Deposits- Given to related parties	2,500,000	2,500,000
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	76,962,483	72,060,986
Considered doubtful	136,928,150	134,277,291
Less: Provision for doubtful advances	136,928,150	134,277,291
Advance income tax/tax deducted at source, net of provision for tax	61,682,853	53,517,480
Total of Short-term loans and advances	<u>141,145,336</u>	<u>128,078,466</u>
(19) Other current assets		
Interest accrued on fixed deposits with banks	91,291	683,697
Total of Other current assets	<u>91,291</u>	<u>683,697</u>

Notes to Financial Statements (contd.)

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

	For the year ended March 31, 2014 Amount (₹)	For the year ended March 31, 2013 Amount (₹)
(20) Revenue from Operations		
Sale of Products		
– Trading Goods	48,674,890	49,964,042
– Construction Related Materials	3,182,694	38,904,497
Sale of Services		
– Facility Maintenance Service and other related activities	670,320,461	637,831,469
– Equipment Hiring Services	423,140,622	156,602,123
– Tour and Travel Services	23,059,357	9,071,287
Total of Revenue from Operations	1,168,378,024	892,373,418
(21) Other Income		
Dividend on Units of Mutual Funds	1,146,063	3,022,879
Liabilities written back	38,764,328	35,101,211
Interest Income		
– From fixed deposits	872,980	3,752,266
– Others	1,673,773	690,738
– Income Tax Refund	1,417,831	–
Concessionaire Income	–	120,000
Foreign Exchange Gain - Unrealized	574,559	–
Miscellaneous Income	9,976,357	1,740,968
Total of Other Income	54,425,891	44,428,062
(22) Cost of Materials Consumed		
(Refer note no-15)		
Opening Stock	254,558	–
Add- Purchase during the year	6,718,917	32,321,579
Less- Closing Stock	–	254,558
Total of Cost of Materials Consumed	6,973,475	32,067,021
(23) Purchases of Stock-in- trade		
(Refer note no-15)		
Purchase of Trading Goods	4,856,208	6,169,776
Total of Purchases of Stock- in- trade	4,856,208	6,169,776
(24) Employee Benefit Expenses		
Salaries and Wages	76,856,361	78,331,051
Contribution to Provident Funds and Other Funds	237,065	150,595
Staff Welfare Expenses	983,447	4,168,469
Total of Employee Benefit Expenses	78,076,873	82,650,115

Notes to Financial Statements (contd.)

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

	For the year ended March 31, 2014 Amount (₹)	For the year ended March 31, 2013 Amount (₹)
(25) Finance Costs		
Interest on Term Loan	22,950,442	1,615,229
Interest on Taxes	2,246	1,157
Interest Others	—	339,467
Other Borrowing cost	1,007,951	1,233,145
Total of Finance Costs	23,960,639	3,188,998
(26) Other Expenses		
Consumables	23,967,974	11,188,569
Transportation Charges	3,887,047	10,823,803
Labour Charges	53,257,726	4,480,554
Tour and Travel Services	22,818,199	8,257,602
Repairs and Maintenance		
– Buildings	6,648,532	11,641,078
– Plant and Machinery	46,928,768	33,579,603
– Others	7,117,307	6,055,990
Façade Cleaning	11,222,908	14,415,757
Lift Operating & Management Charges	48,743,957	39,481,123
Gardening and Maintenance	3,699,904	3,105,145
Common Area Electricity & Water Charges	26,137,304	39,695,179
Security Charges	48,461,287	43,642,397
Property Management and Maintenance Expenses	212,587,133	70,879,463
Rent Expenses	6,908,923	280,088
Rates and Taxes	4,655,896	3,035,182
Insurance	3,741,621	423,861
Legal and Professional Charges	20,494,138	15,319,007
Sundry Balance written off	2,623,462	14,729,871
Less:- Adjusted against provision of earlier years	—	(12,778,012)
Communication Expenses	590,846	1,023,014
Travelling and Conveyance	1,611,085	2,157,293
Auditors' Remuneration		
– As Auditor	2,000,000	2,000,000
– For other services	—	50,000
Printing and Stationery	1,161,743	1,584,025
Advertisement and Sales Promotion	129,197	441,991
Loss on Sale/Disposal of Fixed Assets	42,150,696	5,334,991
Provision for Debts and Advances	74,672,131	2,000,000
Office Expenses	1,133,675	2,817,343
Foreign Exchange Loss - Realized	193,406	—
Miscellaneous Expenses	179,149	21,283
Total of Other Expenses	677,724,014	335,686,200

Notes to Financial Statements (contd.)

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

(27) Contingent liabilities and Commitments:

Contingent liabilities:

a) Bank Guarantees:

- i. of ₹ 100,000 (Previous Year ₹ 100,000) issued in favour of Assessing Authority, Haryana Sales Tax, Gurgaon, Secured by way of pledge of Fixed Deposits for ₹ 100,000 (Previous Year ₹ 100,000).
- ii. of ₹ 25,000 (Previous Year ₹ Nil) issued in favour of Assessing Authority- UP, Secured by way of pledge of Fixed Deposits for ₹ 25,000 (Previous Year ₹ Nil).
- iii. of ₹ Nil (Previous Year ₹ 4,250,500) issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for ₹ Nil (Previous Year ₹ 4,250,500).

- b) Claims (Excluding interest) against the Company not acknowledged as debts: ₹ 4,515,200 (Previous Year: ₹ 10,218,890).

Commitments:

Estimated amount of Contracts remaining to be executed on capital account (net of advances) ₹27,197,289 (Previous Year ₹ 53,105,650).

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.

(28) Employee benefits

Gratuity

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 ₹ 1,067,363 (previous year Charge ₹ 1,164,452) during the year ended March 31, 2014 and the amount outstanding as at March 31, 2014 is ₹ 2,338,220 (previous year ₹ 2,041,762).

Compensated Absences

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 ₹ 655,161 (previous year charge ₹ 680,857) during the year ended March 31, 2014 and the amount outstanding as at March 31, 2014 is ₹ 1,182,102 (previous year ₹ 1,022,023).

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

Particulars	Gratuity		Compensated Absences	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Service cost	833,928	679,830	468,958	244,787
Interest cost	163,341	85,076	81,762	26,134
Benefits paid	–	–	–	–
Actuarial (gain)/loss, net	70,094	399,546	104,441	97,753
Cost recognized during the year	1,067,363	1,164,452	655,161	368,674

Notes to Financial Statements (contd.)

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

Details of the employee benefits obligation are provided below:

Particulars	Gratuity		Compensated Absences	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Obligation at the beginning of the year	2,041,762	907,800	1,022,023	653,349
Cost recognized during the year	1,067,363	1,164,452	655,161	368,674
Benefits paid during the year	(770,905)	(30,490)	(495,082)	—
Obligation at the end of the year	2,338,220	2,041,762	1,182,102	1,022,023

The assumptions used to determine cost include:

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

(29) Employees Stock Options Schemes(ESOS):

Employees' Stock Option Schemes of the Holding Company:

During the year ended March 31, 2012, the Board of Directors and Shareholders of the Holding Company (Indiabulls wholesale Services Limited) have given their consent to create, issue, offer and allot, to the eligible employees of the Holding 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 Holding 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 (One million Two hundred & Fifty Seven Thousands only) stock options in its meeting held on February 28, 2012, 650,000 (Six hundred & Fifty Thousands only) stock options in its meeting held on March 29, 2012, 150,000 (One hundred & Fifty Thousands only) stock options in its meeting held on July 10, 2012, 850,000 (Eight hundred & Fifty Thousands only) stock options in its meeting held on September 17, 2012, 160,000 (One hundred & Sixty Thousands only) stock options in its meeting held on February 2, 2013 and 150,000 (One hundred & Fifty Thousands only) stock options, in its meeting held on February 22, 2013, in terms of the IBWSL ESOP- 2011. These options represent as equal number of Equity shares of face value Rs. 2 each in the Company and shall vest within ten years beginning from March 1, 2013, March 30, 2013, July 11, 2013, September 18, 2013, February 3, 2014, February 23, 2014, May 10, 2014, October 2, 2014 and November 1, 2014, being the first vesting date(s), respectively. Further the options granted under each slab, can be exercised within a period of five years from the relevant vesting date(s).

Employees' Stock Option Schemes of the Company:

(i) Indiabulls Retail Services Limited Employees' Stock Options Scheme – 2008

During the year ended March 31, 2009, pursuant to the Resolution passed on May 12, 2008 the Company had established the "Indiabulls Retail Services Limited Employees' Stock Options Scheme-2008" under ("IBRSL ESOS 2008"), the Company issued equity settled options to its eligible employees to subscribe upto 1,000,000 stock options. However, this scheme was subsequently superseded by Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009' ("IBRSL ESOS 2009"), as approved by the share holders by way of postal ballot on February 9, 2009.

Notes to Financial Statements (contd.)

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

(ii) **Store One Retail India Limited Employees Stock Option Scheme - 2009**

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

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

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 compensation expense in respect of the options granted was recorded by the Company.

The Fair value of the options under the plan using the Black-Scholes model based on the following parameters is ₹ 24.06 per option, as calculated by an independent firm of Chartered Accountants:

Sr. No.	Particulars	ESOP – 2009
1	Fair value of option at grant date (₹ per option)	₹ 24.06
2	Exercise price (₹ per option)	₹ 30.45
3	Expected volatility	206%
4	Expected forfeiture percentage on each vesting date	Nil
5	Option Life (Weighted Average)	10.5 Years
6	Expected Dividends yield	Nil
7	Risk Free Interest rate	6.50%

A summary of the movement during the year in the above Employee stock option scheme:

Particulars	No of Shares
Total number of option under Scheme	1,500,000
Number of options outstanding as at April 1, 2013	345,000
Number of options granted during the year	Nil
Number of options vested during the year	Nil
Number of options forfeited/cancelled during the year	195,000
Number of options exercised during the year	Nil
Number of options expired during the year	Nil
Number of options outstanding as at March 31, 2014	150,000
Out of the outstanding option number of options exercisable as at March 31, 2014	60,000
Exercise Price (₹ per option)	30.45
Remaining Contractual Life (Months)	74

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

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

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

Pursuant to the shareholders' authorization dated September 30, 2009 and receipt of fresh certificate of incorporation dated October 6, 2009, the name of the Company has been changed from Indiabulls Retail Services Limited to Store One Retail India Limited. Accordingly, the title of the Scheme stands changed from Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009(II) to 'Store One Retail India Limited Employees Stock Option Scheme - 2009(II). No shares have been granted under the scheme till date.

(30) Segment Reporting:

Segment information for the Year ended March 31, 2014:, as per Accounting Standard AS-17, Segment Reporting, as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(a) Primary segment information (by business segments)

Particulars	Facility Maintenance and other related activities		Equipment Hiring Services		Consolidated Total	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
(i) Segment Revenue						
External Revenue	670,320,460	637,831,469	423,140,621	156,602,123	1,093,461,081	794,433,592
Unallocated Revenue					74,916,943	97,939,826
Inter-Segment Revenue	–	–	–	–	–	–
Total Revenue	670,320,460	637,831,469	423,140,621	156,602,123	1,168,378,024	892,373,418
(ii) Segment Result						
(Loss) / Profit before Tax and Interest	223,310,268	275,570,562	262,605,958	115,222,584	485,916,226	390,793,146
Add: Unallocated expenditure net of other unallocated income					(109,809,061)	(10,983,454)
Operating Profit					376,107,165	379,809,692
Less: Interest expenditure					23,960,639	3,188,998
Less: Income taxes and Deferred tax					–	–
Total Profit from operating activities before tax					352,146,526	376,620,694
(iii) Segment Assets	150,820,171	31,647,535	1,397,137,478	775,752,431	1,547,957,649	807,399,966
Unallocated Corporate Assets					264,594,569	528,223,928
Total Assets					1,812,552,218	1,335,623,894
Segment Liabilities	147,128,048	97,890,060	25,361,135	16,052,845	172,489,183	113,942,905
Unallocated Corporate Liabilities					398,497,810	328,693,271
Total Liabilities					570,986,993	442,636,176
Capital Employed (Segment Assets- Segment Liabilities)					1,241,565,225	892,987,718

Notes to Financial Statements (contd.)

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

Particulars	Facility Maintenance and other related activities		Equipment Hiring Services		Consolidated Total	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
(iv) Capital Expenditure including capital advances	–	–	13,094,630	84,651,847	13,094,630	84,651,847
Unallocated Capital Expenditure including capital advances					–	–
Total Capital Expenditure including capital advances					13,094,630	84,651,847
(v) Depreciation and Amortization expense	854,518	1,108,467	51,107,600	17,530,143	51,962,118	18,638,609
Unallocated Revenue					25,822,890	40,573,678
Total Depreciation and amortization expense					77,785,008	59,212,287
(vi) Non-Cash expenditure other than depreciation	–	1,845,309	–	–	–	1,845,309
Unallocated Non-Cash expenditure other than depreciation					121,168,813	49,515,338
Total Non-Cash Expenditure other than depreciation					121,168,813	51,360,647

- b) The Company operates solely in one Geographic segment namely “Within India” and hence no separate information for Geographic segment wise disclosure is required.
- c) The group’s primary business segments are reflected based on principal business activities carried on by the Company. The Company operates in two reportable business segments i.e. Facility Maintenance Services and Equipment Hiring Services. Other non-reportable segments including wholesale trading, construction related materials & services and tour & travel services have been shown under unallocated.
- d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

(31) Disclosures in respect of Related Parties as per Accounting Standard, AS-18, ‘Related Parties Disclosures’ as notified by the Companies (Accounting Standards) Rules, 2006, as amended:

(a) Name and Nature of Relationship with related parties:

Relationship	Name of Related parties
i) Related Party where control exist	
Holding Company	Indiabulls Wholesale Services Limited
ii) Other related parties:	
Fellow Subsidiary Company*	Indiabulls Technology Solutions Limited Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)
Key Management Personnel	Mr. Abhimanyu Mehlawat, Whole- Time Director Mr. Mehul Johnson, Director Mr. Rajiv Rattan, Promoter of Holding Company Mr. Sameer Gehlaut, Promoter of Holding Company Mr. Saurabh Kumar Mittal, Promoter of Holding Company

* With whom transactions entered during the year

Notes to Financial Statements (contd.)

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

(b) Summary of significant transactions with related parties

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Issue of Equity Shares to		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	-	97,600,000
Redemption of Preference Shares		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	-	131,120,000
Payment of Dividend on Preference Shares		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	1,781,550	-
<i>Fellow Subsidiary Company:</i>		
Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	894,555	-
Issue of Shares warrant to		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	-	33,550,000
Short- Term Loan and Advance Given to		
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	-	2,500,000
Income from Operation		
Facility Maintenance Services and other related activities		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	-	26,100
Equipment Hiring Services		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	20,400	-
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	600,000	476,923
Tour & Travel Services		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	397,818	65,838
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	2,601,880	334,384
Other Expenses		
Legal and Professional Charges		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	5,000,000	-
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	7,083,334	10,000,000
Reimbursement of expenses incurred by		
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	-	50,000

Notes to Financial Statements (contd.)

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

(c) Statement of Maximum outstanding balance during the year:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Short- Term Loan and Advance Given		
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	2,500,000	2,500,000

(d) Outstanding balances as on March 31, 2014:

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Receivable		
Holding Company:		
- Indiabulls Wholesale Services Limited	-	62,866
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	-	96,138
Total	-	159,004
Short Term Loan and Advances Given		
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	2,500,000	2,500,000
Total	2,500,000	2,500,000

(32) Income Tax

Current Tax

The current tax for the year ended March 31, 2014 includes current year tax charge of ₹ 438,109 (previous year: ₹ Nil).

Deferred Tax Asset

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 Deferred Tax Assets has not been recognized as there is no virtual certainty supported by convincing evidence of the subsequent realization of such deferred tax assets in future.

(33) Earnings Per Equity Share (EPS):

The basic earnings per Equity Share is 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 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, Convertible Preference Shares, Share Warrants and the potential dilutive effect of Employee Stock Option Plan as appropriate.

Notes to Financial Statements (contd.)

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit before tax	352,146,526	376,620,694
Less:- Preference dividend including dividend tax paid	3,130,910	3,130,910
Profit After Tax available for Equity Shareholders (₹)	349,015,616	373,489,784
Weighted average number of Shares used in computing Basic earnings per Equity share	23,200,000	21,034,521
Weighted average number of Shares used in computing Diluted earnings per Equity share	23,200,000	21,461,636
Face Value of Equity Shares (₹)	10	10
Basic Earnings Per Equity Share (₹)	15.02	17.76
Diluted Earnings Per Equity Share (₹)	15.02	17.40

(34) Foreign exchange earning and outflow:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Purchase of fixed assets	390,801,462	198,306,223

(35) Operating lease

The Company has taken premises on operating leases and lease rent of ₹ 6,908,923 (Previous year ₹ Nil) in respect of the same has been charged to Statement of Profit and Loss for the year ended March 31, 2014. The minimum lease rentals payable in respect of such operating leases, are as under:

Minimum lease rentals payable	As at March 31, 2014	As at March 31, 2013
Within one year	11,883,878	-
Later than one year but not later than five years	46,628,044	-
Total	58,511,922	-

(36) In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2014 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet after appropriate provision. Certain balances shown under loans and advances, sundry creditors and balances with banks are subject to confirmation/reconciliation. In the opinion of the Board of Directors, no provision is required to be made against the recoverability of such balances, other than as already provided in the financial statements.

(37) 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 on March 31, 2014.

(38) The company has not entered into any foreign exchange derivative instruments during the year. There are no outstanding foreign currency exposures as at March 31, 2014.

(39) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For **Sharma Goel & Co. LLP** For and on behalf of the Board of Directors
Chartered Accountants
FRN:- 000643N

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlatat **Karan Singh Kherra** **Vijay Kumar Agrawal** **Vikas Khandelwal**
Whole Time Director Director Chief Financial Officer Company Secretary

Place: Mumbai
Date: April 23, 2014

Place: Mumbai
Date: April 23, 2014

Registered Office

M-62 & 63,
First Floor, Connaught Place,
New Delhi- 110 001
Website: www.storeone.in

Corporate Offices

“Indiabulls House”
Gurgaon - 122016
448-451, Udyog Vihar, Phase V

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



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FORM A
Pursuant to Clause 31(a) of the Equity Listing Agreement

1.	<i>Name of the Company</i>	Store One Retail India Limited
2.	<i>Annual financial statements for the year ended:</i>	Annual Financial Statements for the year ended 31 st March 2014
3.	<i>Type of Audit observation</i>	UNQUALIFIED
4.	<i>Frequency of observation</i>	Not Applicable
5.	<i>To be signed by-</i>	
	<i>CEO/ Managing Director</i>	 Mr. Abhimanyu Singh Mehlawat <i>(Whole-time Director)</i> New Delhi, June 20, 2014 
	<i>CFO</i>	 Mr. Vijay Kumar Agrawal New Delhi, June 20, 2014 
	<i>Audit Committee Chairman</i>	 Mr. Shamsheer Singh Ahlawat New Delhi, June 20, 2014 
	<i>Auditor of the company</i>	Refer our Audit Report dated April 23, 2014 on the financial statements of "Store One Retail India Limited" For Sharma Goel & Co. LLP Chartered Accountants (Firm Registration No. 000643N)  Amar Mittal (Partner) (Membership No. 017755) New Delhi, June 20, 2014