

— STORE —
one



Store One Retail India Limited
— Annual Report 2012-13 —



Contents

Company Information 02

Management Discussion and Analysis 03

Directors' Report 06

Report on Corporate Governance 12

Financials 28



Company Information

Board of Directors

Mr. Abhimanyu Singh Mehlawat

Mr. Mehul Johnson

Mr. Shamsheer Singh Ahlawat

Mr. Aishwarya Katoch

Mr. Karan Singh Kherra

Mr. Prem Prakash Mirdha

Company Secretary

Mr. Vikas Khandelwal

Statutory Auditors

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

Registrar and Transfer Agent

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

Registered Office

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

Corporate Offices

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

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

Bankers

HDFC Bank Limited

State Bank of India

IDBI Bank Limited

Kotak Mahindra Bank Limited

Axis Bank Limited

Yes Bank Limited

ICICI Bank Limited

Management Discussion and Analysis

ECONOMIC OVERVIEW

Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years. However, the last year has not been very encouraging one for Indian Economy, though it started on positive note, it got slowed down as the monetary tightening continued to arrest the inflationary pressure. RBI is giving full concentration on the inflation problem, which is undermining the fragile economic growth and stopped upward revision. The international context was also not entirely supportive of economic growth. Despite the rising risk of political and economic policies, the overall economic outlook of India in the long run is still intact. India's growth would be driven by rapidly expanding services sector and therefore the opportunities are tremendous.

BUSINESS REVIEW

With a view to maximize the shareholders wealth and in its constant endeavor to make the Company a profitable venture by exploiting new business opportunities, during the year 2012-13, the Company has ventured into the new businesses of providing infrastructure resources and/or the travel agency business along with its ongoing businesses. With the new ventures, the Company has multiple businesses including the business of providing property and facility management, plant and machinery management and its rental services and wholesale trading business. All the business of the Company have huge untapped business opportunities & large avenues for further business development.

Property & Facility Management Services

Property Management is multi discipline field devoted to the maintenance and care of the buildings and properties, which comprise of Maintenance, care and running of all the common facilities of the complex to include technical systems (mechanical, electrical & civil), Soft services and housekeeping tasks, Common area development and landscaping, Security, Pest control, waste disposal and recycling etc. and Leasing and marketing activities of the complex for rent and lease. The vast area of business operations & revenue generation in this field gives huge business opportunities to the Company.

Renting of Plant and Machinery

The Company is now aggressively involved in the rental business of Plant and Machinery in the infrastructure development field. Our brand new asset base from renowned manufacturers includes tower cranes, boom placers, hoists, transit mixers, dumpers, excavators etc. In addition, the Company will also engage in renting Formwork for construction of building / structures. The renting of machinery is done on both terms, i.e. dry and wet lease basis.

Wholesale trading

The Company is also engaged in the business of wholesale trading of various industrial / consumer products and commodities in select Indian cities. The Company is trying to establish its foothold in this segment.

Travel Agency

Evaluating the high potential & business opportunities mainly for corporate clients, the Company has recently ventured into the business of travel agency, which is one of the fastest-growing industries.

OPPORTUNITIES

Property & Facility Management Services

With the increased number of multistoried high-end residential, commercial & retail space, there is huge business opportunities and potential in the business of Property & Facility Management Services. The demand is from almost every sector including Private, Government, Quasi-Government organizations, City councils, City Municipalities, City Corporations, Public sector organizations and undertakings, Healthcare, Banking, Hospitality, Construction, Infrastructure, Aviation etc.

Management Discussion and Analysis (contd.)

Renting of Plant and Machinery

With the thrust on infrastructural development in the country, the business of providing Plant and Machinery to the construction industry has huge untapped business opportunities & large avenues for further business development.

Wholesale trading

In the wholesale trading business segment, India has yet to see the growth. Sky is the limit as this sector is full of huge potential.

Travel Agency

Travel agency business in India, specifically the service to corporate clients, holds immense potential.

THREATS

There is intense competition & complexity in the business being conducted by the Company. Most of these sectors are un-regulated and requiring major reforms, recognition and organization. Government policies and reforms, if any, may be only threats in achieving the expected growth. However, the Company firmly believes that presence of experienced management team, strong systems and process, dedicated, committed & motivated professional provides adequate safeguard and rather a competitive advantage for facing such regulatory reforms and managing its business activities.

Apart this, the Company believes that execution is the only key risk in the businesses being conducted by the Company. However, the Company has a strong management team and believes that it would be capable enough to execute varied business formats.

STRENGTHS

The Company believes that following are the key strengths that provide it competitive advantages in the businesses being conducted by the Company.

Diversified business portfolio

To capitalize existing potential, the Company has diversified in the business of facility management services, business support services, security agency services, equipment/machinery rental services and travel agency etc. alongwith its ongoing business of wholesale trading.

Strong management team

The Company has an experienced professional management team possessing strong capabilities and is complemented by a committed work force 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 believe that continuous investment in process, systems and technology results into substantial growth.

STRATEGY

The infrastructure services industry is one of the highest growing industries in India, thereby having huge untapped business potential for sustenance and growth. The asset base is being increased as the potential business opportunity increases with time. The intention is to cover the provision of machines on rent to the construction industry Pan India.

Management Discussion and Analysis (contd.)

HUMAN RESOURCES

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

INTERNAL CONTROLS AND THEIR ADEQUACY

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

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

Cautionary Statement

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

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

Directors' Report

Dear Shareholders,

Your Directors present to you the Eighth Annual Report together with audited statement of accounts for the financial year ended March 31, 2013.

FINANCIAL RESULTS

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

Particulars	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Profit/ (Loss) before Tax and Depreciation	435,832,980	181,179,183
Less: Depreciation/ Impairment of Fixed Assets	59,212,287	62,786,644
Profit/ (Loss) before Tax	376,620,693	118,392,539
Less: Provision for Taxation & Prior Period Tax Adjustments	—	—
Profit/ (Loss) after Tax and Prior Period Tax Adjustment	376,620,693	118,392,539
Profit/ (Loss) brought forward	(3,490,321,761)	(3,608,714,300)
Balance carried forward to Balance Sheet	(3,113,701,067)	(3,490,321,761)

KEY FINANCIAL HIGHLIGHTS

- Sale of Products in FY'13 increased to ₹ 8.89 crores as against the sales of ₹ 2.68 crores in FY'12.
- Income from Equipment Hiring Services in FY'13 increased to ₹ 15.66 crores as against ₹ 0.16 crores in FY'12.
- Income from Property Maintenance Services in FY'13 increased to ₹ 63.78 crores as against ₹ 47.17 crores in FY' 12.
- Revenue from operations for the year FY '13 stood at ₹ 89.24 crores as against ₹ 50.01 crores in FY'12 and the Profit after tax (PAT) increased to ₹ 37.66 crores in FY'13 as against ₹ 11.84 crores in FY'12.
- Earning per share in FY'13 increased to ₹ 17.76 as against ₹ 5.92 in FY'12.

BUSINESS REVIEW

With a view to maximize the shareholders wealth and in its constant endeavor to make the Company a profitable venture by exploiting new business opportunities, during the year 2012-13, the Company has ventured into the new businesses of providing infrastructure resources and/or the travel agency business along with its ongoing businesses. With the new ventures, the Company has multiple businesses including the business of providing property and facility management, plant and machinery management and its rental services and wholesale trading business. All the business of the Company have huge untapped business opportunities & large avenues for further business development.

Property & Facility Management Services

Property Management is multi discipline field devoted to the maintenance and care of the buildings and properties, which comprise of Maintenance, care and running of all the common facilities of the complex to include technical systems (mechanical, electrical & civil), Soft services and housekeeping tasks, Common area development and landscaping, Security, Pest control, waste disposal and recycling etc. and Leasing and marketing activities of the complex for rent and lease. The vast area of business operations & revenue generation in this field gives huge business opportunities to the Company.

Directors' Report (contd.)

Renting of Plant and Machinery

The Company is now aggressively involved in the rental business of Plant and Machinery in the infrastructure development field. Our brand new asset base from renowned manufacturers includes tower cranes, boom placers, hoists, transit mixers, dumpers, excavators etc. In addition, the Company will also engage in renting Formwork for construction of building / structures. The renting of machinery is done on both terms, i.e. dry and wet lease basis.

Wholesale trading

The Company is also engaged in the business of wholesale trading of various industrial / consumer products and commodities in select Indian cities. The Company is trying to establish its foothold in this segment.

Travel Agency

Evaluating the high potential & business opportunities mainly for corporate clients, the Company has recently ventured into the business of travel agency, which is one of the fastest-growing industries.

ISSUE AND ALLOTMENT OF EQUITY SHARES AND WARRANTS TO INDIABULLS WHOLESALE SERVICES LIMITED, PROMOTER

During the FY 2012-13, the Company has issued and allotted (i) 32,00,000 (Thirty Two Lakhs) equity shares of face value ₹ 10/- each of the Company at the issue price of ₹ 30.50 per equity share; and (ii) 44,00,000 (Forty Four Lakhs) fully convertible warrants, convertible at the option of the warrant-holder into 44,00,000 equity shares of ₹ 10/- each of the Company at a conversion price of ₹ 30.50 per Equity Share, as determined in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009, to Indiabulls Wholesale Services Limited, the Promoter. With this issue of 32 lac equity shares, the paid-up capital of the Company got increased to 2,32,00,000 shares of ₹ 10 each and the promoters holding has been increased to 68.89%.

DIVIDEND

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

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 annexures forming 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 30,00,000 (Thirty Lacs) stock options, for the benefit of the 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.

DIRECTORS

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. Prem Prakash Mirdha (DIN: 01352748) and Mr. Mehul Johnson (DIN: 00016075), Directors, retire by rotation and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Further, the existing term of Mr. Abhimanyu Singh Mehlawat, Whole-time Director (WTD) shall come to an end on November 12, 2013 and the Board recommends his re-appointment as WTD w.e.f. November 13, 2013 for a further period of three years on same terms.

Directors' Report (contd.)

Brief resume of the Directors proposed to be 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'S DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

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

LISTING WITH STOCK EXCHANGES

The Equity shares of the Company continue to remain listed with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The listing fees for the FY 2013-14 have been paid to both the exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITORS' REPORT

M/s 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 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, having regard to the provisions of Section 219(1)(b)(iv) of the said

Directors' Report (contd.)

Act, the Annual Report excluding the aforesaid information, is being sent to all the Members of the Company and others entitled thereto. Any member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Date : September 2, 2013
Place : New Delhi

Abhimanyu Singh Mehlawat
Whole-time Director

Mehul Johnson
Director

Annexure to the Directors' Report

ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

The Company uses electric energy for its equipment such as office equipment, computers, lighting and utilities in the work premises. As an ongoing process, the following measures are undertaken to conserve energy:

- a) Implementation of viable energy saving proposals.
- b) Installation of automatic power controllers to save maximum demand charges and energy.
- c) Training front-end operational personnel on opportunities of energy conservation.
- d) Awareness and training sessions for maintenance personnel conducted by experts.

B. TECHNOLOGY ABSORPTION

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Capital expenditure	198,306,223	22,397,760

Annexure to the Directors' Report regarding the ESOP issue

Store One Retail India Limited Employees Stock Option Scheme – 2009 – As on March 31, 2013

Particulars	
a. Options Granted	1,500,000
b. Exercise price	₹ 30.45
c. Options vested	64,500
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	1,155,000
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	345,000
j. Employee wise details of options granted to: <ul style="list-style-type: none"> i. Senior Management personnel ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company. 	Mr. Abhimanyu Singh Mehlawat - 150,000
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 ['Earnings Per Share']	₹ 17.40
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer to Note no. 29 of Financial Statements forming part of the Annual Report
m. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price: ₹ 30.45 per option Weighted-average fair value: ₹ 24.06 per option
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: <ul style="list-style-type: none"> i. risk free interest rate ii. expected life iii. expected volatility iv. expected dividends v. the price of the underlying share in market at the time of option grant 	Refer to Note no. 29 of Financial Statements forming part of the Annual Report

Corporate Governance Report

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Corporate Governance policy in Store One Retail India Limited ("SORIL" or "the Company") encompasses the simple tenets of integrity, transparency and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable statutes while at the same time ensuring a complete commitment to values and the highest ethical standards in every facet of its operations and in each of the functional areas. This in turn ensures that best in the class concept of Corporate Governance practices become a way of life in the Company.

In line with the nature and size of operations of the Company, the Corporate Governance framework in the Company is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- Independent verification and assured integrity of financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management and internal control.
- Compliance with applicable laws, rules and regulation in letter and spirit.

2. BOARD OF DIRECTORS (BOARD)

(A) Composition and size of the Board

The Board of Directors in SORIL has been constituted in a manner which ensures appropriate mix of executive/non-executive/independent directors to ensure proper governance and management. The Board members have collective experience in diverse fields like finance, retail, real estate, facility management, banking, hoteling and technology etc.

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

The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various board Committees, as on March 31, 2013 are depicted in the table given below:

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

Corporate Governance Report (contd.)

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

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

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

[#] This includes the chairmanship in the Committees.

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

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

During the financial year 2012-13, the Board met 8 (Eight) times. The dates of the meetings were April 30, 2012, July 13, 2012, July 21, 2012, August 30, 2012, October 23, 2012, December 4, 2012, December 6, 2012 and January 23, 2013.

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

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

Sl. No.	Name of the Director	Meetings attended	Attendance at the last AGM
1.	Mr. Abhimanyu Singh Mehlawat (DIN: 02229285)	8	Yes
2.	Mr. Mehul Johnson (DIN: 00016075)	7	No
3.	Mr. Aishwarya Katoch (DIN: 00557488)	5	Yes
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	6	Yes
5.	Mr. Karan Singh Khera (DIN: 00017236)	7	Yes
6.	Mr. Prem Prakash Mirdha (DIN: 01352748)	2	No

(C) Code of Conduct

The Company has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company: www.storeone.in. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Executive Director to this effect is enclosed at the end of this Report.

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

Corporate Governance Report (contd.)

3. COMMITTEES OF THE BOARD

The Board constituted committees namely, Audit Committee, 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 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 and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations.
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration.
- To hold discussions with the statutory and internal auditors.

Meetings and Attendance thereat during the year

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

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

Name of the Member	Meetings attended
Mr. Shamsher Singh Ahlawat	4
Mr. Aishwarya Katoch	4
Mr. Mehul Johnson	4

The Finance Head and Auditors attended the meetings by invitation.

(B) Remuneration Committee

Composition

The Remuneration Committee of the Board comprises of three Non-Executive Independent 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.

Corporate Governance Report (contd.)

Meetings and Attendance thereat during the year

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

Remuneration Policy

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

Remuneration of Directors

(i) Remuneration of Executive Directors

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

(ii) Remuneration of Non-Executive Directors

Non-Executive Directors have not been paid any remuneration/ sitting fees during the FY 2012-13.

(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 Johnson and Mr. Abhimanyu Singh Mehlawat.

Mr. Aishwarya Katoch, an Independent & Non-Executive Director, is the Chairman of the Committee.

Terms of Reference

The scope, terms of reference and functioning of the Committee is as prescribed under Clause 49 of the Listing Agreement. The primary functions carried out by the Committee are to approve requests for share transfers and transmissions, to approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. and for this purpose the required authority has been delegated to Mr. Abhimanyu Singh Mehlawat.

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

Meetings and Attendance thereat during the year

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

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

Name of the Member	Meetings attended
Mr. Aishwarya Katoch	4
Mr. Mehul Johnson	3
Mr. Abhimanyu Singh Mehlawat	4

a) Name and designation of Compliance Officer

Mr. Vikas Khandelwal, Company Secretary is the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

b) Details of queries / complaints received and resolved during the FY 2012-13

During the FY 2012-13, three complaints pertaining to non-receipt of Annual Report were received and the same were redressed to the satisfaction of the complainants.

Corporate Governance Report (contd.)

4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2009-10	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2010	10.00 A.M.
2010-11	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2011	11.30 A.M.
2011-12	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 27, 2012	11.45 A.M.

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

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

Special Resolution seeking member's approval to the amendment to the 'Store One Retail India Limited Employees Stock Option Scheme-2009' and 'Store One Retail India Limited Employees Stock Option Scheme-2009 (II)' ("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.

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

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

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

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

During the FY 2012-13, the Company, in pursuance of Section 192A of the Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended, conducted two postal ballots for seeking approval of the shareholders by way of special resolutions. The summary of the result is as follows:

(a) Date of declaration of result: August 18, 2012

Resolution No.	Description	% of valid votes in favor of resolution	% of valid votes against resolution
1.	Special Resolution under Section 149(2A) and all other applicable provisions, if any, of the Companies Act, 1956, for commencement of the businesses as given in sub-clauses 60 and 89 of Clause III(C) of the Memorandum of Association of the Company.	99.9989%	0.0011%

Mr. Susanta Kumar Hota, Practicing Company Secretary, New Delhi, as the Board-appointed Scrutinizer, conducted the Postal Ballot exercise.

Corporate Governance Report (contd.)

(b) Date of declaration of result: November 22, 2012

Resolution No.	Description	% of valid votes in favor of resolution	% of valid votes against resolution
1.	Special Resolution under Section 81(1A) of the Companies Act, 1956, the SEBI ICDR Regulations, 2009 and provisions of the other applicable statutes, if any, to the preferential issue of up to 32,00,000 Equity Shares of the Company and up to 44,00,000 Warrants, convertible into an equivalent number of Equity shares of the Company, to the promoter Indiabulls Wholesale Services Limited	99.9986%	0.0014%

Mr. Gaurav Kohli, Practicing Company Secretary, New Delhi, as the Board-appointed Scrutinizer, conducted the Postal Ballot exercise.

(D) Procedure for postal ballot

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

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

5. DISCLOSURES

(i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the FY 2012-13, are contained in the notes to the annual accounts which form a part of the Annual Report.

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

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

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

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

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

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

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

Corporate Governance Report (contd.)

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

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

6. MEANS OF COMMUNICATION

- (i) **Publication of Results:** The quarterly / annual results of the Company are published in leading newspapers like Financial Express, Business Standard and Jansatta.
- (ii) **News, Release, etc:** The Company has its own website: www.storeone.in and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations etc. is regularly posted on the website.
- (iii) **Management Discussion and Analysis Report:** The same has been included in a separate section, which forms a part of this Annual Report.
- (iv) **Investors' Relation:** The Company's website contains a separate dedicated section 'Investor Relations' and 'News & Media' where general information is available for shareholders.

7. GENERAL SHAREHOLDERS' INFORMATION

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

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

(B) Profile of Directors seeking re-appointment

As per the Articles of Association of the Company, one-third of the Directors liable to retire by rotation every year, shall so retire by rotation at the Annual General Meeting and are eligible to be reappointed. Consequently, at the ensuing AGM, Mr. Prem Prakash Mirdha and Mr. Mehul Johnson, Directors, shall retire by rotation and being eligible, offer themselves for reappointment, in accordance with the provisions of the Companies Act, 1956. Further, the existing term of Mr. Abhimanyu Mehlawat, Whole-time Director shall come to an end on November 12, 2013 and the Board has recommended his re-appointment w.e.f. November 13, 2013. Brief profiles of the said directors are given below:

Mr. Prem Prakash Mirdha

Mr. Prem Prakash Mirdha, aged about 57 years, had a long stint of 11 years with merchant navy, thereafter he has setup his own cement plants and is successfully running the same. He also operates lime kilns which are suppliers to enterprises engaged in steel and sugar industries. He is on the Board of the Company as an Independent Director since June 2, 2008. His association as a Board Member has been beneficial for the Company, meriting his reappointment as Director on the Board of the Company.

Mr. Mirdha is also on the Board of Indiabulls Housing Finance Limited, Indiabulls Real Estate Limited, Indiabulls Securities Limited, Indiabulls Power Limited. and Happy Tummy Kitchens Private Limited. He is a member of Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee of Indiabulls Securities Limited as well as Indiabulls Power Limited. He is also a member of the Remuneration Committee of the Company, Indiabulls Real Estate Limited and Indiabulls Housing Finance Limited and the Compensation Committee of Indiabulls Power Limited.

Mr. Mirdha does not hold any shares in the Company. He is not related to any other Director on the Board of the Company.

Mr. Mehul Johnson

Mr. Mehul Johnson, aged about 41 years, is a Non-Executive Director on the Board of Directors 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

Corporate Governance Report (contd.)

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

Mr. Mehul Johnson does not hold any shares in the Company. He is not related to any other Director on the Board of the Company.

Mr. Abhimanyu Singh Mehlawat

Mr. Abhimanyu Singh Mehlawat, aged about 37 years, is Whole-time Director on the Board of the Company w.e.f. 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 likewise Textile, IT & Telecom. His association with the Company has been highly beneficial for it.

Mr. Mehlawat is also on the Board of Echo Facility Services Limited, Zeus Buildwell Limited, Varali Real Estate Limited, Varali Constructions Limited, Sepset Real Estate Limited, Citra Properties Limited, Apesh Real Estate Limited, Apesh Constructions Limited, Varali Properties Limited, Sepset Constructions Limited, Indiabulls Road and Infrastructure Services Limited and Tulips Buildwell Private Limited. He is member of the Shareholders'/ Investors' Grievance Committee of the Company and also member of Audit Committee of Citra Properties Limited.

Mr. Mehlawat does not hold any shares in the Company. He is not related to any other Director on the Board of the Company.

(C) Financial year

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

(D) Date of Book Closure

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

(E) Dividend Payment date

No dividend has been recommended by the Board for the financial year 2012-13.

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

Sl.No.	Shareholding of nominal value (in ₹)	No. of holders	% to total no. of holders	Value in ₹	% to nominal value
	From To				
1.	1 - 5,000	11820	89.70	12,356,640	5.33
2.	5,001 - 10,000	622	4.72	5,194,450	2.24
3.	10,001 - 20,000	314	2.38	4,840,260	2.09
4.	20,001 - 30,000	118	0.89	3,122,860	1.34
5.	30,001 - 40,000	53	0.40	1,949,880	0.84
6.	40,001 - 50,000	72	0.55	3,436,850	1.48
7.	50,001 - 1,00,000	89	0.68	6,896,330	2.97
8.	1,00,001 and above	89	0.68	194,202,730	83.71
	Total	13177	100.00	232,000,000	100.00

Corporate Governance Report (contd.)

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

Sl.No.	Category	No. of Shares	% holding
1.	Promoters	15,983,310	68.89
2.	Banks	561	0.01
3.	FIs	50,000	0.21
4.	Bodies Corporate	1,047,201	4.51
5.	Indian Public	6,059,952	26.12
6.	NRIs	52,809	0.23
7.	Clearing Members	6,167	0.03
	Total	23,200,000	100.00

(G) Dematerialisation of shares and liquidity

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

As on March 31, 2013, 99.998% Equity shares of the Company representing 23,199,505 out of a total of 23,200,000 Equity shares were held in dematerialised form and the balance 495 shares were held in physical form.

Further, as on March 31, 2013, 2,973,450 Preference shares of face value ₹ 10/- each of the Company were held in physical mode. Same are presently not listed on any Stock Exchange.

(H) Outstanding Stock Options and Warrants

An aggregate of 345,000 stock options, out of the 1,500,000 stock options granted under the Company's 'Store One Retail India Limited Employees Stock Option Scheme-2009' ("the Scheme") were outstanding as on March 31, 2013, which are exercisable as per the vesting schedule of the Scheme. As and when these options get exercised, the equity share capital of the Company will stand increased accordingly.

The Company had 4,400,000 warrants outstanding as on March 31, 2013, which are convertible into equivalent number of equity shares, on or before June 5, 2014. As and when these warrants get converted, the equity share capital of the Company will stand increased accordingly.

(I) Listing on Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

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

(J) Stock Code

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

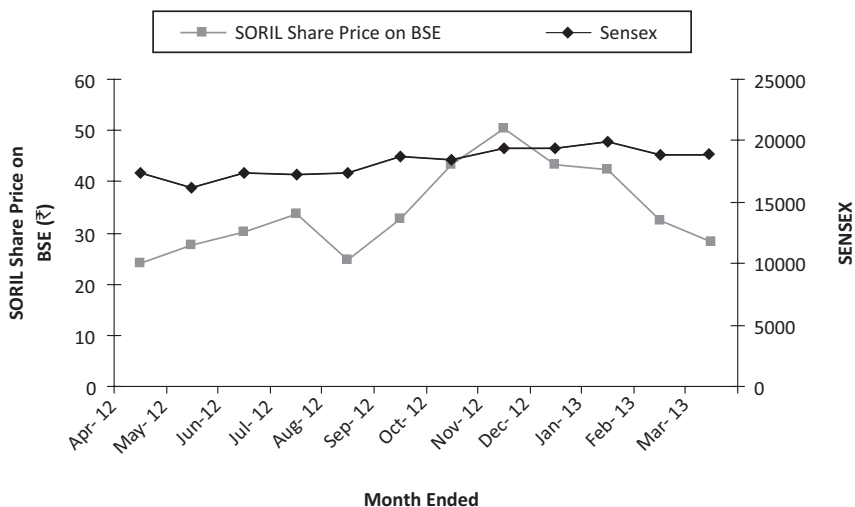
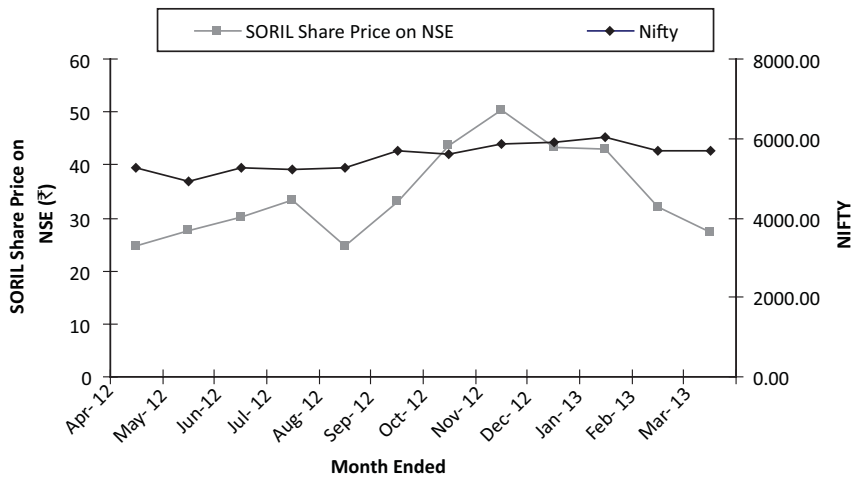
(K) Market Price Data

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

Corporate Governance Report (contd.)

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	26.30	16.00	26.25	15.75
May 2012	32.00	22.80	32.00	22.35
June 2012	30.25	24.90	30.25	24.95
July 2012	40.80	30.70	40.85	31.05
August 2012	35.80	23.00	35.40	23.00
September 2012	37.30	23.00	37.70	23.00
October 2012	43.95	27.00	43.45	27.00
November 2012	54.60	36.05	54.75	36.00
December 2012	55.00	42.15	56.40	42.05
January 2013	52.50	40.05	52.50	40.05
February 2013	43.95	31.75	43.75	31.45
March 2013	33.80	24.60	33.25	24.40

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



Corporate Governance Report (contd.)

(M) Registrar and Transfer Agents

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

The contact details are as under:

Karvy Computershare Private Limited

(Unit : Store One Retail India Limited)

Plot No.17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Contact Person : Mr. S.D Prabhakar, Asst. General Manager

Phone : 040-44655000/23420815-23420825

Fax : 040-23420814

E-mail : einward.ris@karvy.com

(N) Share Transfer System

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

(O) Address for Correspondence

(i) Registered Office

M-62 & 63, First Floor,

Connaught Place,

New Delhi – 110 001

(ii) Corporate Offices

"Indiabulls House"

448-451, Udyog Vihar, Phase V,

Gurgaon – 122 016

Haryana

Indiabulls Finance Center,

Tower 1, Elphinstone Mills,

Senapati Bapat Marg,

Elphinstone Road, Mumbai - 400 013

Maharashtra

8. COMPLIANCE CERTIFICATE FROM A PRACTICING COMPANY SECRETARY

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

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

9. EXECUTIVE DIRECTOR AND FINANCE HEAD CERTIFICATION

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

10. NON-MANDATORY REQUIREMENTS

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

(A) Remuneration Committee

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

Corporate Governance Report (contd.)

(B) Unqualified Financial Statements

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

(C) Whistle Blower Policy

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

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

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

As Executive Director of Store One Retail India Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for FY 2012-13.

Date : September 2, 2013
Place : New Delhi

Abhimanyu Singh Mehlawat
Executive Director

Corporate Governance Report (contd.)

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, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

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

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

For **Gaurav Kohli & Associates**
Company Secretaries

Gaurav Kohli

Proprietor

Membership No.: FCS 5006

C.P. No. - 8206

Date: September 2, 2013

Place: New Delhi

Independent Auditor's Report

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

We have audited the accompanying financial statements of Store One Retail India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other legal and Regulatory Requirements

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

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

Amar Mittal

Partner

Place : Gurgaon

Date : 24th April, 2013

Membership No. : 017755

Annexure to the Auditors' Report

Annexure to the Auditors' Report of even date to the members of Store One Retail India Limited, on the financial statements for the year ended March 31, 2013 (Referred to in our report of even date)

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

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

Annexure to the Auditors' Report (contd.)

- yet been made effective by the Central Government. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable, wherever applicable.
- b. According to the information and explanations given to us and, there is no dues of Income Tax, Wealth Tax, Sales Tax, Custom duty & Excise duty as applicable to it which have not been deposited on account of any disputes.
- x) The accumulated losses of the company at the end of the financial year is more than 50 % of the net worth of the company and it has not incurred cash losses in the current year as well as in preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to financial institutions or banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of paragraph 4 clause (xii) of the Order are not applicable.
- xiii) The Company is not a Chit Fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, the provisions of paragraph 4 clause (xiii) of the Order are not applicable.
- xiv) In our opinion the company is not dealing or trading in shares, debentures, securities and other investments. Accordingly, the provisions of paragraph 4 clause (xiv) of the Order are not applicable.
- xv) In our opinion, the Company has not given any guarantee in terms of paragraph 4 clause (xv).
- xvi) In our opinion and to the best of our knowledge and belief, proceeds of term loans taken were, prima facie, applied for the purpose it was obtained.
- xvii) In our opinion and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis, prima facie, have not been used for long term investment by the company.
- xviii) In our opinion and to the best of our knowledge and belief, the Company has made preferential allotment of Equity Shares and Share Warrants to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. The valuation of said Equity Shares and Warrants is in our opinion, prima facie not prejudicial to the interest of Company.
- xix) In our opinion and according to the records examined by us, no debentures were issued during the year.
- xx) The Company has not raised any monies by way of public issue during the year. Accordingly, the provisions of paragraph 4 clause (xx) of the Order are not applicable.
- xxi) In our opinion, no material fraud on or by the Company has been noticed or reported during the period covered in our audit.

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

Amar Mittal
 Partner

Place : Gurgaon
 Date : 24th April, 2013

Membership No. : 017755

Balance Sheet

as at March 31, 2013

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

Particulars	Note	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	4	261,734,500	231,224,500
(b) Reserves and Surplus	5	597,703,218	288,243,434
(c) Money received against share warrants	6	33,550,000	-
Total of Shareholder's fund		892,987,718	519,467,934
Non-Current Liabilities			
(a) Long term borrowings	7	73,143,342	-
(b) Long term provisions	8	2,862,302	1,256,967
Total of Non-Current Liabilities		76,005,644	1,256,967
Current Liabilities			
(a) Trade payables	9	238,348,808	260,833,828
(b) Other current liabilities	10	124,949,331	53,784,284
(c) Short-term provisions	11	3,332,393	94,282
Total of Current Liabilities		366,630,532	314,712,394
Total of Equity and Liabilities		1,335,623,894	835,437,295
II. ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		683,475,828	296,752,790
(ii) Intangible assets		148,770	7,646,596
(iii) Capital work-in-progress		159,904,102	15,057,852
(b) Long term loans and advances	13	158,047,644	117,028,940
(c) Other non-current assets	14	4,350,500	4,350,500
Total of Non-current assets		1,005,926,844	440,836,678
Current assets			
(a) Inventories	15	9,883,944	42,350,865
(b) Trade receivables	16	110,115,210	267,525,862
(c) Cash and bank balances	17	80,935,733	2,267,613
(d) Short-term loans and advances	18	128,078,466	82,294,266
(e) Other current assets	19	683,697	162,011
Total of Current assets		329,697,050	394,600,617
Total of Assets		1,335,623,894	835,437,295

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

As per our report of even date
For **Sharma Goel & Co.**
Chartered Accountants
FRN:- 000643N

For and on behalf of the Board of Directors

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat
Whole Time Director

Karan Singh Kherra
Director

Vikas Khandelwal
Company Secretary

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

Statement of Profit and Loss

for the year ended March 31, 2013

— STORE —
One

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

Particulars	Note	For the year ended March 31, 2013	For the year ended March 31, 2012
I. Revenue			
(a) Revenue from operations	20	892,373,418	500,126,634
(b) Other Income	21	44,428,062	14,074,771
Total of Revenue		936,801,480	514,201,405
II. EXPENSES			
Cost of materials consumed	22	32,067,022	-
Purchases of stock-in-trade	23	6,169,776	2,443,208
Change in inventories of finished goods		41,206,389	6,226,903
Employee benefit expenses	24	82,650,115	28,140,853
Finance costs	25	3,188,998	71,266,262
Depreciation and amortization expense	12	59,212,287	62,786,644
Other expenses	26	335,686,200	224,944,996
Total of Expenses		560,180,787	395,808,866
III. Profit before tax (I - II)		376,620,693	118,392,539
IV. Tax expenses			
(a) Current tax	32	-	-
(b) Deferred tax		-	-
V. Profit for the year (III- IV)		376,620,693	118,392,539
Earnings per Equity Share	33		
(a) Basic		17.76	5.92
(b) Diluted		17.40	5.92
Face value per equity share		10	10

Significant accounting policies

3

The accompanying notes are an integral part of financial statements.

As per our report of even date
For **Sharma Goel & Co.**
Chartered Accountants
FRN:- 000643N

For and on behalf of the Board of Directors

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat
Whole Time Director

Karan Singh Kherra
Director

Vikas Khandelwal
Company Secretary

Place: Gurgaon
Date: April 24, 2013

Place: Gurgaon
Date: April 24, 2013

Cash Flow Statement

for the year ended March 31, 2013

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities :		
Net Profit before tax	376,620,693	118,392,539
Adjustments for statement of Profit and Loss items:		
Provision for shrinkages and shortages	18,907,021	(2,030,411)
Provision for doubtful debts, advances and security deposits	2,000,000	3,620,130
Sundry Balances Written off	371,734	10,894,441
Adjustments in fixed Assets	1,580,125	-
Liabilities written back	(35,101,211)	(10,402,319)
Provision for Gratuity / Compensated Absences	1,712,536	1,171,382
Loss on sale on fixed assets	5,334,991	1,633,162
Interest Income on fixed deposits	(3,752,266)	(975,021)
Dividend on units of mutual funds	(3,022,879)	(1,265,961)
Loss on Inventory Written Off	21,321,467	-
Interest Expenses on Term Loan	1,615,229	-
Other finance charges	1,234,302	285,690
Interest Expense on short term borrowings	-	70,015,241
Depreciation and amortization expense	59,212,287	62,786,644
	<u>71,413,336</u>	<u>135,732,978</u>
Operating Profit before working capital changes	448,034,029	254,125,517
Adjustments for changes in working capital:		
Decrease / (Increase) in Trade and other receivables	135,154,686	(261,649,110)
Decrease / (Increase) in Inventories	(7,761,567)	8,257,313
Increase / (Decrease) in Trade Payables and other liabilities & provisions	54,938,287	99,773,134
	<u>182,331,406</u>	<u>(153,618,663)</u>
Cash generated from / (used in) from operations	630,365,435	100,506,854
Income tax (paid) / Refund received, net	(27,025,975)	(26,091,700)
	<u>(27,025,975)</u>	<u>(26,091,700)</u>
Net cash generated from / (used in) from operating activities	603,339,460	74,415,154
B. Cash flow from investing activities :		
Purchase of fixed assets (including Capital Work in Progress)	(591,443,806)	(45,611,066)
Capital Advances paid	(39,599,729)	(45,052,118)
Sale of Fixed Assets	1,244,942	567,002
Sale / (Purchase) of Investment in shares of Subsidiary	-	1,300,500,000
Interest received on Fixed Deposits	3,230,580	871,074
Dividend received from Mutual funds	3,022,879	1,265,961
Investments in FDR's	(22,400,000)	-
Net cash generated from / (used in) from investing activities	(645,945,134)	1,212,540,853
C. Cash flow from financing activities :		
Net proceeds from Issue of Equity Shares (including Securities Premium)	97,600,000	2,747,756,000

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

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Net outflow on Redemption of Preference Shares (including Securities Premium)	(131,120,000)	-
Net proceeds from Issue of Share warrant	33,550,000	-
Net Proceeds from Borrowing (Secured Term Loan)	101,693,325	-
Interest paid on Term Loan	(1,615,229)	-
Other finance charges	(1,234,302)	(285,690)
Interest paid on short term borrowings	-	(312,945,716)
Repayment of short term borrowings	-	(3,719,600,000)
Net cash (used in) / generated from financing activities	98,873,794	(1,285,075,406)
D. Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	56,268,120	1,880,601
E. Cash and cash equivalents at the beginning of the year	2,267,613	387,012
F. Cash and cash equivalents at the end of the year (D + E)	58,535,733	2,267,613

Notes:

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

Cash and cash equivalents

(a) Cash on hand	1,039,103	25,603
(b) Bank Balances		
- in current account	14,296,630	2,242,010
- in fixed deposits account	69,950,500	4,350,500
Total (a+b)	85,286,233	6,618,113
Less: Balances with bank in fixed deposit accounts with original maturity of more than 3 months but less than 12 month	(22,400,000)	-
Less: fixed deposit accounts with original maturity more than 12 month (Refer Note 27(a))	(4,350,500)	(4,350,500)
	58,535,733	2,267,613

- Previous year figures have been regrouped and / or reclassified wherever necessary to conform to those of the current year grouping and / or classification.

As per our report of even date

For **Sharma Goel & Co.**

Chartered Accountants

FRN:- 000643N

For and on behalf of the Board of Directors

Amar Mittal

Partner

Membership No. : 017755

Abhimanyu Singh Mehlawat

Whole Time Director

Karan Singh Kherra

Director

Vikas Khandelwal

Company Secretary

Place: Gurgaon

Date: April 24, 2013

Place: Gurgaon

Date: April 24, 2013

Notes to Financial Statements

for the year ended March 31, 2013

(1) Company Overview

- i) Store One Retail India Limited (“the Company”) was incorporated as Pyramid Retail Limited on March 18, 2005 with an authorized capital of ₹ 21,00,00,000 divided into 2,10,00,000 equity shares of ₹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 ₹ 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 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 was changed to “Store One Retail India Limited” from “Indiabulls Retail Services Limited”.
- ii) During the year, the Company has entered into new line of Business of providing Construction related material & services and travel & tour operators along with its ongoing businesses.
- iii) The Board of Directors of the Company at its meeting held on April 24, 2013, has declared dividend @ 9% on preference share capital of the company.
- iv) The 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 IBREL aggregating to ₹ 4,10,63,96,502 have been transferred to IBWSL, at their book values;
 - b) The Equity Share Capital of the Resulting Company amounting to ₹ 1,00,00,00,000 was cancelled;
 - c) The net adjustment for such transfer of assets, liabilities and cancellation and issue of Equity Share Capital amounting to ₹ 5,00,58,26,316 has been shown in the General Reserve Account of the Resulting Company;
 - d) In terms of the Scheme, all business activities of the IBREL carried out 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 ₹ 9,42,48,700 has also been transferred to the Resulting Company;
 - f) Pursuant to the Scheme being given effect to, by the Resulting Company, IBWSL has allotted one (1) Equity Share of face value of ₹ 2 each credited as fully paid-up for every eight (8) Equity share of ₹ 2 each held by such shareholders in the IBREL.

Notes to Financial Statements (contd.)

In terms of the Scheme, on April 27, 2011, IBWSL has issued and allotted 5,02,85,093 Equity shares of face value of ₹ 2 each aggregating to ₹ 10,05,70,186 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 ₹ 1,10,00,00,000 divided into 55,00,00,000 Equity shares of ₹ 2 each.

(2) Basis of Preparation of financial statement

i) Statement of compliance

The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, as amended and as per Revised Schedule VI to the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

ii) Use of estimates

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

(3) Significant Accounting Policies

i) Basis of Accounting

These financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles (GAAP) in India & Accounting Standards (AS) as notified by the Companies (Accounting Standards) Rules, 2006, as amended. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii) Fixed Assets

(a) Tangible Assets:

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

(b) Intangible Assets:

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

(c) Capital work in progress:

Cost of fixed assets under construction are disclosed under capital work-in-progress. Advances paid towards acquisition or construction of fixed assets or intangible assets is included as capital advances under long term loans and advances.

Notes to Financial Statements (contd.)

iv) Depreciation / Amortisation

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

v) Impairment of Assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of, an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount and Impairment Losses previously recognized are accordingly reversed.

vi) Investments

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

vii) Revenue Recognition

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

- a) Revenue from sale of goods/value added construction material is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The company collects all relevant applicable taxes like sales taxes, value added taxes (VAT) etc. on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- b) Revenue from maintenance contracts and renting of equipments are recognised on pro-rata basis over the period of contract as and when services are rendered. The Company collects service tax on behalf of government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- c) Interest income from fixed deposits is recognized on accrual basis.
- d) Dividend income on equity shares is recognized when the right to receive the dividend is unconditionally established.
- e) Profit on sale of investments is recognized on the date of the transaction of sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.
- f) Tour & Travel income is recognise on the basis of confirm booking of ticket/hotel net of cancellation and commission/ incentive on a mercantile basis.
- g) Concessionaire income earned from sales made by third parties under such arrangements is recognised in the statement of profit and loss as other income under the head Concessionaire Income. The ownership in goods/ merchandise of third parties under concessionaire arrangements does not pass to the Company.

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.

Notes to Financial Statements (contd.)

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 statement of profit and loss 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 statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

Exchange Rate differences arising on monetary items that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or expenses in the statement of profit and loss.

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 at reporting date, to the extent that the timing differences are expected to crystallize.

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

xii) Deferred Employee Stock Compensation Cost

Deferred Employee Stock Compensation Costs are recognized in accordance with the Guidance Note on Accounting for Employee Share Based Payments, issued by the Institute of Chartered Accountants of India, which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on intrinsic value as on the grant date. The compensation expense is amortized over the vesting period of the options.

xiii) Leases

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

Notes to Financial Statements (contd.)

xiv) Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered. The Company's contribution to Employee Provident Fund and Employee State Insurance Schemes (defined contribution schemes) is charged to the statement of profit and loss.

Post employment and other long term employee benefits for its eligible employees are recognized as an expense in the statement of profit and loss, for the year in which the employee has rendered services. The Company has unfunded defined benefit plans, namely compensated absences and gratuity the liability for which is determined on the basis of actuarial valuation, conducted on 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 or losses are recognized in the statement of profit and loss as income or expenses.

xv) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for:

- a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or,
- b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

xvi) Borrowing Cost

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

xvii) Earnings Per Equity Share

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

xviii) Share issue Expenses

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

xix) Segment Reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of Financial information as disclosed in Significant Accounting above.

Notes to Financial Statements (contd.)

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

(4) Share Capital	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity Shares of face value ₹10 each	28,000,000	280,000,000	25,000,000	250,000,000
Preference Shares of face value ₹10 each	4,000,000	40,000,000	4,000,000	40,000,000
		320,000,000		290,000,000
Issued, subscribed and fully paid up shares				
Equity Shares of face value of ₹ 10 each fully paid up	23,200,000	232,000,000	20,000,000	200,000,000
9% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of face value of ₹10 each fully paid up	2,973,450	29,734,500	3,122,450	31,224,500
Total Issued, subscribed and fully paid up share Capital		261,734,500		231,224,500

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

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

Preference Shares

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

b. Authorised Share Capital

During the year ended March 31, 2012, the authorized share capital of the Company has been increased from ₹ 25,00,00,000 (Rupees Twenty Five Crore) to ₹ 28,00,00,000 (Rupees Twenty Eight Crore) divided into 2,50,00,000 (Two Crore Fifty Lakh) equity shares of ₹ 10 (Rupees Ten) each and 30,00,000 (Thirty Lakh) Preference Shares of ₹ 10 (Rupees Ten) each at the Extra Ordinary General Meeting of the Company held on June 27, 2011. The authorized share capital of the Company has been further increased from ₹ 28,00,00,000 (Rupees Twenty Eight Crores) divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of ₹ 10 (Rupees Ten) each and 30,00,000 (Thirty Lakhs) Preference Shares of ₹ 10 (Rupees Ten) each to ₹ 29,00,00,000 (Rupees Twenty Nine Crores) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of ₹ 10 (Rupees Ten) each and 40,00,000 (Forty Lakh) Preference Shares of ₹ 10 (Rupees Ten) each in the Annual General Meeting of the Company held on September 30, 2011.

During the year ended March 31, 2013, the authorized share capital of the Company has been increased from ₹ 29,00,00,000 (Rupees Twenty Nine Crore) to ₹ 32,00,00,000 (Rupees Thirty Two Crores) divided into 2,80,00,000 (Two Crore Eighty Lakh) equity shares of ₹ 10 (Rupees Ten) each and 40,00,000 (Forty Lakh) Preference Shares of ₹ 10 (Rupees Ten) each, through shareholder's authorisation by the postal ballot, result where of was declared on November 22, 2012.

Notes to Financial Statements (contd.)

c. Issuance of Fresh Equity Shares

During the year, the Company has pursuant to and in terms of shareholders' authorisation through Postal Ballot, result whereof was declared on November 22, 2012 and in the meeting of board of director of the company held on December 04, 2012 for issue and allotted of 32,00,000 (Thirty Two Lakhs) equity share of face value ₹10 each of the Company to Indiabulls Wholesale Services Limited, the promoter of the Company on preferential allotment basis at an issued price of ₹30.50 per equity share.

d. Terms/rights attached to Equity/Preference Shares

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

e. Issuance of Preference Shares

In the previous year, the Company has allotted an aggregate of 31,22,450 (Thirty One Lakh Twenty Two Thousand Four Hundred and Fifty) 9% Redeemable Non-Cumulative, Non-Convertible Preference shares of face value ₹ 10 (Rupees Ten) each at an issue price of ₹ 880/- per share, including premium of ₹ 870/- per share.

During the year, the Company has redeemed its 1,49,000 non-convertible redeemable preference shares of ₹ 10 each at a premium of ₹870/- per share. Post redemption 29,73,450 non-convertible redeemable preference shares are outstanding as on March 31, 2013.

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

	As at March 31, 2013 Amount (₹)	As at March 31, 2012 Amount (₹)
(i) Indiabulls Wholesale Services Limited, the Holding Company 1,59,83,310 (Previous Year 1,27,83,310) Equity Shares of face value ₹ 10 each	159,833,100	127,833,100
19,79,500 (Previous Year 21,28,500) Preference Shares of face value ₹ 10 each	19,795,000	21,285,000
(ii) Albasta Wholesale Services Limited (formerly known as Albasta Power Limited), the Fellow Subsidiary Company 9,93,950 (Previous Year 9,93,950) Preference Shares of face value ₹ 10 each	9,939,500	9,939,500

g. Shareholders holding 5 % or more shares

No. of Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i) Equity Shares				
One shareholder (Previous Year - One Shareholder) is holding more than 5% of Equity share capital.				
Equity shares of ₹ 10 each fully paid-up.	15,983,310	68.89%	12,783,310	63.92%

Notes to Financial Statements (contd.)

(ii) Preference Shares

Two shareholders (Previous Year - two Shareholder) are holding more than 5% of Preference share capital

Preference shares of ₹ 10 each fully paid-up.

	2,973,450	100%	3,122,450	100%
--	-----------	------	-----------	------

h. Shares reserved for issue under options

Equity shares reserved for issuance under Employees stock options - Refer note no. 27

	As at March 31, 2013 Amount (₹)	As at March 31, 2012 Amount (₹)
(5) Reserves and Surplus		
Securities Premium Account		
Balance at the beginning of the year	3,778,565,195	1,062,033,695
Add: Additions during the year	65,600,000	2,716,531,500
Less: Reduction during the year	(129,630,000)	-
	3,714,535,195	3,778,565,195
Surplus/(Deficit) as per Statement of Profit and Loss		
Opening balance	(3,490,321,761)	(3,608,714,300)
Add: Profit / (Loss) for the year	376,620,694	118,392,539
Net deficit in the statement of Profit and Loss	(3,113,701,067)	(3,490,321,761)
Less: Appropriations		
Proposed dividend on preference shares	(2,676,105)	-
Corporate dividend tax thereon	(454,805)	-
	(3,130,910)	-
Total of Reserves and Surplus	597,703,218	288,243,434
(6) Money received against Share Warrants		
Share Warrants		
Balance at the beginning of the year	-	-
Add: Additions during the year	33,550,000	-
Total of Money received against share warrants	33,550,000	-
Issuance of Shares Warrant		
<p>During the year March 31.2013, the company had issued 44,00,000 (forty four Lac) share warrant on preferential allotment basis , at a exercise price of ₹30.50 each, Convertible into the 44,00,000 (forty four Lac) equivalent number of equity share of face value ₹10 each, to Indiabulls Wholesale services Limited, the promoter of company, among which 25% of exercise price has been paid by the holder of warrant as upfront money. The said warrants will be exercisable upto June 5, 2014.</p>		
(7) Long term borrowings - Secured		
Term Loans		
-from bank & others	101,693,325	-
Less- current maturities of term loans	(28,549,983)	73,143,342
Total of Long term borrowings	73,143,342	-

Notes to Financial Statements (contd.)

Secured Long term Borrowing and Terms of repayment

Name of Bank & Others	loan outstanding	Rate of interest	Repayment terms	Nature of security
SREI Equipment Finance Private Limited	57,213,156	12%	36 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by holding company Indiabulls Wholesale services Limited
Kotak Mahindra Bank Ltd. Loan-1	14,276,010	12.08%	47 equated monthly installment from date of disbursal.	Secured by Hypothecation of Assets being financed.
Kotak Mahindra Bank Ltd. Loan-2	8,022,159	12.75%		
Kotak Mahindra Bank Ltd. Loan-3	22,182,000	12%		
TOTAL	101,693,325			

(8) Long term provisions

Provision for Gratuity (Refer note - 28)	1,964,554	898,393
Provision for Compensated Absences (Refer note - 28)	897,748	358,574
Total of Long term provisions	2,862,302	1,256,967

(9) Trade payables

Dues to Micro and Small Enterprises*	1,175,737	1,398,837
Dues to others	237,173,071	259,434,991
Total of Trade payables	238,348,808	260,833,828

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

SL. No.	Particulars	As at March 31, 2013	As at March 31, 2012
i)	The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year;	1,175,737	1,398,837
	The interest amount due thereon remaining unpaid to any supplier as at the end of the accounting year;	2,851,438	2,563,333
ii)	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	51,361	NIL
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	NIL	NIL
iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year	339,466	965,061
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

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

Notes to Financial Statements (contd.)

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

	As at 31.03.2013	As at 31.03.2012
(10) Other current liabilities		
Current maturities of long-term debt - Secured		
- from banks and others	28,549,983	-
Advance from Customers	4,420,190	200,000
Payable to statutory authorities	3,351,587	2,662,903
Expenses payable	77,483,469	43,891,889
Other liabilities	11,144,102	7,029,492
Total of Other current liabilities	124,949,331	53,784,284
(11) Short-term provisions		
Provision for Gratuity (Refer note - 28)	77,208	9,407
Provision for Compensated Absences (Refer note - 28)	124,275	84,875
Proposed Dividend on preference shares	2,676,105	-
Corporate dividend tax on proposed dividend on preference shares	454,805	-
Total of Short-term provisions	3,332,393	94,282

Notes to Financial Statements (contd.)

(12) Fixed Assets

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

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 1, 2012	Additions during the year	Adjustments/Sales during the Year	As at March 31, 2013	As at April 1, 2012	Provided during the year	Sales/write off during the year	As at March 31, 2013	As at March 31, 2012
A. Tangible Assets									
Plant & Equipment	155,244,269	388,348,642	8,446,598	535,146,313	56,062,405	20,906,158	7,338,788	465,516,538	99,181,864
Computers	94,446,638	1,591,254	13,247,699	82,790,193	85,130,572	5,387,982	11,862,050	4,133,689	9,316,066
Office Equipment	258,259	769,966	-	1,028,225	50,031	60,279	-	917,915	208,228
Furniture & Fixtures	308,470,017	2,406,400	34,442,076	276,434,341	120,590,652	18,693,486	28,775,480	165,925,683	187,879,365
Vehicles	653,095	53,481,294	248,072	53,886,317	485,828	6,666,556	248,070	46,982,003	167,267
TOTAL (A)	559,072,278	446,597,556	56,384,445	949,285,389	262,319,488	51,714,462	48,224,388	683,475,828	296,752,790
B. Intangible Assets									
Computer Softwares	105,104,171	-	8,990,650	96,113,521	97,457,575	7,497,826	8,990,650	148,770	7,646,596
TOTAL (B)	105,104,171	-	8,990,650	96,113,521	97,457,575	7,497,826	8,990,650	148,770	7,646,596
C. Capital Work in progress and advances there against, at cost									
TOTAL (A+B+C)	664,176,449	446,597,556	65,375,095	1,045,398,910	359,777,063	59,212,287	57,215,038	843,528,700	319,457,238
PREVIOUS YEAR	643,832,320	30,553,214	10,209,085	664,176,449	304,999,340	62,786,644	8,008,921	319,457,238	-

Note:- During the Year March 31, 2013 company has created a charge on the Tangible assets (Plant and Machinery & vehicle) (Refer Note No-7)

Notes to Financial Statements (contd.)

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

	As at March 31, 2013	As at March 31, 2012
(13) Long term loans and advances		
Unsecured, considered good		
(a) Capital Advances	84,651,847	45,052,118
(b) Security Deposits		
Considered Good	73,395,797	71,976,822
Considered Doubtful	83,508,729	89,886,328
Less: Provision for Doubtful Deposits	83,508,729	89,886,328
	158,047,644	117,028,940
(14) Other non-current assets		
Other Bank Balances		
- in Fixed Deposit accounts*	4,350,500	4,350,500
	4,350,500	4,350,500

*Bank Guarantees of ₹ 1,00,000 (Previous Year ₹ 1,00,000) issued in favour of Assessing Authority- Gurgaon, Secured by way of pledge of Fixed Deposits for ₹ 1,00,000 (Previous Year ₹ 1,00,000).

*Bank Guarantees of ₹ 42,50,500 (Previous Year ₹ 42,50,500) issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for ₹ 42,50,500 (Previous Year ₹ 42,50,500).

(15) Inventories				
(Valued at cost or net realised value, which ever is lower)				
Raw materials	391,254		-	
Store and spares	8,348,214	8,739,468	-	-
Stock-in-trade	37,832,458		60,131,826	
Less: Provision for shrinkages and shortages	36,687,982	1,144,476	17,780,961	42,350,865
		9,883,944	42,350,865	

Details of Inventory

(Amount in ₹)

Particulars	Apparels and Household items	Others (includes scrap)	Raw Material	Store and spares	Total
Opening Stock	49,197,565	10,934,261	-	-	60,131,826
	<i>55,111,424</i>	<i>13,277,715</i>	-	-	<i>68,389,139</i>
Purchases of stock in Trade / Issued to Consumption (net of returns and applicable taxes)	-	6,169,776	32,458,276	9,890,052	48,518,104
	-	<i>2,443,208</i>	-	-	<i>2,443,208</i>
Sales / Consumption / Written Off	11,577,160	59,708,349	32,067,022	1,541,838	104,894,369
	<i>6,601,337</i>	<i>26,757,625</i>	-	-	<i>33,358,962</i>
Closing Stock	37,832,458	-	391,254	8,348,214	46,571,926
	<i>49,197,565</i>	<i>10,934,261</i>	-	-	<i>60,131,826</i>

The Company having dealt in a large number of products, the inventory has been furnished only in respect of major items namely Apparels and Household, Construction Material along with store & Spares items. Other items are grouped together, as inventory in respect of each product is not practical, in view of the nature of operations of the Company.

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

Notes to Financial Statements (contd.)

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

Provision for Shrinkages/Shortages

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Opening Balance	17,780,961	19,811,372
Addition during the year	18,907,021	-
Utilised during the year	-	2,030,411
Closing Balance	36,687,982	17,780,961

		As at March 31, 2013		As at March 31, 2012
(16) Trade Receivables				
Outstanding for a period exceeding six months-Unsecured				
Considered Doubtful	549,998		6,400,413	
Less : Provision for doubtful debts	-	549,998	6,400,413	-
Others				
Considered Good		109,565,212		267,525,862
Total of trade receivables		110,115,210		267,525,862
(17) Cash and Bank Balances				
Cash and cash equivalents				
Cash on hand		1,039,103		25,603
Balances with banks				
- in current accounts		14,296,630		2,242,010
-in fixed deposit accounts (Refer note 27)	69,950,500		4,350,500	
Less: Non current bank balances in fixed deposit accounts (Refer note 27)	(4,350,500)		(4,350,500)	
Less: Balances with bank in fixed deposit accounts with original maturity of more than 3 months but less than 12 month	(22,400,000)	43,200,000	-	-
Cash and cash equivalents		58,535,733		2,267,613
Fixed deposit accounts with original maturity of more than 3 months but less than 12 month		22,400,000		-
Total of Cash and Bank Balances		80,935,733		2,267,613
(18) Short-term loans and advances				
Security deposits- given to related parties		2,500,000		-
Advances recoverable in cash or in kind or for value to be received				
Unsecured, Considered Good		72,060,986		76,941,479
Considered Doubtful	134,277,291		132,406,291	
Less: Provision for Doubtful Advances	134,277,291	-	132,406,291	-
Advance income tax/ tax deducted at source, net of provision for tax		53,517,480		5,352,787
Total of Short-term loans and advances		128,078,466		82,294,266
(19) Other current assets				
Interest Accrued on Fixed Deposits with banks		683,697		162,011
Total of Other current assets		683,697		162,011

Notes to Financial Statements (contd.)

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

	for the year ended March 31, 2013	for the year ended March 31, 2012
(20) Revenue from Operations		
Sale of Products		
- Trading Goods (Refer note no-15)	49,964,042	26,872,015
- Construction Related Materials	38,904,497	-
Sale of Services		
- Property Maintenance Services	637,831,469	471,660,196
- Equipment Hiring Services	156,602,123	1,594,423
- Tour and Travel services	9,071,287	-
Total of Revenue from Operations	892,373,418	500,126,634
(21) Other Income		
Dividend on units of mutual funds	3,022,879	1,265,961
Liabilities written back	35,101,211	10,402,319
Interest Income		
- from fixed deposits	3,752,266	975,021
- others	690,738	-
- Income Tax Refund	-	12,257
Concessionaire Income	120,000	720,000
Miscellaneous income	1,740,968	699,213
Total of Other Income	44,428,062	14,074,771
(22) Cost of materials consumed (Refer note no-15)		
Opening Stock	-	-
Add- Purchase during the year	32,458,276	-
Less- Closing Stock	391,254	-
Total of Cost of materials consumed	32,067,022	-
(23) Purchases of Stock-in- trade (Refer note no-15)		
Purchase of Trading Goods	6,169,776	2,443,208
Total of Purchases of Stock- in- trade	6,169,776	2,443,208
(24) Employee benefit expenses		
Salaries and Wages	78,331,051	27,468,738
Contribution to Provident Funds and Other Funds	150,595	42,361
Staff Welfare Expenses	4,168,469	629,754
Total of Employee benefit expenses	82,650,115	28,140,853

Notes to Financial Statements (contd.)

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

	for the year ended March 31, 2013	for the year ended March 31, 2012
(25) Finance costs		
Interest on Inter-corporate Deposit	-	70,015,241
Interest on Term loan	1,615,229	-
Interest on Taxes	1,157	107,202
Interest Others	339,467	965,331
Other Borrowing cost	1,233,145	178,488
Total of Finance costs	3,188,998	71,266,262
(26) Other Expenses		
Consumables	11,188,569	1,857,235
Transportation Charges	10,823,803	2,112,933
Labour Charges	4,480,554	770,750
Tour and Travel Expenses	8,257,602	-
Repairs and maintenance		
- Buildings	11,641,078	25,768,121
- Plant and machinery	33,579,603	20,393,911
- Others	6,055,990	4,937,830
House Keeping Charges	59,958,419	31,009,376
Façade cleaning	14,415,757	6,946,229
Lift Operating & Management charges	39,481,123	17,768,131
Property Maintenance Expenses	10,921,044	11,365,545
Gardening and Maintenance	3,105,145	4,354,269
Common Area Maintenance,Electricity & water Charges	39,695,179	22,952,228
Security Charges	43,642,397	34,270,146
Rent Expenses	280,088	554,892
Rates and Taxes	3,035,182	705,380
Insurance	423,861	1,807
Legal and Professional Charges	15,319,007	12,299,855
Sundry Balance written off	14,729,871	10,894,441
Less:- Adjusted against provision of earlier years	(12,778,012)	-
Communication Expenses	1,023,014	946,352
Travelling and Conveyance	2,157,293	2,097,697
Auditors' remuneration		
- As Auditor	2,000,000	2,000,000
- for other services	50,000	-
Printing and Stationery	1,584,025	1,120,145
Advertisement and Sales Promotion	441,991	448,263
Loss on Sale/Disposal of Fixed Assets	5,334,991	1,633,162
Provision for Debts and Advances	2,000,000	3,620,130
Office Expenses	2,817,343	4,094,026
Miscellaneous Expenses	21,283	22,142
Total of other expenses	335,686,200	224,944,996

Notes to Financial Statements (contd.)

(27) Contingent liabilities and Commitments:

Contingent liabilities:

a) Bank Guarantees:

- i. of ₹ 1,00,000 (Previous Year ₹ 1,00,000) issued in favour of Assessing Authority, Haryana Sales Tax, Gurgaon, Secured by way of pledge of Fixed Deposits for ₹ 1,00,000 (Previous Year ₹ 1,00,000).
 - ii. of ₹ 42,50,500 (Previous Year ₹ 42,50,500) issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for ₹ 42,50,500 (Previous Year ₹ 42,50,500).
- b) Claims (Excluding interest) against the Company not acknowledged as debts: ₹ 1,02,18,890 (Previous Year: ₹ 1,82,70,114).

Commitments:

Estimated amount of Contracts remaining to be executed on capital account (net of advances) ₹ 5,31,05,650 (Previous Year ₹ 2,51,96,947).

As per the best estimate of the management, no provision is required to be made in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

(28) Employee benefits

Gratuity

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Company had charged ₹ 11,64,452 (previous year Charge ₹ 8,21,617) during the year ended March 31, 2013 and the amount outstanding as at March 31, 2013 is ₹ 20,41,762 (previous year ₹ 9,07,800).

Compensated Absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary. The Company had charged ₹ 6,80,857 (previous year charge ₹ 3,49,765) during the year ended March 31, 2013 and the amount outstanding as at March 31, 2013 is ₹ 10,22,023 (previous year ₹ 4,43,449).

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

Particulars	Gratuity		Compensated Absences	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Service cost	679,830	380,112	446,615	202,769
Interest cost	85,076	23,647	44,981	11,269
Benefits paid	-	-	-	-
Actuarial (gain)/loss, net	399,546	417,858	189,261	135,727
Cost recognized during the year	1,164,452	821,617	680,857	349,765

Details of the employee benefits obligation are provided below:

Particulars	Gratuity		Compensated Absences	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Obligation at the beginning of the year	907,800	86,183	443,449	93,684
Cost recognized during the year	1,164,452	821,617	680,857	349,765
Benefits paid during the year	(30,490)	-	(102,283)	-
Obligation at the end of the year	2,041,762	907,800	1,022,023	443,449

Notes to Financial Statements (contd.)

The assumptions used to determine cost include:

Particulars	For the year ended 31-Mar-13	For the year ended 31-Mar-12
Discount rate	8.00%	8.50%
Salary escalation rate	5.00%	5.50%
Mortality Table	IALM (1994-96)	LIC (1994-96)

(29) Employees Stock Options Schemes(ESOS):

Employees' Stock Option Schemes of the Holding Company:

During the year ended March 31, 2012, the Board of Directors and Shareholders of the Holding Company(Indiabulls wholesale Services Limited) have given their consent to create, issue, offer and allot, to the eligible employees of the Holding Company and its Subsidiary Companies, stock options not exceeding 50,00,000 in number, representing 50,00,000 Equity shares of face value of ₹ 2 each of the Company, accordingly the Indiabulls Wholesale Services Limited Employee Stock Option Scheme - 2011 ("IBWSL ESOP - 2011") has been formed. As per the scheme Exercise Price will be the market price of the equity shares of the Holding Company, being the latest available closing price, prior to the date of grant or as may be decided by the Board or Compensation Committee. These options vest uniformly over a period of 10 years, commencing one year after the date of grant. The stock option under each of the slabs, are exercisable by the option holder within a period of five years from the relevant vesting date.

The Compensation Committee of the Board of Directors of the Company granted 12,57,000 (Twelve Lac Fifty Seven Thousand only) stock options in its meeting held on February 28, 2012, 6,50,000 (Six Lac Fifty Thousand only) stock options in its meeting held on March 29, 2012, 1,50,000 (One Lakh Fifty Thousand only) stock options in its meeting held on July 10, 2012, 8,50,000 (Eight Lakhs Fifty Thousand only) stock options in its meeting held on September 17, 2012, 1,60,000 (One Lakhs Sixty Thousand only) stock options in its meeting held on held on February 2, 2013 and 1,50,000 (One Lakhs Fifty Thousand only) stock options, in its meeting held on February 22, 2013, in terms of the IBWSL ESOP- 2011.

Employees' Stock Option Schemes of the Company:

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

During the year ended March 31, 2009, pursuant to the Resolution passed on May 12, 2008 the Company had established the "Indiabulls Retail Services Limited Employees' Stock Options Scheme – 2008" under ("IBRSL ESOS 2008"), the Company issued equity settled options to its eligible employees to subscribe upto 10,00,000 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) Store One Retail India Limited Employees Stock Option Scheme - 2009

The Compensation Committee, constituted by the Board of Directors of the Company, at its meeting held on June 05, 2009, granted, under the "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009", 15,00,000 (Fifteen lacs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Company, to the eligible employees, at an exercise price of ₹ 30.45 per option, being the latest available closing market price on the National Stock Exchange of India Limited, as on June 04, 2009. The stock options so granted, shall vest in the eligible employees within 10 years beginning from June 06, 2010, the first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

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

Notes to Financial Statements (contd.)

The Company follows the intrinsic value method of accounting as prescribed in the Guidance Note on Accounting for Employees Share based Payments (“Guidance Note”) issued by the Institute of Chartered Accountants of India. Since, on the date of grant, the intrinsic value of the options granted was equal to the exercise price, no compensation expense in respect of the options granted was recorded by the Company.

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

S. No	Particulars	ESOP – 2008
1	Fair value of option at grant date (₹ per option)	₹ 24.06
2	Exercise price (₹ per option)	₹ 30.45
3	Expected volatility	206%
4	Expected forfeiture percentage on each vesting date	Nil
5	Option Life (Weighted Average)	10.5 Years
6	Expected Dividends yield	Nil
7	Risk Free Interest rate	6.50%

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

Members of the Company in their annual general meeting held on September 30, 2009 have approved by way of special resolution the “Indiabulls Retail Services Employees Stock Option Scheme - 2009 (II) (“IBRSL ESOS - 2009”) covering 30,00,000 (Thirty lacs) equity settled options for eligible employees of the Company, its subsidiaries, its fellow subsidiaries and Holding Company.

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

Particulars	No of Shares
Total number of option under Scheme	1,500,000
Number of options outstanding as at April 1, 2012	645,000
Number of options granted during the year	Nil
Number of options vested during the year	64,500
Number of options forfeited/cancelled during the year	300,000
Number of options exercised during the year	Nil
Number of options expired during the year	Nil
Number of options outstanding as at March 31, 2013	345,000
Out of the outstanding option number of options exercisable as at March 31, 2013	103,500
Exercise Price (₹ per option)	30.45
Remaining Contractual Life (Months)	74

Notes to Financial Statements (contd.)

(30) Segment Reporting:

Segment information for the Year ended March 31, 2013 as per Accounting Standard AS-17, Segment Reporting, as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(a) Primary segment information (by business segments)

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

Particulars	Wholesale Trading and other related		Facility Maintenance and other related		Equipment Hiring Services		Other Operations*		Consolidated Total	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
(i) Segment Revenue										
External Revenue	1,189,954	3,177,845	637,831,469	496,074,366	156,602,123	-	96,749,872	1,594,423	892,373,418	500,846,634
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,189,954	3,177,845	637,831,469	496,074,366	156,602,123	-	96,749,872	1,594,423	892,373,418	500,846,634
(ii) Segment Result (Loss) / Profit before Tax and Interest	(77,969,657)	(36,079,478)	258,389,396	238,897,154	131,693,671	-	50,255,473	1,489,597	362,368,883	204,307,273
Add: Unallocated expenditure net of other unallocated income										
Operating Profit									17,440,808	(14,826,960)
Less: Interest expenditure									379,809,691	189,480,313
Less: Income taxes and Deferred tax (reversal)									3,188,998	71,087,774
Total Profit from operating activities after tax									-	-
(iii) Segment Assets										
Unallocated Corporate Assets	290,111,170	340,419,176	211,768,246	403,443,754	681,893,188	-	39,840,822	81,693,544	376,620,693	118,392,539
Total Assets									1,223,613,425	825,556,474
Segment Liabilities									112,010,469	9,880,821
Unallocated Corporate Liabilities	186,299,090	195,431,224	52,403,966	116,215,048	106,230,645	-	3,743,913	-	1,335,623,894	835,437,295
Total Liabilities									348,677,614	311,646,272
Capital Employed (Segment Assets - Segment Liabilities)									93,958,562	4,323,089
Capital Expenditure including capital advances									442,656,176	315,969,361
Unallocated Capital Expenditure including capital advances	-	-	-	8,864,812	84,651,847	-	-	81,798,372	84,651,847	90,663,184
Total Capital Expenditure including capital advances									84,651,847	90,663,184
(v) Depreciation and amortization expense	34,506,074	28,853,591	7,191,822	33,828,227	17,514,391	-	-	104,826	59,212,287	62,786,644
(vi) Non-Cash expenditure other than depreciation	42,228,488	3,620,130	1,845,309	45,063,271	-	-	-	-	44,073,797	48,683,401
Unallocated Non-Cash expenditure other than depreciation									7,286,850	10,894,441
Total Non-Cash Expenditure other than depreciation									51,360,647	59,577,842

- b) The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- c) The group's primary business segments are reflected based on principal business activities carried on by the Company. The Company operates in three reportable business segments i.e. Wholesale Trading, Facility Maintenance Services, Equipment Hiring Services and other related ancillary services. Other Segments includes the business of providing Construction related material & services and travel & tour operators.
- d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- e) During the year, the Company has entered into new line of Business of providing infrastructure resources and travel agency business along with its ongoing businesses.

Notes to Financial Statements (contd.)

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

a) Name and Nature of Relationship with related parties:

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

* With whom transactions entered during the year

(b) Summary of significant transactions with related parties

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Issue of Equity Shares to Holding Company:		
- Indiabulls Wholesale Services Limited	97,600,000	-
Issue of Preference Share to Holding Company:		
- Indiabulls Wholesale Services Limited	-	1,873,080,000
Fellow Subsidiary Company:		
- Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	-	874,676,000
Redemption of Preference Shares Holding Company:		
- Indiabulls Wholesale Services Limited	131,120,000	-
Sale of Investment in Subsidiary Equity Shares Holding Company:		
- Indiabulls Wholesale Services Limited	-	1,000,500,000
Preference Share Holding Company:		
- Indiabulls Wholesale Services Limited	-	300,000,000
Issue of Shares warrant to Holding Company:		
- Indiabulls Wholesale Services Limited	33,550,000	-
Finance Short term borrowing		

Notes to Financial Statements (contd.)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Holding Company:		
- Indiabulls Wholesale Services Limited	-	3,125,800,000
Fellow Subsidiary Company:		
- Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	-	820,000,000
Short- Term Loan and Advance Given to Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	2,500,000	-
Interest on short term borrowing		
Holding Company:		
- Indiabulls Wholesale Services Limited	-	57,218,258
Fellow Subsidiary Company:		
- Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	-	12,796,983
Income from Operation		
Income from property Maintenance Services		
Holding Company:		
- Indiabulls Wholesale Services Limited	26,100	-
Income from Equipment Hiring Services		
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	476,923	-
Income from Tour & Travel Operation		
Holding Company:		
- Indiabulls Wholesale Services Limited	65,838	-
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	334,384	-
Reimbursement of expenses to Maintenance Expense Incurred		
Holding Company:		
- Indiabulls Wholesale Services Limited	-	195,000
Reimbursement of expenses incurred by Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	50,000	-
I.T. Support Expenses		
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	10,000,000	8,333,327

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Short term borrowing		
Holding Company:		
- Indiabulls Wholesale Services Limited	-	3,125,800,000
Fellow Subsidiary Company:		
- Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	-	820,000,000
Short-Term Loan and Advance Given		
Fellow Subsidiary Company:		
- Indiabulls Technology Solutions Limited	2,500,000	-

Notes to Financial Statements (contd.)

(d) Outstanding balances as on March 31, 2013:

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivable		
<i>Holding Company:</i>		
- Indiabulls Wholesale Services Limited	62,866	-
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	96138	-
Total	159,004	-
Short Term Loan and Advances Given		
<i>Fellow Subsidiary Company:</i>		
- Indiabulls Technology Solutions Limited	2,500,000	-
Total	2,500,000	-

(32) Income Tax

Deferred Tax Asset

In compliance with Accounting Standard 22 (AS 22) – “Accounting for Taxes on Income”, as notified under the Companies (Accounting Standards) Rules, 2006, as amended the Deferred Tax Assets has not been recognized as there is no virtual certainty supported by convincing evidence of the subsequent realization of such deferred tax assets in future.

(33) Earnings Per Equity Share (EPS):

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

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares, Convertible Preference Shares, Share Warrants and the potential dilutive effect of Employee Stock Option Plan as appropriate.

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit before tax	376,620,693	118,392,539
Less:- Preference dividend including dividend tax paid	3,130,910	-
Profit After Tax available for Equity Shareholders (₹)	373,489,783	118,392,539
Weighted average number of Shares used in computing Basic earnings per Equity share	21,034,521	20,000,000
Weighted average number of Shares used in computing Diluted earnings per Equity share	21,461,636	20,000,000
Face Value of Equity Shares (₹)	10	10
Basic Earnings Per Equity Share (₹)	17.76	5.92
Diluted Earnings Per Equity Share (₹)	17.40	5.92

(34) Foreign exchange earning and outflow:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Purchase of fixed assets	198,306,223.00	22,397,760.00

Notes to Financial Statements (contd.)

- (35) In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2013 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the 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.
- (36) In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2013.
- (37) 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, 2013.
- (38) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

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

For and on behalf of the Board of Directors

Amar Mittal
 Partner
 Membership No. : 017755

Abhimanyu Singh Mehlawat
 Whole Time Director

Karan Singh Kherra
 Director

Vikas Khandelwal
 Company Secretary

Place: Gurgaon
 Date: April 24, 2013

Place: Gurgaon
 Date: April 24, 2013

Registered Office

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

— STORE —
one








Corporate Offices

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

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

FORM A

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

1.	<i>Name of the Company</i>	Store One Retail India Limited
2.	<i>Annual financial statements for the year ended:</i>	Annual Financial Statements for the year ended 31 st March 2013
3.	<i>Type of Audit observation</i>	UNQUALIFIED
4.	<i>Frequency of observation</i>	Not Applicable
5.	<p><i>To be signed by-</i></p> <p><i>CEO/ Managing Director</i></p> <p><i>CFO</i></p> <p><i>Audit Committee Chairman</i></p> <p><i>Auditor of the company</i></p>	 <p>Mr. Abhimanyu Mehlawat (Whole-time Director) New Delhi, September 2, 2013</p>   <p>Mr. Kamal Ahuja (Finance Head) New Delhi, September 2, 2013</p>   <p>Mr. Shamsheer Singh Ahlawat New Delhi, September 2, 2013</p>  <p>Refer our Audit Report dated April 24, 2013 on the financial statements of "Store One Retail India Limited"</p> <p>For Sharma Goel & Co. Chartered Accountants (Firm Registration No. 000643N)</p>  <p>Amar Mittal (Partner) (Membership No. 017755) New Delhi, September 2, 2013</p>