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Store One Retail India Limited
Annual Report 2010-11

Company Information

Board of Directors

Mr. Abhimanyu Mehlawat

Mr. Mehul CC Johnson

Mr. Mukul Bansal

Mr. Shamsheer Singh Ahlawat

Mr. Aishwarya Katoch

Mr. Karan Singh

Mr. Prem Prakash Mirdha

Company Secretary

Mr. Vikas Khandelwal

Statutory Auditors

Sharma Goel & Co.,
Chartered Accountants,
Y -59, 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

1A, Hamilton House,
1st Floor, Connaught Place,
New Delhi – 110 001
Website: www.storeone.in

Corporate Office

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

Bankers

HDFC Bank Limited
State Bank of India

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Review

The Company has ventured into the business of facility management services, business support services, security agency services and equipment/machinery rental services etc. Recently the Board has decided to discontinue its retail trading business and to focus on wholesale trading business, which can advantageously and conveniently be carried out with the existing resources and infrastructure of the Company, along with the business of facility management services.

Opportunities - Diversified business portfolio

The Company intends to capitalize existing potential in the business of facility management services, business support services, security agency services and equipment/machinery rental services etc and in the business of wholesale trading.

With the increased number of multistoried high-end residential, commercial & retail space, there is huge business opportunities and potential in this industry. Considering the resources & expertise available, the management has decided to capitalize the existing opportunities in the business of providing facility management services to various customers including Indiabulls Group companies engaged in the business of development of infrastructure & real estate.

Further, in its constant endeavor to enhance shareholder value, the Board has also decided to explore new opportunities in the wholesale trading business segment.

Threats

There is intense competition & complexity in wholesale trading business. Product sourcing, warehouse management and inventory management along with shortage of quality real estate and infrastructure requirements in the Country are some of the significant challenges which the Company may face. The Company believes that execution is the key risk in the business of facility management services.

Strengths

The Company believes that following are the key strengths that provide it competitive advantages in the business of facility management services and wholesale trading.

Strong management team

The Company has an experienced professional management team possessing strong capabilities in the various aspects of business of wholesale trading and facility management services. Its management team is complemented by a committed workforce that enables to operate, synergies and integrate the front and backend operations efficiently.

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 believes that continuous investment in process, systems and technology results substantial growth.

Strong bargaining strength

With the experienced professional management team, the Company has developed strong bargaining strength in negotiations/renegotiation of commercial terms with merchandise suppliers, vendors, customers etc.

Risks and concerns

Execution: Although the growth of business of wholesale trading and facility management services potentially appears to be immense, the Company believes the key risk to its growth is execution risk. The Company has a strong management team and believes that it would be capable enough to execute varied business formats.

Employee retention: The Company believes that with the entry of new players and growth of Indian economy, employee retention has become very important.

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 proper 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.

The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the Company.

Cautionary Statement

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

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present to you the Sixth Annual Report together with audited statement of accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2011 are as under:

Particulars	(Amount in Rs.)	
	Year ended March 31, 2011	Year ended March 31, 2010
Profit/(Loss) before Depreciation	(290,129,832)	(418,356,423)
Less: Depreciation/ Impairment of Fixed Assets	61,582,392	93,615,014
Profit/ (Loss) before Tax	(351,712,224)	(511,971,437)
Less: Provision for Tax	--	--
Profit/ (Loss) after Tax	(351,712,224)	(511,971,437)
Profit/ (Loss) brought forward	(3,257,002,076)	(2,745,030,639)
Balance carried forward to Balance Sheet	(3,608,714,300)	(3,257,002,076)

BUSINESS REVIEW

The Company has ventured into the business of facility management services, business support services, security agency services and equipment/machinery rental services etc. Recently the Board has decided to discontinue its retail trading business and to focus on wholesale trading business, which can advantageously and conveniently be carried out with the existing resources and infrastructure of the Company, along with the business of facility management services.

DIVIDEND

In view of loss incurred during the year under review, your directors do not recommend any dividend.

ALLOTMENT OF PREFERENCE SHARES

Subsequent to year end, on July 5, 2011, the Company allotted an aggregate of 30,00,000 (Thirty Lakhs) Preference shares of face value Rs. 10/- each at an issue price of Rs. 880/- per share, including premium of Rs. 870/- per share, out of which 20,70,000 (Twenty Lakhs Seventy Thousand) Preference Shares have been allotted to Indiabulls Wholesale Services Limited, the holding company and 9,30,000 (Nine Lakhs Thirty Thousand) Preference Shares have been allotted to Albasta Power Limited, a fellow subsidiary.

EMPLOYEES STOCK OPTIONS

The disclosures required to be made in the Directors' Report in respect of the stock options granted under the employee stock option scheme in force in the Company, in terms of the format prescribed under SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999, are set out in the annexure 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 (Thirty lacs) stock options, for the benefit of Eligible Employees. The options under this Scheme are not yet granted by the Board/ Compensation Committee.

FIXED DEPOSITS

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

SUBSIDIARY

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

In terms of the Circular No. 2/2011, No.: 51/12/2007-CL-III dated February 8, 2011 issued by the Ministry of Corporate Affairs for granting general permission for not attaching certain prescribed documents including annual accounts of the subsidiaries to the Balance Sheet of the Holding Company, as required to be attached in terms of Section 212 of the Companies Act, 1956, and accordingly as approved by the Board of Directors of the Company in its meeting held on May 4, 2011, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiary of the Company as of March 31, 2011 have not been attached with the Balance Sheet of

DIRECTORS' REPORT (Contd..)

the Company. These documents will be made available upon request by any Member of the Company interested in obtaining the same. The annual accounts of the subsidiary company are also kept for inspection by any shareholder at the head office of the holding company and of the subsidiary company. However, in terms of the said circular, information desired to be disclosed in respect of the subsidiary company, has been disclosed, in the notes to accounts of the Consolidated Balance Sheet forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by The Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes financial information of its subsidiary.

DIRECTORS

On November 13, 2010, Mr. Anil Lepps resigned and Mr. Abhimanyu Mehlawat was appointed as Whole-time Director on the Board of the Company. Your Directors place on record their deep sense of appreciation for the valuable services rendered by Mr. Anil Lepps during his tenure as Director on the Board of the Company.

Mr. Abhimanyu Mehlawat (DIN: 02229285), being Additional Director, holds his office as such up to the date of ensuing Annual General Meeting of the Company. The Company has received notice in terms of the Section 257 of the Companies Act, 1956, from a member, signifying his intention to propose the candidature of Mr. Mehlawat for the office of Director of the Company.

Further, in accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and the Article 132 of the Articles of Association of the Company, Mr. Aishwarya Katoch (DIN: 00557488) and Mr. Mehul CC Johnson (00016075), Directors, retire by rotation and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees of various Companies, are provided in the Corporate Governance Report, which form an integral part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, 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 Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The listing fees for the financial year 2011-12 have been paid to both the exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and the loss of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITORS' REPORT

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

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

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

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : New Delhi
Date : September 3, 2011

Sd/-
Abhimanyu Mehlawat
Whole-time Director

Sd/-
Mehul CC Johnson
Director

Annexure to 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 foreign exchange earnings and outgo during the year under review and the previous year.

Annexure to the Directors' Report regarding the ESOP issue

Store One Retail India Limited Employees Stock Option Scheme – 2009 – As on March 31, 2011

Particulars		
a.	Options Granted	1,500,000
b.	Exercise price	Rs. 30.45
c.	Options vested	150,000
d.	Options exercised	Nil
e.	The total number of Shares arising as a result of exercise of option	Nil
f.	Options lapsed and eligible for regrant	855,000
g.	Variation in terms of options	Nil
h.	Money realized by exercise of options	Nil
i.	Total number of options in force	645,000
j.	Employee wise details of options granted to:	
	i. Senior Management personnel	Mr. Abhimanyu Mehlawat - 150,000
	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.	
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']	Rs. (17.59)
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 Schedule "19" Part-B-Notes to accounts 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: Rs. 30.45 per option Weighted-average fair value: Rs. 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:	Refer to Schedule "19" Part-B-Notes to accounts forming part of the Annual Report
	i. risk free interest rate	
	ii. expected life	
	iii. expected volatility	
	iv. expected dividends	
	v. the price of the underlying share in market at the time of option grant	

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 seven directors of whom one is executive director and the remaining six directors are non-executive directors. Of the six 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, 2011 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 Mehlawat	Executive Director	13	1	Nil
2.	Mr. Mehul CC Johnson	Non-Executive Director	14	5	2
3.	Mr. Mukul Bansal	Non-Executive Director	14	3	1
4.	Mr. Aishwarya Katoch	Non-Executive Independent Director	3	7	3
5.	Mr. Shamsher Singh Ahlawat	Non-Executive Independent Director	4	5	5
6.	Mr. Karan Singh	Non-Executive Independent Director	5	4	2
7.	Mr. Prem Prakash Mirdha	Non-Executive Independent Director	4	4	Nil

* During FY 2010-11, Mr. Rajiv Rattan, Ms. Savita Singh and Mr. Anil Lepps resigned from the directorship of the Company. Accordingly, their directorships, memberships / chairmanships on the board committees of the Company and those of other companies, are therefore not indicated in the above table.

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

***Only memberships / chairmanships of the Audit Committees and Shareholders' Grievance Committees in various public limited companies, considered.

#This includes the chairmanship in the Committees.

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

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

During the financial year 2010-11, the Board met 7 times. The dates of the meetings were April 1, 2010, April 29, 2010, August 14, 2010, August 31, 2010, November 13, 2010, February 14, 2011 and February 28, 2011.

The last Annual General Meeting (AGM) of the Company was held on September 30, 2010.

A table depicting the attendance of Directors at various Board Meetings and the Annual General Meeting held during FY 2010-11 is given below:

SI. No.	Name of the Director*	Meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
1.	Mr. Abhimanyu Mehlawat (DIN: 02229285)	3	3	N.A.
2.	Mr. Mehul CC Johnson (DIN: 00016075)	7	6	No
3.	Mr. Mukul Bansal (DIN: 00399080)	5	4	Yes
4.	Mr. Aishwarya Katoch (DIN: 00557488)	7	4	Yes
5.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	7	7	Yes
6.	Mr. Karan Singh (DIN: 00017236)	7	5	Yes
7.	Mr. Prem Prakash Mirdha (DIN: 01352748)	7	2	No
8.	Mr. Rajiv Rattan (DIN: 00010849)	2	2	N.A.
9.	Mr. Anil Lepps (DIN: 01196789)	5	5	N.A.
10.	Ms. Savita Singh (DIN: 01585328)	2	Nil	N.A.

*During FY 2010-11, Mr. Rajiv Rattan, Ms. Savita Singh and Mr. Anil Lepps resigned from the directorship of the Company and Mr. Abhimanyu Mehlawat and Mr. Mukul Bansal were appointed as Directors on the Board of the Company.

(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 Whole-time Director to this effect is enclosed at the end of this Report.

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

3. COMMITTEES OF THE BOARD

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

(A) Audit Committee**Composition**

The Audit Committee comprises of three members namely Mr. Shamsher Singh Ahlawat as the Chairman, Mr. Aishwarya Katoch and Mr. Mehul CC Johnson, all Non-Executive Directors. Two out of three members namely Mr. Shamsher 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*, include:

- 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 auditors, the adequacy of internal control systems.
- To recommend the appointment of the auditors and fixing their remuneration.
- To hold discussions with the auditors.

Meetings and Attendance thereat during the year

During the FY 2010-11, the Audit Committee met four times. The dates of the meetings being April 29, 2010, August 14, 2010, November 13, 2010 and February 14, 2011.

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. Shamsher Singh Ahlawat	4	4
Mr. Aishwarya Katoch	4	3
Mr. Mehul CC Johnson	4	3

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

(B) Remuneration Committee

Composition

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

Terms of reference

The terms of reference of Remuneration Committee, *inter-alia*, include :

- To recommend to the Board, compensation terms of the Executive Directors.
- To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

Meetings

During the year, the Committee met once on November 13, 2010 and it was attended by all of its members.

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 Mehlawat, Whole-time 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 2010-11.

(C) Shareholders' / Investors' Grievance Committee

Composition

The Shareholders' / Investors' Grievance Committee constituted by the Board presently comprises of three directors namely, Mr. Aishwarya Katoch, Mr. Mehul CC Johnson and Mr. Mukul Bansal.

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. Mehul CC Johnson.

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

Meetings and Attendance thereat during the year

During the financial year 2010-11, the Shareholders'/ Investors' Grievance Committee met four times. The dates of the meetings were April 5, 2010, July 5, 2010, October 4, 2010 and January 3, 2011.

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	4
Mr. Mehul CC Johnson	4	3
Mr. Rajiv Rattan*	2	2
Mr. Mukul Bansal*	2	2

*During the FY 2010-11, Mr. Rajiv Rattan resigned and Mr. Mukul Bansal was appointed as member of the Committee.

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 year 2010-11

During the FY 2010-11, no compliant was received.

4. GENERAL BODY MEETINGS**(A) Location and time of last three Annual General Meetings (AGMs)**

Year	Location	Date	Time
2007-08	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi-110 037	September 5, 2008	10:00 A.M.
2008-09	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi-110 037	September 30, 2009	10:00 A.M.
2009-10	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi-110 037	September 30, 2010	10:00 A.M.

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

In the AGM of the Company for the year 2007-08, no special resolution was passed.

In the AGM for the year 2008-09, special resolutions as per detail hereunder, were passed:

- (i) Special Resolution according consent to the approval and ratification of the grant of Stock Option during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options, to certain eligible employees, under the scheme titled "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009".
- (ii) Special Resolution seeking members' approval to create, issue, offer and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director, whether whole-time or otherwise (except the promoter directors of the Company, or any other director holding, directly or indirectly, more than 10% of the outstanding Equity Shares of the Company), under an employee stock option scheme titled "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009 (II)", (hereinafter referred to as the "IBRSL ESOS-2009 (II)" or "Scheme"), up to 30,00,000 (Thirty lacs) Stock Options entitling the option holders to purchase an equivalent number of Equity Shares of face value Rs. 10/- (Rupees Ten) each of the Company, at such price, in one or more tranches, and on such terms and conditions as may be decided by the Board under IBRSL ESOS-2009 (II) and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.
- (iii) Special Resolution seeking members' approval to extend the benefits of "IBRSL ESOS-2009 (II)", to or for the benefit of Employees of the Company's subsidiary(ies) (existing or future) and those of its holding company and its ultimate holding company, including Directors (except Promoter Directors and any Director holding, directly or indirectly, more than 10% of the outstanding Equity shares of the Company) of such subsidiaries or holding companies, on such terms and conditions as may be decided by the Board under IBRSL ESOS-2009 (II) and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.
- (iv) Special Resolution seeking members' approval to create, issue, offer and allot the Stock Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options to certain eligible employees under the scheme titled "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009 (II)", at such price, in one or more tranches, and on such terms and conditions as may be decided by the Board under IBRSL ESOS-2009 (II) and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.

- (v) Special Resolution seeking members' approval for amendment / alteration in the sub-clause (a) of Article 3 of the Articles of Association of the Company.
- (vi) Special Resolution seeking members' approval to the change in name of the Company from "Indiabulls Retail Services Limited" to "Store One Retail India Limited".

In the AGM for the year 2009-10, special resolution as per detail hereunder, was passed:

- (i) Special Resolution seeking members' 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)' ("Stock Option Schemes"), to empower the Board of Directors of the Company (which expression shall also include a Committee thereof) to entrust the holding of Securities for the benefit of the Eligible Employees and to manage the implementation of Stock Option Schemes, by the Employees Welfare Trust, in accordance with the terms of the respective Stock Option Schemes.

(C) (i) Special resolution passed during FY 2010-11 through postal ballot

During FY 2010-11, no resolution was passed by the Company through Postal Ballot.

(ii) Special resolution passed through postal ballot in the current financial year

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

Date of declaration of result: May 20, 2011

Resolution No.	Description	% of valid votes in favor of resolution	% of valid votes against resolution
1.	Special Resolution under Section 17(1) of the Companies Act, 1956, for altering/amending the Clause-III (C) "The Other Objects Clause" of the Memorandum of Association of the Company by inserting therein new Sub-clause 105.	99.9988%	0.0012%
2.	Special Resolution under Section 149(2A) and all other applicable provisions, if any, of the Companies Act, 1956, for commencement of the business as given in sub-clause 105 of Clause III(C) of the Memorandum of Association of the Company, upon registration of altered Memorandum of Association by the Registrar of Companies, NCT of Delhi and Haryana.	99.9995%	0.0005%

(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 are 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 2010-11, 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 market, during the last three years

There has been no instance of any non-compliance by the Company on any matter related to capital market 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 victimisation 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 are 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 the Annual Report.
- (iv) Investors' Relation:** The Company's website contains a separate dedicated section "Investor Relations" and "News & Media" where general information to shareholder is available.

7. GENERAL SHAREHOLDERS' INFORMATION

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

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

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

Mr. Abhimanyu Mehawat

Mr. Abhimanyu Mehawat, aged about 35 years, is an Executive Director on the Board of the Company since November 13, 2010. He graduated from Govt. College of Engineering, Bhilwara, Rajasthan with a bachelor's degree in technology. He has rich and diverse experience of working with different industries like Textile, IT & Telecom. His association on the Board of the Company will be to the benefit of the Company in the years to come, meriting his appointment as director on the Board of the Company.

Mr. Mehawat is also on the Board of Echo Facility Services Limited, Zeus Buildwell Limited, Varali Real Estate Limited, Varali Constructions Limited, Sepset Real Estate Limited, Sepset Properties Limited, Citra Properties Limited, Apesh Real Estate Limited, Apesh Constructions Limited, Indiabulls Infrastructure and Power Limited, Varali Properties Limited, Sepset Constructions Limited and Indiabulls Road and Infrastructure Services Limited. He is also member of Audit Committee of Citra Properties Limited.

Mr. Mehawat does not hold any shares in the Company.

Mr. Aishwarya Katoch

Mr. Aishwarya Katoch, aged about 42 years is a Non-Executive Independent Director on the Board of the Company since January 2, 2008. He holds a bachelor's degree in business administration and merchandising from American College of Applied Arts, London. Mr. Katoch runs a successful business engaged in the business of leisure & heritage Hotels and Resorts. His business skills will be to the benefit of the Company in the years to come, meriting his reappointment as Director on the Board of the Company.

Mr. Katoch is also on the Board of Indiabulls Real Estate Limited, Indiabulls Financial Services Limited, Indiabulls Securities Limited, Kangra Hotels Private Limited and Royal Expeditions Private Limited. Mr. Katoch is also a member of the Audit Committee and Chairman of the Shareholders'/Investors' Grievance Committee, Remuneration Committee and Compensation Committee of the Company and Indiabulls Real Estate Limited. He is also Chairman of the Remuneration Committee and member of the Audit Committee and Compensation Committee of Indiabulls Securities Limited and Indiabulls Financial Services Limited and also the Chairman of Shareholders'/Investors' Grievance Committee of Indiabulls Financial Services Limited.

Mr. Katoch does not hold any shares in the Company.

Mr. Mehul CC Johnson

Mr. Mehul CC Johnson, aged about 39 years, is a Non-Executive Director on the Board of the Company since March 18, 2009. He graduated from Punjab University with a degree in Economics. He is the founder of an infrastructure construction business where he successfully executed several prestigious projects by leading institutions, including the National Highway Authority of India, and the Prime Minister's Rural Road Development Scheme. He has more than 15 years of experience in his family business of hotels. His association on the Board of the Company will be to the benefit of the Company in the years to come, meriting his reappointment as director on the Board of the Company.

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

Mr. Johnson does not hold any shares in the Company.

(C) Financial Calendar 2011-12 (tentative)**Tentative Schedule**

Financial reporting for the quarter ending June 30, 2011	August 5, 2011 (Actual)
Financial reporting for the half year ending September 30, 2011	Upto November 14, 2011
Financial reporting for the quarter ending December 31, 2011	Upto February 14, 2012
Financial reporting for the quarter and year ending March 31, 2012	Upto May 15, 2012*
Annual General Meeting for the year ending March 31, 2012	Upto September 30, 2012

*Pursuant to Clause 41 of the Listing Agreement, Board may also consider publication of Audited results for FY 2011-12 by May 30, 2012, instead of publishing unaudited results for the fourth quarter.

(D) Date of Book Closure

Book Closure dates have been provided in the Notice convening the AGM, annexed to this Annual Report.

(E) (i) Distribution of shareholding as on March 31, 2011

Sl.No.	Shareholding of nominal value (in Rs.)		No. of holders	% to total no. of holders	Value in Rs.	% to nominal value
	From	To				
1.	1	- 5,000	13,474	89.03	14,803,960	7.40
2.	5,001	- 10,000	800	5.29	6,728,230	3.37
3.	10,001	- 20,000	374	2.47	5,857,720	2.93
4.	20,001	- 30,000	156	1.03	4,108,660	2.05
5.	30,001	- 40,000	79	0.52	2,843,840	1.42
6.	40,001	- 50,000	75	0.50	3,614,840	1.81
7.	50,001	- 100,000	99	0.65	7,667,700	3.83
8.	100,001	and above	77	0.51	154,375,050	77.19
	Total		15,134	100.00	200,000,000	100.00

(ii) Shareholding pattern as on March 31, 2011

Sl.No.	Category	No. of Shares	% holding
1.	Promoters	12,783,310	63.92
2.	FII's	10,000	0.05
3.	Bodies Corporate	1,838,567	9.19
4.	Indian Public	5,226,098	26.13
5.	NRIs	126,053	0.63
6.	Others	15,972	0.08
	Total	20,000,000	100.00

(iii) An aggregate of 645,000 stock options, granted under the Store One Retail India Limited Employees Stock Option Scheme - 2009 are outstanding as on March 31, 2011. The exercise of said stock options would result in increase in the paid-up share capital of the Company.

(F) Dematerialisation of shares and liquidity

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

As on March 31, 2011, 99.99% Equity shares of the Company representing 19,998,759 out of a total of 20,000,000 Equity shares were held in dematerialised form and the balance 1,241 shares were held in physical form.

(G) Listing on Stock Exchanges

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

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex,

Bandra (E), Mumbai-400 051

(H) Stock Code

Bombay Stock Exchange Limited - 532679

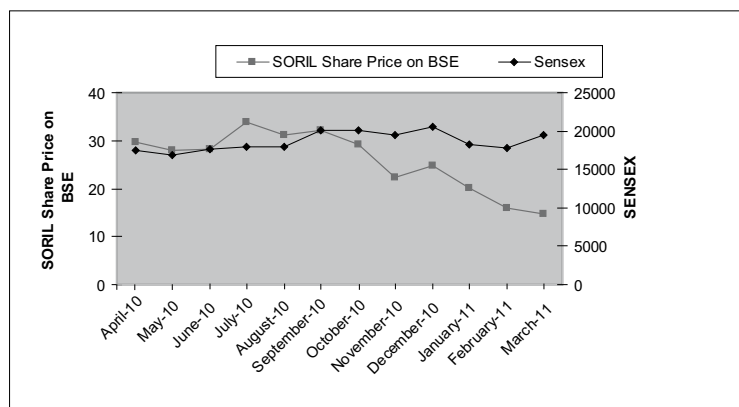
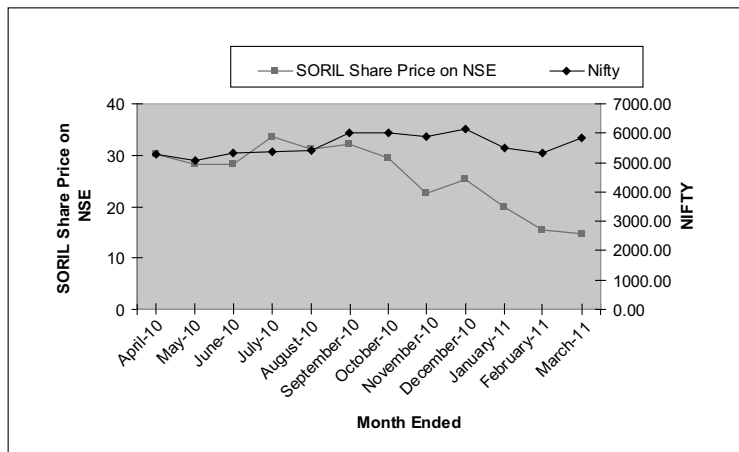
National Stock Exchange of India Limited - STOREONE

ISIN for Dematerialisation - INE 034H01016

(I) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) for the year ended March 31, 2011 are as under:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2010	33.00	27.50	33.35	28.25
May 2010	33.55	24.25	33.90	24.30
June 2010	30.80	25.55	31.00	25.70
July 2010	35.75	27.50	35.85	27.60
August 2010	48.50	30.60	48.65	30.25
September 2010	38.90	29.80	39.25	30.10
October 2010	33.55	28.55	33.20	28.80
November 2010	30.45	21.15	30.50	20.55
December 2010	25.70	20.25	25.25	20.60
January 2011	26.45	19.00	25.95	18.25
February 2011	21.00	14.90	20.75	15.00
March 2011	16.25	12.90	16.00	12.60

(J) Comparison of Company's share price with the broad-based indices viz. NSE Nifty & BSE Sensex.**(K) Registrar and Transfer Agents**

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

The contact details are as under:

Karvy Computershare Private Limited

(Unit : Store One Retail India Limited)

Plot No.17-24, Vittal Rao Nagar,

Madhapur, Hyderabad-500 081

Phone : 040-44655000/23420815-23420825

Fax : 040-23420814

E-mail : einward.ris@karvy.com

Contact Person : Mr. K. Sreedhara Murthy

Assistant General Manager

E-mail : sreedharamurthy@karvy.com

(L) Share Transfer System

For smooth and speedy processing of share transfers, the authority to approve share transfers has been delegated to the Shareholders' / Investors' Grievance Committee of the Board. The share transfer requests are processed on the first and third Monday of every month thereby ensuring that share transfers are processed without delay and the transferred certificates are sent to the concerned investors well within the stipulated time as prescribed under the Listing Agreements.

(M) Address for Correspondence

(i) Registered Office:

Store One Retail India Limited
1A, Hamilton House,
1st Floor, Connaught Place,
New Delhi-110 001

(ii) Corporate Office:

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

8. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary, certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to and forms a part of this report.

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

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

The certificate referred to under Clause 49(V) of the Listing Agreement duly signed by the Whole-time 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) Remuneration Committee

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

(B) Shareholders' Rights

The Company is getting its quarterly and annual financial results published in leading newspapers with wide circulation across the country and regularly updates the same and other important information on its public domain website.

(C) Unqualified Financial Statements

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

(D) Whistle Blower Policy

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

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

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

As Whole-time 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 2010-11.

Sd/-
Abhimanyu Mehlawat
Whole-time Director

Place : New Delhi
Date : September 3, 2011

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Store One Retail India Limited

We have examined the compliance of conditions of Corporate Governance by Store One Retail India Limited ("the Company"), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

We state that there were no outstanding investor grievances as on March 31, 2011 as per the records maintained by the Company and its Registrar and Transfer Agent.

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

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

Sd/-
Sanjay Khandelwal
Proprietor
Membership No.: FCS 5945
C.P. No. - 6128

Place : New Delhi
Date : September 3, 2011

Auditor's Report

To the Board of Directors of Store One Retail India Limited

- 1) We have audited the attached Consolidated Balance Sheet of Store One Retail India Limited ("the Company") and its subsidiary (collectively referred to as "the Group"), as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 (AS 21), Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006, as amended.
- 4) Based on our audit and on consideration of the separate audit report on the individual financial statements of the Company and its aforesaid subsidiary and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Amar Mittal
Partner
Membership No. 017755
Date: May 04, 2011
Place: Gurgaon

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

	Schedule	As at March 31, 2011
Sources of Funds		
Shareholders' Funds		
Share Capital	1	200,000,000
Reserves and Surplus	2	1,062,033,695
		1,262,033,695
Loan Funds		
Unsecured Loans	3	3,092,767,318
		4,354,801,013
Application of Funds		
Goodwill arising on consolidation		
		13,174,383
Fixed Assets		
Gross Block	4	643,832,320
Less : Accumulated Depreciation (including amortization)		304,999,340
Net Block		338,832,980
Investments		
	5	131,300,236
Current Assets, Loans and Advances		
Inventories	6	48,577,767
Sundry Debtors	7	4,405,400
Cash and Bank Balances	8	4,963,244
Loans and Advances	9	149,008,197
		206,954,608
Less : Current Liabilities and Provisions		
Current Liabilities	10	231,874,607
Provisions	11	179,867
		232,054,474
Net Current Assets		
		(25,099,866)
Profit and Loss Account (Debit Balance)		
		3,896,593,280
Total		
		4,354,801,013
Significant accounting policies and notes to accounts forming part of the financial statements	19	

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs.)

	Schedule	Year ended March 31, 2011
Income		
Sales and Operating Income	12	32,061,862
Other Income	13	45,893,299
Total		77,955,161
Expenditure		
Cost of goods sold	14	23,617,855
Direct Costs	15	1,653,774
Employees Remuneration and Benefits	16	10,336,722
Administrative and other expenses	17	401,852,538
Interest and Finance Charges	18	218,503,084
Depreciation (including amortization, and impairment charge)		61,582,392
Total		717,546,365
Loss Before Tax		(639,591,204)
Provision for Taxation		
a) Current Tax		-
b) Deferred Tax		-
Loss After Tax		(639,591,204)
Add: Balance of loss brought forward from previous year		(3,257,002,076)
Balance carried forward to Balance Sheet		(3,896,593,280)
Earnings per Share (Refer Note B 7 of Schedule 19)		
Basic (Rs.)		(31.98)
Diluted (Rs.)		(31.98)
Face value Per Share (Rs.)		10
Significant accounting policies and notes to accounts forming part of the financial statements	19	

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs.)

Particulars	For the year ended March 31, 2011
A Cash Flow from Operating Activities	
Net Loss Before Tax and Extraordinary items	(639,591,204)
Adjustments for :	
Depreciation (including amortization and impairment charge)	61,582,392
Interest Expense	218,379,512
Interest Income	(290,607)
Dividend Income of units of Mutual Funds (Non Trade)	(11,780,422)
Liabilities / Expenses written back	(23,699,493)
Loss on sale / disposal of Fixed Assets	11,356,088
Provision for doubtful debts / Bad Debts written off	10,117,840
Provision for Gratuity / Compensated absences written off / (written back)	(1,088,633)
Provision for Shrinkages	192,166
Profit on sale of Investments	(6,646,065)
Operating Profit/(Loss) before working capital changes	(381,468,426)
Adjustment for :	
(Increase) / Decrease in Sundry Debtors	(4,167,743)
(Increase) / Decrease in Loans and Advances	(15,083,356)
(Increase) / Decrease in Inventories	70,645,194
Increase / (Decrease) in Trade and Other Payables	(58,969,559)
Cash Used in Operations	(389,043,890)
Taxes Paid (Net)	(4,798,686)
Net Cash Used in Operating Activities	(393,842,576)
B Cash Flow From Investing Activities	
Proceeds from Sale of Assets	9,057,332
Purchase of Fixed Assets	(72,490)
Profit on sale of Investments	6,646,065
Investment In Mutual Fund	(131,300,236)
Interest Income	290,607
Dividend on units of Mutual Fund (Non Trade)	11,780,422
Goodwill on acquiring a Subsidiary	(13,174,383)
Net Cash Used in Investing Activities	(116,772,683)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011 (Contd.)

		(Amount in Rs.)
Particulars		For the year ended March 31, 2011
C Cash Flow from Financing Activities		
Proceeds from Unsecured Loans		3,719,600,000
Repayment of Unsecured Loans		(3,115,600,000)
Interest Paid		(100,030,186)
Net Cash Generated From Financing Activities		503,969,814
D Net Decrease in Cash and Cash equivalents (A+B+C)		(6,645,445)
E Cash and Cash equivalents at the beginning of the year		11,608,689
F Cash and Cash equivalents at the end of the year (D+E)		4,963,244
1 Cash and Cash Equivalents as at the end of the year includes		
Cash on Hand		5,452
In Current Accounts		607,292
In Fixed Deposit Accounts *		4,350,500
* Refer Note B 2(a) of Schedule 19		
		4,963,244
2	The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard -3 on Cash Flow Statements as notified under the Companies (Accounting Standards) Rules, 2006, as amended.	

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	(Amount in Rs.)
	As at March 31, 2011
<u>Schedule 1 : Share Capital</u>	
Authorised:	
25,000,000 Equity Shares of Rs 10 each	250,000,000
Issued, Subscribed and Paid Up	
20,000,000 Equity Shares of Rs 10 each fully paid up. Of the above, 12,783,310 Equity Shares of face value of Rs 10 each are held by Indiabulls Wholesale Services Limited, the Holding Company.	200,000,000
As Per Balance Sheet	200,000,000
 <u>Schedule 2 : Reserves and Surplus</u>	
Securities Premium Account	1,062,033,695
As Per Balance Sheet	1,062,033,695
 <u>Schedule 3 : Unsecured Loans</u>	
Short Term Loans	
- From Holding Company	2,899,600,000
- Interest Accrued and due thereon	193,167,318
As Per Balance Sheet	3,092,767,318

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011 (Contd.)

Schedule 4: Fixed Assets

(Amount in Rs.)

Description	Gross Block (At Cost)			Accumulated Depreciation/Amortization			Net Block		
	As at April 01, 2010	Additions During the Year	Adjustments / Sales During the Year	As at March 31, 2011	As at April 01, 2010	Provided During the Year	Adjustments/ Deductions During the Year	As at March 31, 2011	As at March 31, 2010
A) Tangible Assets									
Plant and Machinery	138,116,002	-	4,815,444	133,300,558	34,150,782	10,989,032	1,153,660	89,314,404	103,965,220
Furniture and Fixtures	324,038,347	43,500	20,690,748	303,391,099	93,807,412	17,898,306	4,942,626	196,628,007	230,230,934
Computers	105,193,034	-	3,838,627	101,354,407	67,952,350	17,930,133	2,883,041	18,354,965	37,240,685
Office Equipments	-	28,990	-	28,990	-	1,109	-	27,881	-
Vehicles	718,730	-	65,635	653,095	442,900	39,279	34,375	205,291	275,830
Total	568,066,113	72,490	29,410,454	538,728,149	196,353,444	46,857,859	9,013,702	304,530,548	371,712,669
B) Intangible Assets									
Software	105,388,900	-	284,729	105,104,171	56,345,270	14,724,533	268,064	34,302,432	49,043,630
Total	105,388,900	-	284,729	105,104,171	56,345,270	14,724,533	268,064	34,302,432	49,043,630
Grand Total	673,455,013	72,490	29,695,183	643,832,320	252,698,714	61,582,392	9,281,766	338,832,980	420,756,299

Refer Note B 9 of Schedule 19

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011 (Contd.)

(Amount in Rs.)

	As at March 31, 2011
Schedule 5 : Investments	
Non Trade, Unquoted - Fully Paid Up	
In Units of Mutual Funds(Fixed Maturity Plan)	
12,500,000 Units of Reliance Fixed Horizon Fund (Dividend plan at NAV of Rs.10 Per Unit)	125,000,000
Current Investments (At cost or fair value whichever is lower)	
629702.425 Units of Reliance Liquid Mutual Fund (Reinvestment plan at NAV of Rs. 10.0051 Per Unit)	6,300,236
As Per Balance Sheet	131,300,236
Aggregate Book Value of Un-Quoted investments	131,300,236
Aggregate Book Value of Quoted Investments	-
Aggregate Market value of Quoted Investments	-
Schedule 6 : Inventories (as taken, valued and certified by Management)	
Finished Goods	68,389,139
Less: Provision for shrinkages and shortages	(19,811,372)
As Per Balance Sheet	48,577,767
Schedule 7 : Sundry Debtors	
(Unsecured, considered good, unless otherwise stated)	
(a) Debts outstanding for a period exceeding six months	
Considered Good	-
Considered Doubtful	6,311,163
	6,311,163
Less : Provision for doubtful debts	(6,311,163)
	-
(b) Other Debts (Considered Good)	4,405,400
As Per Balance Sheet	4,405,400
Schedule 8 : Cash and Bank Balances	
Cash on Hand	5,452
Balance with Scheduled Banks :	
in Current Accounts	607,292
in Fixed Deposit Accounts	4,350,500
(Refer Note B 2 (a) of Schedule 19)	
As Per Balance Sheet	4,963,244

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011 (Contd.)

	(Amount in Rs.)
	As at March 31, 2011
Schedule 9 : Loans and Advances	
(Unsecured, considered good, unless otherwise stated)	
Advances recoverable in cash or in kind or for value to be received	
Considered Good	68,043,758
Considered Doubtful	163,053,153
	231,096,911
Less: Provision for Doubtful advances	163,053,153
	68,043,758
Security Deposits:	
Considered Good	76,165,753
Considered Doubtful	88,971,750
	165,137,503
Less: Provision for Doubtful Deposits	88,971,750
	76,165,753
Advance Income Tax/Tax Deducted At Source (Net of provision for tax Rs.Nil)	4,798,686
As Per Balance Sheet	149,008,197
Schedule 10 : Current Liabilities	
Sundry Creditors (Refer Note B 16 of Schedule 19)	
Dues to Micro, Small and Medium Enterprises	2,490,656
Dues to others	214,361,041
Other Liabilities	15,022,910
As Per Balance Sheet	231,874,607
Schedule 11 : Provisions	
Provision for Gratuity	86,183
(Refer Note B 10 of Schedule 19)	
Provision for Compensated Absences	93,684
(Refer Note B 10 of Schedule 19)	
As Per Balance Sheet	179,867

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs.)

	Year ended March 31, 2011
<u>Schedule 12 : Sales and Operating Income</u>	
Sales (Net of applicable VAT)	21,739,299
Sales of Consignment Merchandise	10,322,563
As Per Profit and Loss Account	32,061,862
<u>Schedule 13 : Other Income</u>	
Concessionaire Income	2,707,835
Miscellaneous Income	768,877
Liabilities Written Back	23,699,493
Interest Income	290,607
Dividend on units of Mutual Funds	11,780,422
Profit on sale of Investments - Non Trade	6,646,065
As Per Profit and Loss Account	45,893,299
<u>Schedule 14 : Cost of Goods Sold</u>	
Purchases	(55,504,736)
(Increase)/Decrease in inventories	70,645,194
Purchase of Consignment Merchandise	8,477,397
As Per Profit and Loss Account	23,617,855
<u>Schedule 15 : Direct Costs</u>	
Octroi Charges	704,283
Barcoding and Soft Tags	91,764
Transportation Charges	763,837
Labour Charges	93,890
As Per Profit and Loss Account	1,653,774
<u>Schedule 16 : Employees Remuneration and Benefits</u>	
Salaries	10,095,712
Staff Welfare Expenses	5,661
Contribution to Provident and Other Funds	235,349
As Per Profit and Loss Account	10,336,722

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011 (Contd.)

(Amount in Rs.)

	Year ended March 31, 2011
Schedule 17 : Administrative and Other Expenses	
Electricity, Power and Fuel	2,920,447
Repairs and Maintenance	
- Building	9,086
- Plant and Machinery	1,348,891
- Others	33,563
Lease Rent (Refer Note B 5 of Schedule 19)	11,844,950
Rates and Taxes	144,019
Credit card charges	157,075
Insurance	630,332
House Keeping Charges	550,292
Security Charges	783,411
Legal and Professional Charges	2,206,783
Communication Expenses	432,016
Travelling and Conveyance	1,846,094
Auditors' Remuneration	
- For Audit Matters	1,566,180
Printing and Stationery	583,366
Advertisement and Sales Promotion	282,977
Loss on Sale/Disposal of Fixed Assets	11,356,088
Provision for Doubtful Debts and Advances	10,117,840
Office Expenses	48,403
Realized Loss on Foreign Exchange	354,220,000
Miscellaneous Expenses	770,725
As Per Profit and Loss Account	401,852,538
Schedule 18: Interest and Finance Charges	
Interest on Inter Corporate Deposits	217,460,550
Interest - others	918,962
Bank Charges	123,572
As Per Profit and Loss Account	218,503,084

Schedule: 19

Significant Accounting Policies and Notes to accounts forming Part of the Consolidated Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended March 31, 2011

A. Significant Accounting Policies:

i. Basis of Consolidation

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 - Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include Store One Retail India Limited and its subsidiary, unless otherwise stated.

ii. Principles of consolidation

The Consolidated Financial Statements comprise of the Financial Statements of Store One Retail India Limited and its subsidiary. The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of intercompany transactions are eliminated on consolidation.

iii. Goodwill / Capital Reserve on consolidation

Goodwill / Capital Reserve represents the difference between the company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill on consolidation, if any. The Goodwill on consolidation is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may have been impaired.

iv. Companies included in consolidation

Name of Subsidiary	Country of Incorporation	Year ended included in consolidation	Proportion of Ownership	Auditors
Albasta Power Limited*	India	April 01, 2010 to March 31, 2011	100%	M/s Sharma Goel & Co.

*Albasta Power Limited was acquired on April 01,2010.

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the holding company for its independent financial statements.

Information relating to Subsidiary:

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

(Amount in Rs.)

	2010-11
Share Capital	1,300,500,000
Reserves and Surplus (Net of debit balance of Profit & Loss Account)	(301,053,363)
Total Assets (Fixed Assets + Current Assets + Deferred Tax Assets)	868,212,581
Total Liabilities (Debts + Current Liabilities & Provisions + Deferred Tax Liabilities)	66,180
Details of Investments	131,300,236
Turnover	66,413,336
Profit / (Loss) before Taxation	(287,878,980)
Provision for Taxation	-
Profit / (Loss) after Taxation	(287,878,980)
Proposed Dividend (including Corporate Dividend Tax)	-

v. Basis of accounting

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and in compliance with the applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

vi. Use of estimates

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at 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 reporting year in which the results are known / materialized.

vii. Fixed Assets

a) Tangible Assets:

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

viii. Depreciation / Amortization

Depreciation on tangible fixed assets is provided on straight-line basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Depreciation on additions/deductions of assets during the year is provided on pro-rata basis from/upto the date asset is put to use/discarded. Intangible assets are amortized over the expected useful life from the date the assets were available for use, as mentioned below:

Description of Assets	Estimated useful life
Software	Six Years

ix. Impairment of Assets

At each Balance Sheet date, the Company assesses, based on internal or external factors, 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 or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and impairment losses previously recognized are accordingly reversed.

x. Investments

Investments are classified as long term or current investments. Long term investments are stated at cost and provision for diminution in their value, other than temporary, is recorded in the books of account. Current investments are stated at the lower of cost or fair value.

xi. Revenue Recognition

a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realisation or collection.

b) Retail sales are recognised on the delivery of goods/merchandise to customers, when:

- i. the property in the goods is transferred for a price,
- ii. significant risks and rewards have been transferred and,
- iii. the Company retains no effective ownership/control over the goods.

c) Sales are net of Discounts, Sales Tax and Value Added Tax.

d) The property in goods/merchandise of third party sales counters located within the retail stores of the Company passes to the Company once a customer decides to purchase an item from such third party sales counters. The Company, in turn, sells such goods to the customer and revenue is accordingly, included under Sales and cost of such merchandise is disclosed separately in the Profit and Loss Account.

- e) The ownership in goods/merchandise of third parties under concessionaire arrangements does not pass to the Company. Concessionaire income earned from sales made by third parties under such arrangements is recognised in the Profit and Loss Account as Other Income under the head Concessionaire Income.
- f) Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed.
- g) Interest income from fixed deposits is recognized on accrual basis.
- h) Dividend income is recognized when the right to receive the dividend is unconditional at the Balance Sheet Date.
- i) Profit on sale of investments is recognized on the date of the transaction of sale and is computed with reference to the cost of investments.

xii. 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.

xiii. Provision for Shrinkages and Shortages

Provisions for Shrinkages and Shortages are charged to the Profit and Loss account based on historical data and management estimates. Actual shrinkages and shortages are adjusted against such provisions.

xiv. 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 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 balance sheet until the disposal of the net investment, at which time they are recognized as income or expenses.

xv. 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 on the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain. In case of timing differences on account of carried forward losses or unabsorbed depreciation, Deferred Tax Assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets will be realised. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

xvi. Deferred Employee Stock Compensation Costs

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 by the difference between the estimated intrinsic or fair value on the grant date (as elected by the Company in respect of its different Employees Share Based Payment Plans) of its equity shares issuable on exercise of stock options and the exercise price to be paid by the option holders. The compensation expense is amortized over the vesting period of the options.

xvii. Leases

In case of assets taken on operating lease, the lease rentals are charged to the Profit and Loss Account, in accordance with Accounting Standard (AS) 19 – “Leases” as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

xviii. Customer Loyalty Club

As per the Company’s customer loyalty programs, points awarded to customers can be redeemed for a gift voucher of an equivalent amount or against special gift articles. The value of these points is accounted for in the year in which they are redeemed.

xix. Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account 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 Profit and Loss Account.

Post employment and other long term employee benefits for its eligible employees are recognized as an expense in the Profit and Loss Account, 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 half yearly 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 and losses are recognized in the Profit and Loss account as income or expenses.

xx. 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.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income which may never be realized.

xxi. Borrowing costs

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

xxii. Earnings Per Share:

Basic Earnings per Share is computed using the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year.

B. Notes to Accounts

1 Overview

- i. Store One Retail India Limited (“the Company”) was incorporated as Pyramid Retail Limited on March 18, 2005 with an authorized capital of Rs. 210,000,000 divided into 21,000,000 equity shares of Rs.10 each. In April 2008, Indiabulls Wholesale Services Limited (IBWSL), 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 and in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Pursuant to this, IBWSL and Indiabulls Real Estate Limited had made an open offer to acquire up to 20% of the voting capital of the Company at an offer price of Rs 74.73 per share. In the open offer, which concluded on April 10, 2008, IBWSL purchased 310 shares from the general public. In accordance with the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, the members of the Company passed a special resolution through Postal Ballot, on May 12, 2008, and accorded their approval to change the name of the Company. The Company has since received fresh certificate of incorporation consequent upon change of name, from the Registrar of Companies, Maharashtra, Mumbai dated May 22, 2008 in respect of the said change. Accordingly, the name of the Company was changed to ‘Indiabulls Retail Services Limited’. Further and in accordance with the provisions of Section 21 and as per applicable provisions of the Companies Act, 1956, members of the company in their annual general meeting held on September, 30 2009, accorded their approval to change the name of the Company to ‘Store One Retail India Limited’. The Company has since received fresh certificate of incorporation consequent upon change of name, from the Registrar of Companies, National Capital Territory of Delhi and Haryana on October 06, 2009. Accordingly, the name of the Company has been changed to “Store One Retail India Limited” from Indiabulls Retail Services Limited.
- ii. In accordance with the provisions of Section 94 and other applicable provisions of the Companies Act, 1956, Members of the Company in their Annual General Meeting held on September 30, 2009, accorded their approval to increase the Authorized Share Capital of the Company. Accordingly, the Authorized Share Capital of the Company has been increased from Rs. 210,000,000/- (Rupees Twenty One Crores) divided into 21,000,000 (Two Crores Ten Lacs) Equity Shares of Rs. 10 each to Rs. 250,000,000/- (Rupees Twenty Five Crores) divided into 25,000,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10 each.
- iii. During the Financial Year, the Company acquired Albasta Power Limited as its wholly owned subsidiary. This being the first year of Consolidation, figures of previous year are not applicable.
- iv. The address of the registered office of the Company has been changed from E-29, 1st Floor, Connaught Place, New Delhi – 110001 to 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi – 110001 with effect from March 15, 2011.
- v. Scheme of Arrangement (“IBWSL Scheme of Arrangement”) between erstwhile Ultimate Holding Company, Indiabulls Real Estate Limited (“Demerged Company”, “IBREL”) and the Holding Company, (“IBWSL”, “Resulting Company”) and their respective shareholders and creditors under Sections 391 – 394 of the Companies Act, 1956, was sanctioned by the Hon’ble High Court of Delhi at New Delhi on March 31, 2011. Upon coming into effect of the Scheme of Arrangement on March 31, 2011 and with effect from the Appointed Date on April 01, 2010, the Wholesale trading business stand demerged from IBREL and transferred to and vested in IBWSL on a going concern basis. In terms of the Scheme, with effect from the Appointed Date on April 01, 2010:
 - a) Certain Assets comprising of Fixed Assets and Loans and Advances in the IBREL aggregating to Rs. 4,106,396,502 have been transferred to IBWSL, at their book values;
 - b) The Equity Share Capital of the Company amounting to Rs. 1,000,000,000 was cancelled;
 - c) The net adjustment for such transfer of assets, liabilities and cancellation and issue of Equity Share Capital amounting to Rs. 5,005,826,316 has been shown in the General Reserve Account;
 - d) In terms of the Scheme, all business activities of the IBREL made by IBREL in trust for IBWSL, carried out on or after the Appointed Date are deemed to have been carried out by the IBREL on behalf of the IBWSL on a going concern basis;
 - e) The transfer of proportionate Share warrant has been made as per the net worth ratio between net worth of the IBREL transferred to IBWSL pursuant to Scheme and the net worth of the IBREL immediately before demerger as on Appointed Date i.e. April 01, 2010. Proportionate liability in respect of Share Warrants representing 25% of the application money amounting to Rs. 94,248,700 has also been transferred to the Company;
 - f) Pursuant to the Scheme being given effect to, by IBWSL has allotted one (1) Equity Share of face value of Rs. 2 each credited as fully paid-up for every eight (8) Equity share of Rs. 2 each held by such shareholders in the IBREL

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

Pursuant to the Scheme, the Authorised Share Capital of the Holding Company has been reorganised to Rs. 1,100,000,000 divided into 550,000,000 Equity shares of Rs.2/-each.

2 Contingent Liabilities

- a) Bank Guarantees:
- i. Of Rs. 100,000 issued in favour of Assessing Authority- Gurgaon, Secured by way of pledge of Fixed Deposits for Rs. 100,000
 - ii. Of Rs. 4,250,500 issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for Rs. 4,250,500.
- b) Claims against the Company not acknowledged as debts: Rs. 9,709,503.

3 Statement of Acquisition and Sale of Investments during the year

Statement of sale/liquidation of long term, trade investments

Particulars	Investments sold/ liquidated during the year	
	No. of shares	Amount in Rupees
Sale of Investment in Ordinary Shares of Galactic Ventures Limited	100,000,000	4,791,576,065

4 Provision for Shrinkages/Shortages

(Amount in Rupees)

Particulars	Year ended March 31, 2011
Opening Balance	19,619,206
Additions	192,166
Utilized	--
Closing Balance	19,811,372

5 Disclosures in respect of Accounting Standard 19- Leases, as notified under the Companies (Accounting Standards) Rules, 2006, as amended

The Company has taken various premises on operating leases and lease rent of Rs.11,844,950 in respect of the same has been charged to Profit and Loss Account for the year ended March 31, 2011. The underlying agreements are executed for a period generally ranging from one year to seven years, renewable at the option of the Company and the lessor and are cancellable in some cases, by either party by giving a notice generally of 30 to 90 days. The minimum lease rentals payable in respect of such operating leases are as under:

(Amount in Rupees)

Particulars	As at March 31, 2011
Within One Year	864,000
One to Five years	684,000
Later than Five years	-
Total	1,548,000

6 Employees' Stock Option Schemes (ESOS)

I 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 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.

ii. Indiabulls Retail Services Limited Employees Stock Options 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 (Fifteen lacs) stock options representing an equal number of Equity shares of face value Rs. 10 each in the Company, to the eligible employees, at an exercise price of Rs. 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.

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 values of the options under the Scheme using the Black-Scholes model based on the following parameters, is Rs. 24.06 per option, as calculated by an independent firm of Chartered Accountants:

S. No	Particulars	ESOP – 2009
1	Fair value of option at grant date (Rs. per option)	Rs. 24.06
2	Exercise price (Rs. per option)	Rs. 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%

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

iii. Indiabulls Retail Services 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 (Thirty lacs) equity settled options for eligible employees of the Company, its subsidiaries, Holding Company and Ultimate Holding Company.

7 Earnings per Share

The Basic Earnings Per Share is computed by dividing the Net Profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is 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.

(Amount in Rupees)

Particulars	Year ended March 31, 2011
Loss After Tax	(639,591,204)
Weighted Average number of shares used in computing Basic Earnings per Share (Number of shares)	20,000,000
Total Potential Weighted Average number of shares used in computing Diluted Earnings Per Share (Number of shares)	20,000,000
Face Value per Equity Share	10.00
Basic Earnings Per Share	(31.98)
Diluted Earnings Per Share	(31.98)

8 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, 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.

9 Impairment

In accordance with the provisions of Accounting Standard 28 (AS 28) "Impairment of Assets" as notified under the Companies (Accounting Standards) Rules, 2006, as amended, the Company, during the year ended March 31, 2011, has recorded impairment loss of Rs. Nil included under the head Depreciation in the Profit and Loss Account, relating to various items of Tangible and Intangible Assets, which have been brought down to their recoverable values upon evaluation of future economic benefits from their use.

10 Employee Benefits

Contributions are made to Provident Fund and Family Pension Fund, Employees State Insurance Corporation and other statutory funds which cover all eligible employees. Both the employees and the Company make predetermined contributions to the Provident Fund and Employees State Insurance Corporation. The contributions are normally based on a certain proportion of the employees' salary. The Company has charged Rs. 235,349 as employer contribution for the above mentioned funds, to the Profit and Loss Account.

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuation conducted half yearly by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

Disclosures required by Accounting Standard 15 (AS-15) Employee Benefits, as notified under the Companies (Accounting Standard) Rules, 2006 as amended, are given below:

(Amount in Rupees)

	Gratuity (unfunded)	Compensated Absences (Unfunded)
	March 31, 2011	March 31, 2011
Present value of commitments (as per actuarial valuation)	86,183	93,684
Fair value of plan assets	NIL	NIL
Net liability in the Balance sheet (actual)	86,183	93,684
Net liability as at beginning of the year	797,369	471,131
Amount paid during the Year	NIL	NIL
Net expense/ (gain) recognised in the Profit and Loss account	(711,186)	(377,447)
Contribution during the year	NIL	NIL
Net liability as at end of the year	86,183	93,684
Current service cost	49,758	30,234
Interest cost	37,483	22,006
Expected return on plan assets	NIL	NIL
Actuarial (gains)/ losses	(798,427)	(429,687)
Expense charged to the Profit and Loss account	(711,186)	(377,447)
Expected return on plan assets	NIL	NIL
Actuarial (gains)/ losses	NIL	NIL
Actual return on plan assets	NIL	NIL
Commitments as at beginning of the year	797,369	471,131
Current service cost	49,758	30,234
Interest cost	37,483	22,006
Paid benefits	NIL	NIL
Actuarial (gains)/ losses	(798,427)	(429,687)
Commitments as at end of the year	86,183	93,684
Plan assets as at beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Contributions during the year	NIL	NIL
Paid benefits	NIL	NIL
Actuarial (gains)/ losses	NIL	NIL
Plan assets as at end of the year	NIL	NIL

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

	For the year ended March 31, 2011
Discount rate	8.00%
Gratuity and Compensated Expenses	NIL
Expected return on plan assets	NIL
Expected rate of salary increase	5.00%
Mortality	LIC (1994-96) Duly Modified

11 Disclosures in respect of Accounting Standard 18 (AS 18) Related Party Disclosures, as notified under the Companies (Accounting Standards) Rules, 2006, as amended

(a) Related parties where control exists:

Nature of relationship	Name of Party
Erstwhile Ultimate Holding Company	Indiabulls Real Estate Limited (Upto April 1, 2010)
Holding Company	Indiabulls Wholesale Services Limited
Erstwhile Fellow Subsidiary Company*	Lucina Land Development Limited
Erstwhile Fellow Subsidiary Company*	Selene Estate Limited
Erstwhile Fellow Subsidiary Company*	Selene Constructions Limited

* With whom transactions entered during the year.

(b) Other related parties:

Key Management Personnel	Mr. Rajiv Rattan, Director (Upto August 14, 2010), (Promoter of the Holding Company) Mr. Sameer Gehlaut (Promoter of the Holding Company) Mr. Saurabh K. Mittal (Promoter of the Holding Company) Mr. Anil Lepps, Whole- Time Director (Upto November 13, 2010) Mr. Mehul CC Johnson, Director Mr. Abhimanyu Mehlawat, Whole Time Director (From November 13, 2010) Mr. Mukul Bansal, Director (From August 14, 2010) Mr. Alok Kumar, Whole Time Director of Subsidiary Company
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(c) Statement of Material Transactions

i. Inter Corporate Deposits taken (Maximum amount outstanding at any time during the year)

(Amount in Rupees)

Particulars	Year ended March 31, 2011
Indiabulls Wholesale Services Limited	3,606,100,000

ii. Interest Expenses on Inter Corporate Deposits

(Amount in Rupees)

Particulars	Year ended March 31, 2011
Indiabulls Wholesale Services Limited	214,630,356

iii. Repayment of Inter Corporate Deposits

(Amount in Rupees)

Particulars	Year ended March 31, 2011
Indiabulls Wholesale Services Limited	820,000,000

iv. Outstanding as at March 31, 2011:

(Amount in Rupees)

Particulars	As at March 31, 2011
Inter Corporate Deposit taken	
Indiabulls Wholesale Services Limited	2,899,600,000
Interest Payable on Inter Corporate Deposit	
Indiabulls Wholesale Services Limited	193,167,318

v. Revenue:

(Amount in Rupees)

Particulars	Year ended March 31, 2011
Selene Constructions Limited	2,865,225
Selene Estate Limited	3,582,762
Lucina Land Development Ltd	6,348,409

12 Segment Reporting

The Company is engaged in the retail business in India. The Company operates in domestic market only. Considering the nature of Company's business and operations and based on the information available with the management no further disclosures are required in respect of reportable segments, under Accounting Standard 17 (AS 17) – "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, other than those already provided in the financial statements.

- 13** As per the best estimate of the Management, no provision is required to be made as per Accounting Standard 29 (AS 29) – "Provisions, Contingent Liabilities and Contingent Assets", as notified under the Companies (Accounting Standard Rules), 2006, as amended, 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.
- 14** In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2011 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.
- 15** In respect of amounts mentioned under Section 205 C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2011.
- 16** Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:
- An amount of Rs. 2,490,656 was due and outstanding to suppliers as at the end of the accounting year.
 - No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and payments of Rs. Nil were made to suppliers beyond the appointed day during the accounting year.
 - No interest is due and payable at the end of the year to such suppliers. (Refer Note (vi) below)
 - Interest of Rs.918,962 is accrued but not due at the end of the accounting year (Refer Note (vi) below)
 - No amount of further interest was remaining due and payable in the succeeding years.
 - The above information and that given in Schedule 10 - "Current Liabilities" regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Certain balances shown under Current Liabilities are subject to confirmation / reconciliation. Pending such confirmation / reconciliation, the Company has not paid principal amount of Rs. 2,490,656 and interest amount of Rs. 918,962 that may be payable under the Micro, Small and Medium Enterprises Development Act, 2006.
- 17** No borrowing cost has been capitalized during the year.
- 18** 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, 2011.
- 19** Previous year's figures have not been given as this is the first year of consolidation.

Signature to Schedules 1 to 19

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

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Auditors' Report

To the Members of Store One Retail India Limited (formerly known as Indiabulls Retail Services Limited)

1. We have audited the attached Balance Sheet of Store One Retail India Limited (formerly known as Indiabulls Retail Services Limited) ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement for the year on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to Note B-1 of Schedule 19 to financial statements regarding the Company's accounts being prepared on a going concern basis.
5. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the notes thereon give the information required by the Companies Act, 1956, 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, 2011;
 - (b) in the case of the profit and loss account, of the loss 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.

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

Amar Mittal
Partner
Membership No. 017755
Date: May 04, 2011
Place: Gurgaon

Annexure to the Auditors' Report
(Referred to in paragraph 3 of our report of even date)

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year is such that paragraph 4(viii), 4(xi), 4(xiii), 4(xvi), 4(xix) and 4(xx) of the Order are not applicable to the Company.
2. (a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of fixed assets by which fixed assets are verified annually. In accordance with this programme, fixed assets were verified during the year. Material discrepancies noticed on such verification have been properly dealt with in the books of account. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) The Company has disposed off some of the fixed assets during the year covered by our report. However, considering various mitigating factors as disclosed in Note B-1 of Schedule 19 to financial statements, the accounts are prepared on a going concern basis and a matter of emphasis is added in our report.
3. (a) According to the information and explanations given to us, inventories has been physically verified by the management during the year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of its inventories. According to the books and records of the Company as produced and examined by us and according to the information and explanations given to us, the discrepancies were noticed on verification between the physical stocks and the book records were immaterial in relation to the operations of the Company and the same have been appropriately adjusted in the books of account.
4. In respect of loan, secured or unsecured granted or, taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us:
(a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
(b) The Company has taken unsecured loans from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year Rs. 3,799,267,318/- and the balance outstanding at the year end is Rs. 3,092,767,318/-.
(c) According to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
(d) The payment of principal amount and interest in respect of such loans has been as per stipulations.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets, inventories and sale of goods & services. We have not observed any continuing failure to correct major weaknesses in such internal controls.
6. In our opinion and according to the information and explanations given to us, the Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956, the particulars of which are required to be entered in the register required to be maintained under that section.
7. In our opinion and according to the information and explanations given to us, 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 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.
8. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Investor Education and Protection Fund,

Employees' State Insurance, Sales-tax, Wealth tax, Service tax, Customs duty and Excise duty. 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2011, 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.
10. The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses in current financial year as well as in the immediately preceding financial year.
 11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 12. The Company has maintained proper records of the transactions and contracts in respect of dealing in shares, securities, debentures and other investment and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act 1956.
 13. According to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
 14. According to the information and explanations given to us, the Company and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investment.
 15. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 16. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Amar Mittal
Partner
Membership No. 017755
Date: May 04, 2011
Place: Gurgaon

BALANCE SHEET AS AT MARCH 31, 2011

(Amount in Rs.)

	Schedule	As at March 31, 2011	As at March 31, 2010
Sources of Funds			
Shareholders' Funds			
Share Capital	1	200,000,000	200,000,000
Reserves and Surplus	2	1,062,033,695	1,062,033,695
		1,262,033,695	1,262,033,695
Loan Funds			
Unsecured Loans	3	3,955,955,481	2,371,336,950
	Total	5,217,989,176	3,633,370,645
Application of Funds			
Fixed Assets			
Gross Block	4	643,832,320	673,455,013
Less : Accumulated Depreciation (including amortization)		304,999,340	252,698,714
Net Block		338,832,980	420,756,299
Investments	5	1,300,500,000	-
Current Assets, Loans and Advances			
Inventories	6	48,577,767	119,415,127
Sundry Debtors	7	4,405,400	523,169
Cash and Bank Balances	8	4,737,512	11,608,689
Loans and Advances	9	144,209,511	138,958,482
		201,930,190	270,505,467
Less : Current Liabilities and Provisions			
Current Liabilities	10	231,808,427	313,624,697
Provisions	11	179,867	1,268,500
		231,988,294	314,893,197
Net Current Assets		(30,058,104)	(44,387,730)
Profit and Loss Account (Debit Balance)		3,608,714,300	3,257,002,076
	Total	5,217,989,176	3,633,370,645
Significant accounting policies and notes to accounts forming part of the financial statements	19		

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs.)

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
Income			
Sales and Operating Income	12	32,061,862	167,764,398
Other Income	13	27,466,812	20,802,404
Total		59,528,674	188,566,802
Expenditure			
Cost of goods sold	14	23,617,855	167,807,468
Direct Costs	15	1,653,774	1,907,715
Employees Remuneration and Benefits	16	10,336,722	33,596,160
Administrative and other expenses	17	47,560,588	223,746,564
Interest and Finance Charges	18	266,489,567	179,865,318
Depreciation (including amortization, and impairment charge)		61,582,392	93,615,014
Total		411,240,898	700,538,239
Loss Before Tax		(351,712,224)	(511,971,437)
Provision for Taxation			
a) Current Tax		-	-
b) Deferred Tax		-	-
Loss After Tax		(351,712,224)	(511,971,437)
Add: Balance of loss brought forward from previous year		(3,257,002,076)	(2,745,030,639)
Balance carried forward to Balance Sheet		(3,608,714,300)	(3,257,002,076)
Earnings per Share			
(Refer Note B 7 of Schedule 19)			
Basic (Rs.)		(17.59)	(25.60)
Diluted (Rs.)		(17.59)	(25.60)
Face value Per Share (Rs.)		10	10
Significant accounting policies and notes to accounts forming part of the financial statements	19		

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
A Cash Flow from Operating Activities		
Net Loss Before Tax and Extraordinary items	(351,712,224)	(511,971,437)
Adjustments for :		
Depreciation / Impairment	61,582,392	93,615,014
Interest Expense	266,366,361	179,865,318
Interest Income	(290,607)	(1,343,278)
Dividend Income of units of Mutual Funds (Non Trade)	-	(187,290)
Sundry Balances / Provisions / Liabilities Written Back (Net)	(23,699,493)	(4,987,079)
Loss on sale / disposal of Fixed Assets	11,356,088	74,758,734
Provision for doubtful debts/Bad Debts written off	10,117,840	39,297,095
Provision for Gratuity / Compensated absences written off / (written back)	(1,088,633)	(264,114)
Provision for Shrinkages	192,166	(3,705,774)
Operating Profit/(Loss) before working capital changes	(27,176,110)	(134,922,811)
Adjustment for :		
(Increase) / Decrease in Sundry Debtors	(4,167,743)	422,384
(Increase) / Decrease in Loans and Advances	(15,083,356)	(49,191,573)
(Increase) / Decrease in Inventories	70,645,194	51,280,051
Increase / (Decrease) in Trade and Other Payables	(59,035,739)	(15,087,089)
Cash Used in Operations	(34,817,754)	(147,499,037)
Taxes Paid (Net)	-	(44,157)
Net Cash Used in Operating Activities	(34,817,754)	(147,543,194)
B Cash Flow From Investing Activities		
Proceeds from Sale of Assets	9,057,332	8,084,742
Purchase of Fixed Assets	(72,490)	(10,099,273)
Investment In Albasta Power Limited	(1,300,500,000)	-
Interest Income	290,607	1,343,278
Dividend on units of Mutual fund (Non Trade)	-	187,290
Net Cash Used in Investing Activities	(1,291,224,551)	(483,963)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011 (Contd.)

(Amount in Rs.)		
Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
C Cash Flow from Financing Activities		
Proceeds from Unsecured Loans	4,539,600,000	3,385,600,000
Repayment of Unsecured Loans	(3,115,600,000)	(3,012,800,000)
Interest Paid	(104,828,872)	(234,707,024)
Net Cash Generated From Financing Activities	1,319,171,128	138,092,976
D Net Decrease in Cash and Cash equivalents (A+B+C)	(6,871,177)	(9,934,181)
E Cash and Cash equivalents at the beginning of the year	11,608,689	21,542,870
F Cash and Cash equivalents at the end of the year (D+E)	4,737,512	11,608,689
<hr/>		
1 Cash and Cash Equivalents as at the end of the year includes		
Cash on Hand	4,722	373,969
In Current Accounts	382,290	184,220
In Fixed Deposit Accounts *	4,350,500	11,050,500
* Refer Note B 2(a) of Schedule 19		
	4,737,512	11,608,689
2 The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard-3 on Cash Flow Statements as notified under the Companies (Accounting Standards) Rules,2006, as amended.		

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Amount in Rs.)

	As at March 31, 2011	As at March 31, 2010
Schedule 1 : Share Capital		
Authorised:		
25,000,000 (Previous Year 25,000,000) Equity Shares of Rs 10 each	250,000,000	250,000,000
Issued, Subscribed and Paid Up		
20,000,000 Equity Shares (Previous Year 20,000,000) of Rs 10 each fully paid up. Of the above, 12,783,310 (previous year 12,783,310) Equity Shares of face value of Rs 10 each are held by Indiabulls Wholesale Services Limited, the Holding Company.	200,000,000	200,000,000
As Per Balance Sheet	200,000,000	200,000,000
Schedule 2 : Reserves and Surplus		
Securities Premium Account	1,062,033,695	1,062,033,695
As Per Balance Sheet	1,062,033,695	1,062,033,695
Schedule 3 : Unsecured Loans		
Short Term Loans		
- From Holding Company	2,899,600,000	-
- Interest Accrued and due thereon	193,167,318	-
	3,092,767,318	-
- From Subsidiary Company	820,000,000	-
- Interest Accrued and due thereon	43,188,163	-
	863,188,163	-
- From Body Corporate	-	2,295,600,000
- Interest Accrued and due thereon	-	75,736,950
	-	2,371,336,950
As Per Balance Sheet	3,955,955,481	2,371,336,950

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 (Contd.)

Schedule 4: Fixed Assets

(Amount in Rs.)

Description	Gross Block (At Cost)				Accumulated Depreciation/Amortization				Net Block	
	As at April 01, 2010	Additions During the Year	Adjustments / Sales During the Year	As at March 31, 2011	As at April 01, 2010	Provided During the Year	*Impairment of fixed assets recorded during the Year	Adjustments/ Deductions During the Year	As at March 31, 2011	As at March 31, 2010
A) Tangible Assets										
Plant and Machinery	138,116,002	-	4,815,444	133,300,558	34,150,782	10,989,032	-	1,153,660	43,986,154	103,965,220
Furniture and Fixtures	324,038,347	43,500	20,690,748	303,391,099	93,807,412	17,898,306	-	4,942,626	106,763,092	230,230,934
Computers	105,193,034	-	3,838,627	101,354,407	67,952,350	17,930,133	-	2,883,041	82,999,442	37,240,685
Office Equipments	-	28,990	-	28,990	-	1,109	-	-	1,109	27,881
Vehicles	718,730	-	65,635	653,095	442,900	39,279	-	34,375	447,804	275,830
Total	568,066,113	72,490	29,410,454	538,728,149	196,353,444	46,857,859	-	9,013,702	234,197,601	371,712,669
B) Intangible Assets										
Software	105,388,900	-	284,729	105,104,171	56,345,270	14,724,533	-	268,064	70,801,739	49,043,630
Total	105,388,900	-	284,729	105,104,171	56,345,270	14,724,533	-	268,064	70,801,739	49,043,630
Grand Total	673,455,013	72,490	29,695,183	643,832,320	252,698,714	61,582,392	-	9,281,766	304,999,340	420,756,299
Previous Year	765,434,710	45,499,370	137,479,066	673,455,013	178,319,194	64,253,467	29,361,547	19,235,493	252,698,714	587,115,516

* Refer Note B 9 of Schedule 19

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 (Contd.)

(Amount in Rs.)

	As at March 31, 2011	As at March 31, 2010
<u>Schedule 5 : Investments</u>		
Long Term - Non Trade - Unquoted		
In Subsidiary Company		
Albasta Power Limited:		
-100,050,000 (Previous Year Nil) Fully Paid up Equity Shares of Face Value Rs.10 each	1,000,500,000	-
-30,000,000 (Previous Year Nil) Fully Paid up 0.0001%, Non Convertible, Cumulative, Redeemable Preference Shares of Rs.10 each	300,000,000	-
(Refer Note B 3 (b) of Schedule 19)		
As Per Balance Sheet	1,300,500,000	-
Aggregate Book Value of Un-Quoted investments	1,300,500,000	-
Aggregate Book Value of Quoted Investments	-	-
Aggregate Market value of Quoted Investments	-	-
<u>Schedule 6 : Inventories (as taken, valued and certified by Management)</u>		
Finished Goods	68,389,139	139,034,333
Less: Provision for shrinkages and shortages (Refer Note B 4 of Schedule 19)	(19,811,372)	(19,619,206)
As Per Balance Sheet	48,577,767	119,415,127
<u>Schedule 7 : Sundry Debtors</u>		
(Unsecured, considered good, unless otherwise stated)		
(a) Debts outstanding for a period exceeding six months		
Considered Good	-	1,304
Considered Doubtful	6,311,163	6,025,651
	6,311,163	6,026,955
Less : Provision for doubtful debts	(6,311,163)	(6,025,651)
	-	1,304
(b) Other Debts (Considered Good)	4,405,400	521,865
As Per Balance Sheet	4,405,400	523,169
<u>Schedule 8 : Cash and Bank Balances</u>		
Cash on Hand	4,722	373,969
Balance with Scheduled Banks :		
in Current Accounts	382,290	184,220
in Fixed Deposit Accounts	4,350,500	11,050,500
(Refer Note B 2 (a) of Schedule 19)		
As Per Balance Sheet	4,737,512	11,608,689

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 (Contd.)

(Amount in Rs.)

	As at March 31, 2011	As at March 31, 2010
<u>Schedule 9 : Loans and Advances</u>		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	68,043,758	52,374,375
Considered Doubtful	163,053,153	157,632,197
	231,096,911	210,006,572
Less: Provision for Doubtful advances	163,053,153	157,632,197
	68,043,758	52,374,375
Security Deposits:		
Considered Good	76,165,753	86,584,107
Considered Doubtful	88,971,750	84,560,379
	165,137,503	171,144,486
Less: Provision for Doubtful Deposits	88,971,750	84,560,379
	76,165,753	86,584,107
As Per Balance Sheet	144,209,511	138,958,482
<u>Schedule 10 : Current Liabilities</u>		
Sundry Creditors (Refer Note B 18 of Schedule 19)		
Dues to Micro, Small and Medium Enterprises	2,490,656	2,490,656
Dues to others	214,301,479	296,602,090
Other Liabilities	15,016,292	14,531,951
As Per Balance Sheet	231,808,427	313,624,697
<u>Schedule 11 : Provisions</u>		
Provision for Gratuity	86,183	797,369
(Refer Note B 11 of Schedule 19)		
Provision for Compensated Absences	93,684	471,131
(Refer Note B 11 of Schedule 19)		
As Per Balance Sheet	179,867	1,268,500

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs.)

	Year ended March 31, 2011	Year ended March 31, 2010
<u>Schedule 12 : Sales and Operating Income</u>		
Sales (Net of applicable VAT)	21,739,299	123,957,985
Sales of Consignment Merchandise	10,322,563	43,806,413
As Per Profit and Loss Account	32,061,862	167,764,398
<u>Schedule 13 : Other Income</u>		
Income from store displays	-	676,231
Concessionaire Income	2,707,835	13,000,575
Miscellaneous Income	768,877	607,951
Liabilities Written Back	23,699,493	4,987,079
Interest Income	290,607	490,449
Interest on Income Tax Refund	-	852,829
Dividend on units of Mutual Funds	-	187,290
As Per Profit and Loss Account	27,466,812	20,802,404
<u>Schedule 14 : Cost of Goods Sold</u>		
Purchases	(55,504,736)	67,008,901
(Increase)/Decrease in inventories	70,645,194	66,075,492
Purchase of Consignment Merchandise	8,477,397	34,723,075
As Per Profit and Loss Account	23,617,855	167,807,468
<u>Schedule 15 : Direct Costs</u>		
Octroi Charges	704,283	501,105
Barcoding and Soft Tags	91,764	196,211
Transportation Charges	763,837	1,104,901
Labour Charges	93,890	105,498
As Per Profit and Loss Account	1,653,774	1,907,715
<u>Schedule 16 : Employees Remuneration and Benefits</u>		
Salaries	10,095,712	31,304,802
Staff Welfare Expenses	5,661	1,135,696
Contribution to Provident and Other Funds	235,349	1,155,662
As Per Profit and Loss Account	10,336,722	33,596,160

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**(Contd.)**

(Amount in Rs.)

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 17 : Administrative and Other Expenses		
Electricity, Power and Fuel	2,920,447	15,534,559
Repairs and Maintenance		
- Building	9,086	828,433
- Plant and Machinery	1,348,891	3,269,879
- Others	33,563	880,620
Lease Rent (Refer Note B 5 of Schedule 19)	11,844,950	47,724,722
Rates and Taxes	138,249	740,478
Credit card charges	157,075	1,206,637
Insurance	630,332	945,030
House Keeping Charges	550,292	2,300,575
Security Charges	783,411	3,897,408
Legal and Professional Charges	2,206,783	10,947,825
Communication Expenses	432,016	1,053,616
Travelling and Conveyance	1,846,094	3,367,924
Auditors' Remuneration		
- For Audit Matters	1,500,000	3,695,050
- For Tax Audit	-	110,300
Printing and Stationery	583,366	2,574,497
Commission	-	90,000
Advertisement and Sales Promotion	282,977	7,529,446
Loss on Sale/Disposal of Fixed Assets	11,356,088	74,758,734
Provision for Doubtful Debts and Advances	10,117,840	39,297,095
Office Expenses	48,403	305,667
Miscellaneous Expenses	770,725	2,688,069
As Per Profit and Loss Account	47,560,588	223,746,564
Schedule 18: Interest and Finance Charges		
Interest on Inter Corporate Deposits	265,447,399	178,522,353
Interest - others	918,962	702,045
Bank Charges	123,206	640,920
As Per Profit and Loss Account	266,489,567	179,865,318

Schedule: 19**Significant Accounting Policies and Notes to accounts forming Part of the Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended March 31, 2011****A. Significant Accounting Policies:****i. Basis of accounting**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and in compliance with the applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

ii. Use of estimates

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at 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 reporting year in which the results are known / materialized.

iii. Fixed Assets**a) Tangible Assets:**

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

iv. Depreciation / Amortization

Depreciation on tangible fixed assets is provided on straight-line basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Depreciation on additions/deductions of assets during the year is provided on pro-rata basis from/upto the date asset is put to use/discarded. Intangible assets are amortized over the expected useful life from the date the assets were available for use, as mentioned below:

Description of Assets	Estimated useful life
Software	Six Years

v. Impairment of Assets

At each Balance Sheet date, the Company assesses, based on internal or external factors, 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 or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If, at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and impairment losses previously recognized are accordingly reversed.

vi. Investments

Investments are classified as long term or current investments. Long term investments are stated at cost and provision for diminution in their value, other than temporary, is recorded in the books of account. Current investments are stated at the lower of cost or fair value.

vii. Revenue Recognition

- a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realisation or collection.
- b) Retail sales are recognised on the delivery of goods/merchandise to customers, when:
 - i. the property in the goods is transferred for a price,
 - ii. significant risks and rewards have been transferred and,
 - iii. the Company retains no effective ownership/control over the goods.

- c) Sales are net of Discounts, Sales Tax and Value Added Tax.
- d) The property in goods/merchandise of third party sales counters located within the retail stores of the Company passes to the Company once a customer decides to purchase an item from such third party sales counters. The Company, in turn, sells such goods to the customer and revenue is accordingly, included under Sales and cost of such merchandise is disclosed separately in the Profit and Loss Account.
- e) The ownership in goods/merchandise of third parties under concessionaire arrangements does not pass to the Company. Concessionaire income earned from sales made by third parties under such arrangements is recognised in the Profit and Loss Account as Other Income under the head Concessionaire Income.
- f) Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed.
- g) Interest income from fixed deposits is recognized on accrual basis.
- h) Dividend income is recognized when the right to receive the dividend is unconditional at the Balance Sheet Date.
- i) Profit on sale of investments is recognized on the date of the transaction of sale and is computed with reference to the cost of investments.

viii. 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.

ix. Provision for Shrinkages and Shortages

Provisions for Shrinkages and Shortages are charged to the Profit and Loss account based on historical data and management estimates. Actual shrinkages and shortages are adjusted against such provisions.

x. 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 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 balance sheet until the disposal of the net investment, at which time they are recognized as income or expenses.

xi. 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 on the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain. In case of timing differences on account of carried forward losses or unabsorbed depreciation, Deferred Tax Assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets will be realised. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

xii. Deferred Employee Stock Compensation Costs

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 by the difference between the estimated intrinsic or fair value on the grant date (as elected by the Company in respect of its different Employees Share Based Payment Plans) of its equity shares issuable on exercise of stock options and the exercise price to be paid by the option holders. The compensation expense is amortized over the vesting period of the options.

xiii. Leases

In case of assets taken on operating lease, the lease rentals are charged to the Profit and Loss Account, in accordance with Accounting Standard (AS) 19 – “Leases” as notified under the Companies (Accounting Standards) Rules, 2006, as amended.

xiv. Customer Loyalty Club

As per the Company’s customer loyalty programs, points awarded to customers can be redeemed for a gift voucher of an equivalent amount or against special gift articles. The value of these points is accounted for in the year in which they are redeemed.

xv. Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account 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 Profit and Loss Account.

Post employment and other long term employee benefits for its eligible employees are recognized as an expense in the Profit and Loss Account, 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 half yearly 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 and losses are recognized in the Profit and Loss account as income or expenses.

xvi. 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.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income which may never be realized.

xvii. Borrowing costs

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

xviii. Earnings Per Share:

Basic Earnings per Share is computed using the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year.

B. Notes to Accounts**1. Overview**

- i. The Company was incorporated as Pyramid Retail Limited on March 18, 2005 with an authorized capital of Rs. 210,000,000 divided into 21,000,000 equity shares of Rs.10 each. In April 2008, Indiabulls Wholesale Services Limited (IBWSL), 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 and in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Pursuant to this, IBWSL and Indiabulls Real Estate Limited had made an open offer to acquire up to 20% of the voting capital of the Company at an offer price of Rs 74.73 per share. In the open offer, which concluded on April 10, 2008, IBWSL purchased 310 shares from the general public. In accordance with the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, the members of the Company passed a special resolution through Postal Ballot, on May 12, 2008, and accorded their approval to change the name of the Company. The Company has since received fresh certificate of incorporation consequent upon change of name, from the Registrar of Companies, Maharashtra, Mumbai dated May 22, 2008 in respect of the said change. Accordingly, the name of the Company was changed to 'Indiabulls Retail Services Limited'. Further and in accordance with the provisions of Section 21 and as per applicable provisions of the Companies Act, 1956, members of the company in their annual general meeting held on September, 30 2009, accorded their approval to change the name of the Company to 'Store One Retail India Limited'. The Company has since received fresh certificate of incorporation consequent upon change of name, from the Registrar of Companies, National Capital Territory of Delhi and Haryana on October 06, 2009. Accordingly, the name of the Company has been changed to "Store One Retail India Limited" from Indiabulls Retail Services Limited.
- ii. In accordance with the provisions of Section 94 and other applicable provisions of the Companies Act, 1956, Members of the Company in their Annual General Meeting held on September 30, 2009, accorded their approval to increase the Authorized Share Capital of the Company. Accordingly, the Authorized Share Capital of the Company has been increased from Rs. 210,000,000/- (Rupees Twenty One Crores) divided into 21,000,000 (Two Crores Ten Lacs) Equity Shares of Rs. 10 each to Rs. 250,000,000/- (Rupees Twenty Five Crores) divided into 25,000,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10 each.
- iii. During the year ended March 31, 2011, the Company has incurred a net loss of Rs. 351,712,224. As part of its restructuring initiatives undertaken since financial year 2008-09, the Company has closed certain stores as a means to reduce and control costs / operating losses. Having regard to the Company's future business plans and the synergies expected from its restructuring initiatives, the financial statements for the year ended March 31, 2011 have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
- iv. The address of the registered office of the Company has been changed from E-29, 1st Floor, Connaught Place, New Delhi – 110001 to 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi – 110001 with effect from March 15, 2011.
- v. Scheme of Arrangement ("IBWSL Scheme of Arrangement") between erstwhile Ultimate Holding Company, Indiabulls Real Estate Limited ("Demerged Company", "IBREL") and the Holding Company, ("IBWSL", "Resulting Company") and their respective shareholders and creditors under Sections 391 – 394 of the Companies Act, 1956, was sanctioned by the Hon'ble High Court of Delhi at New Delhi on March 31, 2011. Upon coming into effect of the Scheme of Arrangement on March 31, 2011 and with effect from the Appointed Date on April 01, 2010, the Wholesale trading business stand demerged from IBREL and transferred to and vested in IBWSL on a going concern basis. In terms of the Scheme, with effect from the Appointed Date on April 01, 2010:
 - a) Certain Assets comprising of Fixed Assets and Loans and Advances in the IBREL aggregating to Rs. 4,106,396,502 have been transferred to IBWSL, at their book values;
 - b) The Equity Share Capital of the Company amounting to Rs. 1,000,000,000 was cancelled;
 - c) The net adjustment for such transfer of assets, liabilities and cancellation and issue of Equity Share Capital amounting to Rs. 5,005,826,316 has been shown in the General Reserve Account;
 - d) In terms of the Scheme, all business activities of the IBREL made by IBREL in trust for IBWSL, carried out on or after the Appointed Date are deemed to have been carried out by the IBREL on behalf of the IBWSL on a going concern basis;
 - e) The transfer of proportionate Share warrant has been made as per the net worth ratio between net worth of the IBREL transferred to IBWSL pursuant to Scheme and the net worth of the IBREL immediately before demerger as on Appointed Date ie. April 01, 2010. Proportionate liability in respect of Share Warrants representing 25% of the application money amounting to Rs. 94,248,700 has also been transferred to the Company;
 - f) Pursuant to the Scheme being given effect to, by IBWSL has allotted one (1) Equity Share of face value of Rs. 2 each credited as fully paid-up for every eight (8) Equity share of Rs. 2 each held by such shareholders in the IBREL.

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

Pursuant to the Scheme, the Authorised Share Capital of the Holding Company has been reorganised to Rs. 1,100,000,000 divided into 550,000,000 Equity shares of Rs.2/- each.

2. Contingent Liabilities

a) Bank Guarantees:

- i. Of Rs. Nil (Previous Year Rs 6,700,000) issued in favour of Business Partners, Secured by way of pledge of Fixed Deposits for Rs. Nil (Previous Year Rs. 6,700,000).
- ii. Of Rs. 100,000 (Previous Year Rs. 100,000) issued in favour of Assessing Authority- Gurgaon, Secured by way of pledge of Fixed Deposits for Rs. 100,000 (Previous Year Rs. 100,000).
- iii. Of Rs. 4,250,500 (Previous Year Rs. 4,250,500) issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for Rs. 4,250,500 (Previous Year Rs. 4,250,500).

b) Estimated amount of Contracts remaining to be executed on capital account (net of advances) Rs. Nil (Previous Year Rs. 218,454).

c) Claims against the Company not acknowledged as debts: Rs. 9,709,503 (Previous Year: Rs. 6,109,503).

3. Statement of Acquisition and Sale of Investments during the year

a) Non Trade, Unquoted, Current Investments:

In Units of Mutual Funds

	For the year ended March 31, 2011			
	Acquired during the year		Redeemed during the year	
	No. of Units	Amount (Rs.)	No. of Units	Amount (Rs.)
LICMF Liquid Fund – Dividend Plan	- 4,768,986	- 52,363,939	- 6,183,112	- 67,891,179
LICMF Saving Plus Fund	- 801,992	- 8,019,919	- 801,992	- 8,019,919
Reliance Liquid Fund	- 425,192	- 6,500,000	- 425,192	- 6,500,000
Total	- 5,996,170	- 66,883,858	- 7,410,295	- 82,411,098

Figures in respect of previous year are stated in italics

b) Non Trade Unquoted Long Term Investment in Subsidiary:

(Amount in Rupees)

Particulars	Relationship	Type of Investment	As at March 31, 2011	As at March 31, 2010
Albasta Power Limited	Wholly owned Subsidiary Company	100,050,000 Equity Shares of Rs.10 each Fully paid up	1,000,500,000	NIL
Albasta Power Limited	Wholly owned Subsidiary Company	30,000,000, 0.0001% Non Convertible, Cumulative Redeemable Preference Shares of Rs.10 each Fully paid up	300,000,000	NIL

4. Provision for Shrinkages/Shortages

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Opening Balance	19,619,206	38,120,425
Additions	192,166	-
Utilized	-	18,501,219
Closing Balance	19,811,372	19,619,206

5. Disclosures in respect of Accounting Standard 19- Leases, as notified under the Companies (Accounting Standards) Rules, 2006, as amended

The Company has taken various premises on operating leases and lease rent of Rs.11,844,950 (Previous year Rs. 47,724,722) in respect of the same has been charged to Profit and Loss Account for the year ended March 31, 2011. The underlying agreements are executed for a period generally ranging from one year to seven years, renewable at the option of the Company and the lessor and are cancellable in some cases, by either party by giving a notice generally of 30 to 90 days. The minimum lease rentals payable in respect of such operating leases are as under:

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
Within One Year	864,000	55,317,172
One to Five years	684,000	292,737,560
Later than Five years	-	173,054,088
Total	1,548,000	521,108,820

6. Employees' Stock Option Schemes (ESOS)**i. 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 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 shareholders by way of postal ballot on February 9, 2009.

ii. Indiabulls Retail Services Limited Employees Stock Options 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 (Fifteen lacs) stock options representing an equal number of Equity shares of face value Rs. 10 each in the Company, to the eligible employees, at an exercise price of Rs. 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.

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 values of the options under the Scheme using the Black-Scholes model based on the following parameters, is Rs. 24.06 per option, as calculated by an independent firm of Chartered Accountants:

S. No.	Particulars	ESOP – 2009
1	Fair value of option at grant date (Rs. per option)	Rs. 24.06
2	Exercise price (Rs. per option)	Rs. 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%

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

iii. Indiabulls Retail Services 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 (Thirty lacs) equity settled options for eligible employees of the Company, its subsidiaries, Holding Company and Ultimate Holding Company.

7. Earnings per Share

The Basic Earnings Per Share is computed by dividing the Net Profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is 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.

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Loss After Tax	(351,712,224)	(511,971,437)
Weighted Average number of shares used in computing Basic Earnings per Share (Number of shares)	20,000,000	20,000,000
Total Potential Weighted Average number of shares used in computing Diluted Earnings Per Share (Number of shares)	20,000,000	20,000,000
Face Value per Equity Share	10	10
Basic Earnings Per Share	(17.59)	(25.60)
Diluted Earnings Per Share	(17.59)	(25.60)

8. 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, 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.

9. Impairment

In accordance with the provisions of Accounting Standard 28 (AS 28) “Impairment of Assets” as notified under the Companies (Accounting Standards) Rules, 2006, as amended, the Company, during the year ended March 31, 2011, has recorded impairment loss of Rs. Nil (Previous year Rs.29,361,547) (included under the head Depreciation in the Profit and Loss Account), relating to various items of Tangible and Intangible Assets, which have been brought down to their recoverable values upon evaluation of future economic benefits from their use.

10. Quantitative details (As taken, valued and certified by the management)

(Amount in Rupees)

Particulars	Sales		Purchases		Write-off		Opening Stock		Closing Stock	
	Qty*	Amount	Qty**	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Apparels/ Household Items etc.	34,513	16,930,608	-84,042	-60,551,242	103	41,252	260,182	127,511,605	141,524	55,111,424
	<i>278,357</i>	<i>144,568,492</i>	<i>138,791</i>	<i>97,768,627</i>			<i>399,748</i>	<i>156,597,806</i>	<i>260,182</i>	<i>127,511,605</i>
Others		15,131,254		13,523,902		15,384		11,522,728		13,277,715
	-	26,223,608	-	4,205,093	-	13,473,412		48,512,019	-	11,522,728
Total	34,513	32,061,862	-84,042	-47,027,340	103	56,636	260,182	139,034,333	141,524	68,389,139
	<i>278,357</i>	<i>170,792,099</i>	<i>138,791</i>	<i>101,973,720</i>	-	<i>13,473,412</i>	<i>399,748</i>	<i>205,109,825</i>	<i>260,182</i>	<i>139,034,333</i>

* The Company having dealt in a large number of products, the quantitative information has been furnished only in respect of major items namely Apparels and Household items. Other items are grouped together, as quantitative information in respect of each product is not practical in view of nature of retail operations of the Company.

**Purchase quantity is shown as net of purchase return.

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

11. Employee Benefits

Contributions are made to Provident Fund and Family Pension Fund, Employees State Insurance Corporation and other statutory funds which cover all eligible employees. Both the employees and the Company make predetermined contributions to the Provident Fund and Employees State Insurance Corporation. The contributions are normally based on a certain proportion of the employees' salary. The Company has charged Rs. 235,349 (Previous Year Rs. 1,155,662) as employer contribution for the above mentioned funds, to the Profit and Loss Account.

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuation conducted half yearly by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account. Disclosures required by Accounting Standard 15 (AS-15) Employee Benefits, as notified under the Companies (Accounting Standard) Rules, 2006 as amended, are given below:

(Amount in Rupees)

	Gratuity (Unfunded)	Gratuity (Unfunded)	Compensated Absences (Unfunded)	Compensated Absences (Unfunded)
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Reconciliation of liability recognised in the Balance sheet				
Present value of commitments (as per actuarial valuation)	86,183	797,369	93,684	471,131
Fair value of plan assets	NIL	NIL	NIL	NIL
Net liability in the Balance sheet (actual)	86,183	797,369	93,684	471,131
Movement in net liability recognised in the Balance sheet				
Net liability as at beginning of the year	797,369	831,978	471,131	700,636
Amount paid during the Year	NIL	NIL	NIL	NIL
Net expense/ (gain) recognised in the Profit and Loss account	(711,186)	(34,609)	(377,447)	(229,505)
Contribution during the year	NIL	NIL	NIL	NIL
Net liability as at end of the year	86,183	797,369	93,684	471,131
Expense recognised in the Profit and Loss account				
Current service cost	49,758	285,253	30,234	175,271
Interest cost	37,483	54,917	22,006	43,170
Expected return on plan assets	NIL	NIL	NIL	NIL
Actuarial (gains)/ losses	(798,427)	(374,779)	(429,687)	(447,946)
Expense charged to the Profit and Loss account	(711,186)	(34,609)	(377,447)	(229,505)
Return on plan assets				
Expected return on plan assets	NIL	NIL	NIL	NIL
Actuarial (gains)/ losses	NIL	NIL	NIL	NIL
Actual return on plan assets	NIL	NIL	NIL	NIL
Reconciliation of defined-benefit commitments				
Commitments as at beginning of the year	797,369	831,978	471,131	700,636
Current service cost	49,758	285,253	30,234	175,271
Interest cost	37,483	54,917	22,006	43,170
Paid benefits	NIL	NIL	NIL	NIL
Actuarial (gains)/ losses	(798,427)	(374,779)	(429,687)	(447,946)
Commitments as at end of the year	86,183	797,369	93,684	471,131
Reconciliation of plan assets				
Plan assets as at beginning of the year	NIL	NIL	NIL	NIL
Expected return on plan assets	NIL	NIL	NIL	NIL
Contributions during the year	NIL	NIL	NIL	NIL
Paid benefits	NIL	NIL	NIL	NIL
Actuarial (gains)/ losses	NIL	NIL	NIL	NIL
Plan assets as at end of the year	NIL	NIL	NIL	NIL

STANDALONE FINANCIAL STATEMENTS (Contd..)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

	For the year ended March 31, 2011	For the year ended March 31, 2010
Discount rate	8.00%	7.50%
Gratuity and Compensated Expenses	NIL	NIL
Expected return on plan assets	NIL	NIL
Expected rate of salary increase	5.00%	5.00%
Mortality	LIC (1994-96) Duly Modified	LIC (1994-96) Duly Modified

12. Disclosures in respect of Accounting Standard 18 (AS 18) Related Party Disclosures, as notified under the Companies (Accounting Standards) Rules, 2006, as amended

a) Related parties where control exists:

Nature of relationship	Name of Party
Erstwhile Ultimate Holding Company	Indiabulls Real Estate Limited (Upto April 1, 2010)
Holding Company	Indiabulls Wholesale Services Limited
Subsidiary Company	Albasta Power Limited
Subsidiary of Erstwhile Ultimate Holding Company*	Elena Power and Infrastructure Limited
Erstwhile Fellow Subsidiary Company*	Indiabulls Projects Limited
Erstwhile Fellow Subsidiary Company*	Lucina Land Development Limited
Erstwhile Fellow Subsidiary Company*	Selene Estate Limited
Erstwhile Fellow Subsidiary Company*	Selene Constructions Limited

* With whom transactions entered during the year.

b) Other related parties:

Key Management Personnel	Mr. Rajiv Rattan, Director (Upto August 14, 2010), (Promoter of the Holding Company)
	Mr. Sameer Gehlaut (Promoter of the Holding Company)
	Mr. Saurabh K. Mittal (Promoter of the Holding Company)
	Mr. Anil Lepps, Whole - Time Director (Upto November 13, 2010)
	Mr. Mehul CC Johnson, Director
	Mr. Abhimanyu Mehlawat, Whole - Time Director (From November 13, 2010)
	Mr. Mukul Bansal, Director (From August 14, 2010)

c) Statement of Material Transactions

i. Inter Corporate Deposits taken (Maximum amount outstanding at any time during the year)

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Indiabulls Wholesale Services Limited	3,606,100,000	962,800,000
Indiabulls Projects Limited	–	1,000,000,000
Albasta Power Limited	820,000,000	–

ii. Interest Expenses on Inter Corporate Deposits

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Indiabulls Wholesale Services Limited	214,630,356	51,89,984
Indiabulls Projects Limited	–	5,424,642
Albasta Power Limited	47,986,849	–

iii. Repayment of Inter Corporate Deposits

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Indiabulls Wholesale Services Limited	820,000,000	962,800,000
Indiabulls Projects Limited	–	1,000,000,000

iv. Outstanding as at March 31, 2011:

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
Inter Corporate Deposit taken		
Indiabulls Wholesale Services Limited	2,899,600,000	–
Albasta Power Limited	820,000,000	–
Interest Payable on Inter Corporate Deposit		
Indiabulls Wholesale Services Limited	193,167,318	–
Albasta Power Limited	43,188,163	–

v. Revenue:

(Amount in Rupees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Selene Constructions Limited	2,865,225	–
Selene Estate Limited	3,582,762	–
Lucina Land Development Ltd	6,348,409	–

vi. Investment in Subsidiary:

(Amount in Rupees)

Particulars	Type of Investment	As at March 31, 2011	As at March 31, 2010
Elena Power and Infrastructure Limited	100,050,000 Equity Shares of Rs.10 each Fully paid up of Albasta Power Limited	1,000,500,000	NIL
Elena Power and Infrastructure Limited	30,000,000, 0.0001% Non Convertible, Cumulative Redeemable Preference Shares of Rs.10 each Fully paid up of Albasta Power Limited	300,000,000	NIL

13. Disclosures pursuant to Part II to Schedule VI of the Companies Act, 1956, to the extent applicable

i. Managerial Remuneration under section 198 of the Companies Act, 1956:

(Amount in Rupees)

Particulars	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Salary and Other Allowances	–	–
Contribution to Provident Fund/Superannuation	–	–

As no commission has been paid / is payable to Directors, the computation of Net Profits in accordance with Section 309 (5) read with Section 349 of the Companies Act, 1956 has not been furnished.

ii. Expenditure incurred in Foreign currency: Nil (Previous Year: Nil)

iii. Value of Imports calculated on CIF basis: Nil (Previous Year: Nil)

14. Segment Reporting

The Company is engaged in the retail business in India. The Company operates in domestic market only. Considering the nature of Company's business and operations and based on the information available with the management no further disclosures are required in respect of reportable segments, under Accounting Standard 17 (AS 17) – "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, other than those already provided in the financial statements.

15. As per the best estimate of the Management, no provision is required to be made as per Accounting Standard 29 (AS 29) – “Provisions, Contingent Liabilities and Contingent Assets”, as notified under the Companies (Accounting Standard Rules), 2006, as amended, 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.
16. In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2011 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.
17. In respect of amounts mentioned under Section 205 C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2011.
18. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:
 - i. An amount of Rs. 2,490,656 (Previous Year Rs. 2,490,656) was due and outstanding to suppliers as at the end of the accounting year.
 - ii. No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and payments of Rs. Nil (Previous Year Rs. 3,815,437) were made to suppliers beyond the appointed day during the accounting year
 - iii. No interest is due and payable at the end of the year to such suppliers. (Refer Note (vi) below)
 - iv. Interest of Rs.918,962 (Previous Year Rs.679,310) is accrued but not due at the end of the accounting year (Refer Note (vi) below)
 - v. No amount of further interest was remaining due and payable in the succeeding years.
 - vi. The above information and that given in Schedule 10 - “Current Liabilities ” regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Certain balances shown under Current Liabilities are subject to confirmation / reconciliation. Pending such confirmation / reconciliation, the Company has not paid principal amount of Rs. 2,490,656 and interest amount of Rs. 918,962 that may be payable under the Micro, Small and Medium Enterprises Development Act, 2006
19. No borrowing cost has been capitalized during the year.
20. 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, 2011.
21. Previous year’s figures have been regrouped and / or re-arranged and / or reclassified wherever necessary to confirm to current year’s groupings and classifications.

Signature to Schedules 1 to 19

As per our report of even date

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

For and on behalf of the Board

Amar Mittal
Partner
Membership No.: 017755

Abhimanyu Mehlawat
Whole Time Director

Karan Singh
Director

Vikas Khandelwal
Company Secretary

Place : Gurgaon
Date : May 04, 2011

Place : Gurgaon
Date : May 04, 2011

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN ITS SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR 2010-11

Sr. No.	Name of the Subsidiary Company	Financial year / period ending of the Subsidiary	Date from which they became Subsidiary Companies	Holding Company's interest (Equity Shares of Rs. 10 each stated otherwise)	Extent of Holding	The net aggregate amount of profits/(losses) so far as it concerns the members of the Holding Company			
						a. Not dealt with in the Holding Company Accounts	b. Dealt with in the Holding Company Accounts		
						i) For the Financial Year ended 31st March 2011	ii) For the previous financial years of the Subsidiary Companies since they become Holding Company's subsidiaries	i) For the Financial Year ended 31st March 2011	ii) For the previous financial years of the Subsidiary Companies since they become Holding Company's subsidiaries
1	Albasta Power Limited	31-Mar-11	1-Apr-10	100,050,000 Fully Paid up Equity Shares of Face Value Rs.10 each	100%	(287,878,980)	NIL	NIL	NIL

For and on behalf of the Board

Abhimanyu Mehlawat
Whole-Time Director

Place: Gurgaon

Date: May 4, 2011

Karan Singh
Director

Vikas Khandelwal
Company Secretary

BALANCE SHEET ABSTRACT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

L	5	2	1	9	0	D	L	2	0	0	5	P	L	C	1	8	1	5	3	6
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 State Code

5	5
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Balance Sheet Date

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0	3
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2	0	1	1
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II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Employees Stock Options Plan

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

	5	4	4	9	9	7	7
--	---	---	---	---	---	---	---

Total Assets

	5	4	4	9	9	7	7
--	---	---	---	---	---	---	---

Sources of Funds

Paid -up Capital

		2	0	0	0	0	0
--	--	---	---	---	---	---	---

Secured Loans

					N	I	L
--	--	--	--	--	---	---	---

Deferred Tax Liability (Net)

					N	I	L
--	--	--	--	--	---	---	---

Reserves & Surplus

	1	0	6	2	0	3	4
--	---	---	---	---	---	---	---

Unsecured Loans

	3	9	5	5	9	5	5
--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

		3	3	8	8	3	3
--	--	---	---	---	---	---	---

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	√
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Net Current Assets

		3	0	0	5	8
--	--	---	---	---	---	---

Accumulated Losses

	3	6	0	8	7	1	4
--	---	---	---	---	---	---	---

Investments

	1	3	0	0	5	0	0
--	---	---	---	---	---	---	---

Misc. Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Deferred Tax Assets (Net)

					N	I	L
--	--	--	--	--	---	---	---

IV. Performance of Company (Amounts in Rs. Thousands)

Turnover

		5	9	5	2	9
--	--	---	---	---	---	---

+ -

	√
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Profit / Loss before tax

	3	5	1	7	1	2
--	---	---	---	---	---	---

Total Expenditure

	4	1	1	2	4	1
--	---	---	---	---	---	---

+ -

	√
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Profit/ Loss after tax

	3	5	1	7	1	2
--	---	---	---	---	---	---

Earning per Share in Rs. (Basic)

	-	1	7	.	5	9
--	---	---	---	---	---	---

Earning per Share in Rs. (Diluted)

	-	1	7	.	5	9
--	---	---	---	---	---	---

Dividend

					N	I	L
--	--	--	--	--	---	---	---

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No.

N	O	T	A	P	P	L	I	C	A	B	L	E
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(NIC Code)

Product Description

N	O	T	A	P	P	L	I	C	A	B	L	E
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NOTES



STORE ONE RETAIL INDIA LIMITED

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Website: www.storeone.in