

**SORIL**

**INFRA RESOURCES**



**ANNUAL  
REPORT  
2017-18**



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## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

# Company Information

# SORIL

## INFRA RESOURCES

### Board of Directors

Mr. Anil Malhan, Executive Director  
Mr. Divyesh Bharatkumar Shah, Non-Executive Director  
Mrs. Sargam Kataria, Non-Executive Director  
Mr. Gurinder Singh, Independent Director  
Brig. Labh Singh Sitara, Independent Director  
Mr. Prem Prakash Mirdha, Independent Director

### Company Secretary

Mr. Vikas Khandelwal

### Chief Financial Officer

Mr. Vijay Kumar Agrawal

### Statutory Auditors

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

### Internal Auditors

M/s MRKS and Associates  
Chartered Accountants  
QU-35B, Pitampura,  
New Delhi-110088

### Secretarial Auditors

M/s NP Gupta & Associates,  
Company Secretaries,  
E7/12, LGF,  
Malviya Nagar,  
New Delhi-110017

### Registrar and Transfer Agent

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

### Registered Office

M – 62 & 63, First Floor, Connaught Place,  
New Delhi – 110 001  
CIN: L52190DL2005PLC181536  
Website: [www.sorilinfraresources.com](http://www.sorilinfraresources.com)  
E-mail: [helpdesk@indiabulls.com](mailto:helpdesk@indiabulls.com)  
Tel: 0124-6681199, Fax: 0124-6681240

### Corporate Offices

- (a) Indiabulls House,  
448-451, Udyog Vihar,  
Phase-V, Gurugram – 122016
- (b) Indiabulls House,  
Indiabulls Finance Center,  
Senapati Bapat Marg,  
Elphinstone Road, Mumbai – 400013

### Bankers

HDFC Bank Limited  
State Bank of India  
IDBI Bank Limited  
Kotak Mahindra Bank Limited  
Axis Bank Limited  
Yes Bank Limited  
ICICI Bank Limited  
RBL Bank Limited

# Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report together with audited financial statement of SORIL Infra Resources Limited (formerly Store One Retail India Limited) ("the Company") for the financial year ended March 31, 2018.

## FINANCIAL HIGHLIGHTS

The highlights of the financial results of the Company for the financial year ended March 31, 2018 are as under:

(Amount in ₹)

Particulars	For the Financial ended March 31, 2018	For the Financial ended March 31, 2017
Profit/ (Loss) before Tax and Depreciation	32,55,89,317	46,15,34,838
Less: Depreciation of Fixed Assets	14,71,22,197	14,25,65,048
Profit/ (Loss) before Tax	17,84,67,120	31,89,69,790
Less: Prior Period Tax Adjustments	-	-
Less: Current Period Tax Adjustments	18,523	-
Profit/ (Loss) after Tax	17,84,48,597	31,89,69,790
Add: Other Comprehensive Income / (Loss)	(2,81,621)	(13,41,704)
Add: Profit/ (Loss) brought forward	(1,67,25,91,195)	(1,99,02,19,281)
Amount available for appropriation	(1,49,44,24,219)	(1,67,25,91,195)
Less: Appropriations:		
Proposed dividend on preference shares	26,76,105	-
Corporate dividend tax thereon	5,44,792	-
Balance carried forward to Balance Sheet	(1,49,76,45,116)	(1,67,25,91,195)

The Board has not proposed to transfer any amount to any reserve(s).

## BUSINESS REVIEW

The Company endeavours to create sustainable business for the benefit of its stakeholders. Presently, the Company is in the business of equipment renting, LED lighting, management and maintenance services, construction advisory and other related services. The Directors believe that these businesses have huge potential for growth in view of the transformation in the structure of the economy, prevalent digitisation, and availability of relevant talent across India.

### Equipment renting services branded as "Indiabulls Store One"

The Company provides equipment renting solutions to the corporate customers, under the brand Indiabulls Store One. The Company is one of the largest equipment rental company in India, with rental fleet of more than 600 equipment. The rental fleet comprises of Tower Cranes, Passenger Hoists, Piling Rigs, Excavators, Dozers, Motor Graders, Wheel Loaders, Mobile Boom Placers, Transit Mixers, Dumpers etc. All the equipment are purchased from reputed manufactures from US, Europe, China & India.

The Company operates at more than 60 rental sites pan India. Its regional offices are spread across Mumbai, Gurugram, Kolkata, Hyderabad, Bangalore & Chennai. The business is being managed by professional & experienced team, who has vast knowledge and hands on experience in managing the rental & leasing fleet across several industry segments.

The Company's rental fleet is deployed at project sites of Real Estate, Infrastructure, Metro, Petroleum Refinery and Road customers etc.

The Company offers wide variety of solutions to its customers, which include mainly short term rentals, long term rentals, dry lease or wet lease of construction & material handling equipment, which is maintained & operated by trained professional team.

## Directors' Report (contd.)

### **LED lighting branded as "Ib LED"**

LED lighting business started with professional LED lighting solutions last financial year under the brand name 'Ib LED' and recently expanded its operations in consumer LED lighting market. The new venture is focusing on LED Lighting for homes, offices, malls, showrooms, industries and infrastructure projects. Ib LED is offering a wide range of LED lighting solutions, with up to 7 years warranty. The products can also be integrated with digital platforms.

The products are designed by the Company's in-house Product Design and Development Team and are manufactured in India. Ib LED Products can be integrated with IOT / digital platforms and are designed on the concept of human centric lighting to suit the modern work space requirements. These lights are perfect for workplace as they improve visual acuity, while also reducing energy expenditure. They also have positive non-visual biological effects on mood, health and energy.

Ib LED is offering an innovative and first time in India "ZERO COST" model, where a customer can upgrade existing conventional lighting to energy saving and environment friendly LED lighting at zero capital investment and pay from the savings in electricity bill. This is a unique positioning of LED as a service model and first time in the country.

The business operations were simultaneously launched in North, South & West India last financial year and opened up in East this year.

The business comprises of Lighting Solutions for Consumer Lighting, Commercial Lighting, Retail Lighting, Industrial Lighting, landscape and Outdoor Lighting & Lighting Controls etc. Ib LED also has products and solutions for smart homes, offices and smart cities.

Over 750 nos. of SKUs were introduced in last one year along with proper due diligence, technical test reports & marketing collaterals. Ib LED is quality certified ISO 9001:2015.

### **Management and maintenance services**

The Company has developed expertise in all avenues of management and maintenance of properties. The Company's current projects span more than seven million square feet of high end Commercial and Residential developments.

### **Construction advisory and other related activities**

The Company provides advisory services pertaining to identification and acquisition of land, project planning, design management, construction, execution, maintenance and management of completed projects, as well as consultancy and advisory services on engineering and other related technical matters.

### **CHANGE IN THE REGISTERED OFFICE OF THE COMPANY**

The shareholders of the Company on August 20, 2018, approved the shifting of registered office of the Company to its Corporate and Head Office, situated at Gurugram, in the state of Haryana, which is pending for applicable regulatory approvals. The proposed shifting of registered office would result in effective and smooth conduct of the Company's operations and would also enable Company's Management to monitor its businesses more economically, viably and efficiently at reduced cost with better administrative control, supervision and convenience and would also facilitate enlarging its business operations.

### **PREFERENTIAL ISSUE**

To fund the diversification/ expansion of the existing and future businesses and to further augment the long-term financial resources of the Company and its existing/ future subsidiaries, the Board of Directors of the Company, at its meeting held on August 30, 2018, has authorized the issuance and allotment, of upto 3,900,000 (Three Million Nine Hundred Thousand) fully paid up Equity shares of face value of INR 10/- each of the Company to certain foreign portfolio investor(s), for a cash consideration aggregating upto INR 2,102,100,000 (Indian Rupees Two Billion One Hundred Two Million One Hundred Thousand). This issuance shall be subject to approval of the members of the Company at the ensuing Annual General Meeting scheduled on September 29, 2018 and other applicable regulatory approvals.

## Directors' Report (contd.)

### DIVIDEND

In view of the accumulated losses and in order to utilize the profits for business requirements of the Company, your Directors do not recommend any dividend for the FY 2017-18.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

To have vast experience and skill sets and the highest standards of Corporate Governance in its management, the following individuals have been appointed as Additional Directors on the Board of the Company with effect from July 20, 2018:

- (a) Mr. Anil Malhan (DIN: 01542646) as Whole-time Director and Key Managerial Personnel of the Company, designated as Executive Director.
- (b) Mr. Divyesh Bharatkumar Shah (DIN: 00010933) as Non- Executive Director of the Company.
- (c) Mrs. Sargam Kataria (DIN: 07133394) as Non-Executive Director of the Company.
- (d) Mr. Gurinder Singh (DIN: 08183046) as an Independent Director of the Company.
- (e) Brig. Labh Singh Sitara (DIN: 01724648) as an Independent Director of the Company.

The appointments of (a) Mr. Anil Malhan as a Whole-time Director and Key Managerial Personnel of the Company, designated as Executive Director, for a period of five years, with effect from July 20, 2018 till July 19, 2023; and (b) Mr. Gurinder Singh and Brig. Labh Singh Sitara as Independent Directors on the Board of the Company, for a period of five years w.e.f. July 20, 2018 till July 19, 2023, were approved by the members of the Company at their Extraordinary General Meeting held on August 20, 2018.

During the FY 2017-18, Mr. Aishwarya Katoch (DIN: 00557488) and Mr. Mehul Johnson (DIN: 00016075) had resigned from the office of director(s) of the Company. Subsequently, in the current financial year, on July 20, 2018, Mrs. Pia Johnson, (DIN: 00722403), Col. (Retd.) Surinder Singh Kadyan (DIN: 03495880), Mr. Shamsher Singh Ahlawat (DIN: 00017480) and Mr. Joginder Singh Kataria (DIN: 05202673) have resigned from the office of director(s) of the Company. The Board places on record its appreciation for the contribution made by them during their tenure on the Board of the Company.

Mr. Divyesh Bharatkumar Shah and Mrs. Sargam Kataria, being Additional Directors, hold office as such upto the date of ensuing Annual General Meeting. Keeping in view their leadership and guidance skills, the Board recommends their appointment as Directors, liable to retire by rotation, at the ensuing Annual General Meeting of the Company. Further, in accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Anil Malhan (DIN: 01542646), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for reappointment.

All the present Independent Directors of the Company have given declaration that they meet the criteria of Independence laid down under Section 149(6) of the Companies Act, 2013.

Brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/chairmanships of Board Committees, and disclosure of relationship between Directors inter-se and shareholding of Non-Executive Director(s) are provided in the Notice convening the 13th Annual General Meeting of the Company.

### EMPLOYEE STOCK OPTIONS

During the FY 2017-18, on November 3, 2017, the Company had granted 45,00,000 (Forty Five Lakhs) stock options under the Company's Employees Stock Option Scheme(s), to certain eligible employees at an exercise price of ₹ 168.30 per option.

The disclosures required to be made in compliance with the applicable regulations have been placed on the website of the Company [www.sorilinfraresources.com](http://www.sorilinfraresources.com)

## Directors' Report (contd.)

### **PUBLIC DEPOSITS**

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

### **LISTING WITH STOCK EXCHANGES**

The Equity Shares (ISIN:INE034H01016) of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2018-19 have been paid.

### **AUDITORS**

#### **(a) Statutory Auditors**

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were appointed by the members at their ninth Annual General Meeting held on September 26, 2014, for a period of five years i.e. until the conclusion of the fourteenth Annual General Meeting of the Company. The Ministry of Corporate Affairs (MCA) vide its notification no. S.O. 1833(E) dated May 7, 2018 has done away with the requirement of getting the appointment of the Statutory Auditors ratified at every Annual General Meeting and therefore no such ratification is being sought at ensuing Annual General Meeting of the Company.

The Auditors' Report forming part of this Annual Report is self-explanatory and therefore do not call for any further explanation. No fraud has been reported by the Auditors of the Company in terms of the provisions of Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

#### **(b) Secretarial Auditors & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Rules made thereunder the Company has appointed M/s NP Gupta & Associates, Practicing Company Secretaries, as its Secretarial Auditors to conduct the secretarial audit of the Company for the Financial Year 2017-18. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2017-18, is annexed as Annexure 1, forming part of this Report. The Report is self-explanatory and therefore do not call for any further explanation.

### **CORPORATE SOCIAL RESPONSIBILITY**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects as per its CSR Policy (available on Company's website on web-link: [http://www.sorilinfraresources.com/dir/investor/28.CSR\\_Policy\\_Store\\_One.pdf](http://www.sorilinfraresources.com/dir/investor/28.CSR_Policy_Store_One.pdf)) and the details are contained in the Annual Report on CSR Activities given in Annexure 2, forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013, read with the relevant rules.

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

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), Management's Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

### **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from a Practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

## Directors' Report (contd.)

- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2018 and the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls are in place and that such financial controls are adequate and are operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

### EXTRACT OF ANNUAL RETURN

In terms of Sections 92(3) and 134(3) of the Companies Act, 2013, Extract of the Annual Return for the Financial Year ended 31st March, 2018 is annexed as Annexure 3, forming part of this Report and is also available at website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/Annual\\_Return.pdf](http://www.sorilinfraresources.com/dir/investor/Annual_Return.pdf)

### BOARD MEETINGS

During the FY 2017-18, 11 (Eleven) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part A of the SEBI (LODR) Regulations, 2015 were circulated to all directors, well within the prescribed time, before the meeting or were placed at the meeting with the consent of majority of Directors (including one Independent Director). During the year, separate meeting of the Independent Directors was held on February 14, 2018, without the presence of Non-Independent Directors and the members of the Company Management.

### PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Nomination & Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s) and confirms that the existing evaluation parameters are in compliance with the requirements as per SEBI guidance note dated January 5, 2017 on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution and management of conflict of interest. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees, as well as the performance of each director individually was carried out by the entire Board of Directors. The performance evaluation of the Non-Independent Directors and the Board of Directors, as a whole was carried out by the Independent Directors in their meeting held on February 14, 2018. The Directors expressed their satisfaction with the evaluation process.

Also the Executive Director of the Company, on a periodic basis, has had one-to-one discussion with the directors for their views on the functioning of the Board and the Company, including discussions on level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders and implementation of the suggestions offered by Directors either individually or collectively during different board/committee meetings.

## Directors' Report (contd.)

### REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration on recommendation of Nomination and Remuneration Committee. The Remuneration Policy is briefly stated in the Corporate Governance Report forming part of this Annual Report and is also available at the website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/Remuneration%20Policy\\_SORIL%20Infra.pdf](http://www.sorilinfraresources.com/dir/investor/Remuneration%20Policy_SORIL%20Infra.pdf)

### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2017-18, in terms of the provisions of Section 186(1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies.

The Company's investment/loans/guarantees, during FY 2017-18, were in compliance with the provisions of section 186 of the Companies Act, 2013, particulars of which are captured in financial statements of the Company, forming part of this Annual Report.

### RELATED PARTY TRANSACTIONS

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Details of all related party transactions are disclosed in the financial statement of the Company forming part of this Annual Report. None of the transactions with related parties is material transaction and/or transaction which is not at Arm's length, therefore, the information/disclosure required pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required to be given. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/18.SORIL\\_Policy\\_for\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://www.sorilinfraresources.com/dir/investor/18.SORIL_Policy_for_Dealing_with_Related_Party_Transactions.pdf)

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### MATERIAL CHANGES AND COMMITMENTS

Except as disclosed in this report, there are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2018 and the date of this Report.

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

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

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

#### A. Conservation of Energy

The Company operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. As an ongoing process, the following measures are undertaken:

- a) Replacing all of its lighting system with LEDs, which is expected to slash related electricity consumption by over 50%.

## Directors' Report (contd.)

- b) Installation of five star energy conservation air conditioning systems.
- c) Installation of automatic power controllers to save maximum demand charges and energy.
- d) Installation of TFT monitors that saves power.
- e) Periodic Training sessions for employees on ways to conserve energy in their individual roles.

### B. Technology Absorption

The nature of business being carried out by the Company entails an extensive use of effective information technology so as to ensure that its services reach the end users i.e. its clients without any loss of time. The Company has implemented best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services.

The Company's investment in technology has improved customer services, reduced operational costs and development of new 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, 2018	For the year ended March 31, 2017
Purchase of fixed assets and spares and services	54,026,842	7,054,285
Purchase of inventory of LED	3,386,306	-
Legal and professional charges	-	642,030
Travelling and conveyance	311,402	23,401,400

### BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013, the Company has formulated robust Business Risk Management policy to identify and evaluate business risks and opportunities. This policy seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence. The requirement of constituting Risk Management Committee in terms of SEBI (LODR) Regulations, 2015 is not applicable to the Company.

### PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in Annexure 4, forming part of this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, read with the said rules, the Directors' Report is being sent to all the shareholders of the Company excluding the annexure on the names and other particulars of employees, required in accordance with Rule 5(2) of said rules, which is available for inspection by the members, subject to their specific written request, in advance, to the Company Secretary. The inspection is to be carried out at the Company's Registered Office or at its Corporate Office, at Gurugram, during business hours on working days of the Company up to date of ensuing Annual General Meeting.

### FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company.

## Directors' Report (contd.)

The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Independent Directors. The details of the familiarization programs have been hosted on the website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/Details\\_of\\_familiarization\\_programmes\\_imparted\\_to\\_independent\\_directors.pdf](http://www.sorilinfraresources.com/dir/investor/Details_of_familiarization_programmes_imparted_to_independent_directors.pdf).

### **SUBSIDIARY COMPANIES**

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statement along with its subsidiary, in the same form and manner, as that of the Company, which shall be laid before its ensuing Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiary, for the year ended March 31, 2018, forms part of this Annual Report.

For the performance and financial position of the subsidiary of the Company, along with other related information required pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the Members are requested to refer to the Financial Statements of the Company.

Further pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are also available on the website of the Company. Shareholders may write to the Company for the annual financial statements and detailed information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company on all working days between 10:00 A.M. to 6:00 P.M. upto the date of AGM.

### **COMMITTEES OF THE BOARD**

The Company has following Board constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee

The details with respect to composition, power, role, terms of reference, etc. of each of these committees are given in the Corporate Governance Report forming part of this Annual Report.

Apart from the above, the Board has also constituted Compensation Committee for administration of stock option scheme(s), Management Committee for administration and operational matters, Issuance Committee for considering issuance of securities and Reorganization Committee for considering and evaluating reorganization options.

### **NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards harassment at the workplace and has constituted an Internal Complaints Committee and also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year 2017-18, no cases of sexual harassment were reported.

### **APPLICABILITY OF MAINTENANCE OF COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### **VIGIL MECHANISM**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination

## Directors' Report (contd.)

or disadvantage. The Policy applies to all employees of the Company. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website ([www.sorilinfraresources.com](http://www.sorilinfraresources.com)) of the Company. 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.

### GREEN INITIATIVES

Electronic copies of the Annual Report 2017-18 and Notice of the Thirteenth AGM are being sent to all the members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 and Notice of the Thirteenth AGM will be sent in the permitted mode.

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

### ACKNOWLEDGEMENT

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

**For and on behalf of the Board of Directors**

Date: August 30, 2018  
Place: Gurugram

**Anil Malhan**  
Executive Director  
DIN: 01542646

**Sargam Kataria**  
Director  
DIN: 07133394

**SECRETARIAL AUDIT REPORT**  
For the Financial Year ended on March 31, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**SORIL Infra Resources Limited**  
(Formerly Store One Retail India Limited)  
M - 62 & 63, First Floor  
Connaught Place,  
New Delhi- 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SORIL Infra Resources Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SORIL Infra Resources Limited** for the financial year ended on **31st March, 2018** according to the provisions of:

- i. The Companies Act, 2013(the Act)and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA')and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act,1999and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') viz.:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the period under audit;**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009; **Not Applicable during the period under audit;**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable during the period under audit; and**

## Directors' Report (contd.)

- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi and other applicable laws like:
- **Taxation Laws**
  - **Laws Labour and Social Security Laws** – such as Employees State Insurance Act, 1948; Payment of Gratuity Act, 1972; Contract Labour (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961, The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952
  - **IT Related Laws** – Information Technology Act, 2000;
  - **Miscellaneous Laws** – Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non – Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

In compliance with applicable provisions of the Companies Act, 2013 and rules made thereunder and Secretarial Standards issued by the Institute of Company Secretaries of India, adequate notices were given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions are carried through unanimously and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period the Company has:

- (a) enhanced the borrowing limits of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to ₹ 1,000 Crores at the Annual General Meeting of the Company held on September 28, 2017;
- (b) amended the Articles of Association of the Company in compliance with SEBI Circular no. CIR/IMD/DF-1/67/2017 dated June 30, 2017 at the Annual General Meeting of the Company held on September 28, 2017;

For **NP Gupta & Associates**  
Company Secretaries

**Neha Gupta**  
Membership No.: 47714  
Certificate of Practice No: 17685

Place: New Delhi

Date: August 24, 2018

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,

**The Members,**

**SORIL Infra Resources Limited**

(Formerly Store One Retail India Limited)

M - 62 & 63, First Floor

Connaught Place,

New Delhi- 110001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For **NP Gupta & Associates**  
Company Secretaries

**Neha Gupta**  
Membership No.: 47714  
Certificate of Practice No: 17685

Place: New Delhi

Date: August 24, 2018

## Directors' Report (contd.)

### ANNEXURE 2

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large or where societal needs are high. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large.

CSR Policy is as posted at the company's website at web link:

[http://www.sorilinfraresources.com/dir/investor/28.CSR\\_Policy\\_Store\\_One.pdf](http://www.sorilinfraresources.com/dir/investor/28.CSR_Policy_Store_One.pdf)

2. **Composition of the CSR Committee**

Brig. Labh Singh Sitara, Chairman (Independent Director)

Mrs. Sargam Kataria, Member (Non-Executive Director)

Mr. Anil Malhan, Member (Executive Director)

3. **Average Net Profit of the Company for last three financial years: ₹ 3,712.53 lacs.**

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 74.25 lacs**

5. **Details of CSR expenditure for the financial year 2017-18:**

a. **Total amount spent for the financial year: ₹ 74.25 lacs**

b. **Amount unspent, if any: Nil**

c. **Manner in which the amount spent during the financial year is detailed below:**

**(Amount in ₹)**

1	2	3	4		5	6		7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs		Amount outlay (budget) projects or programs wise	Amount spent on projects or programs Sub Heads:		Cumulative expenditure up to 31st March, 2018	Amount spent directly or through implementing agency
			District	State		Direct Exp. On Project or programwise	Overheads		
1	Solar Plants at School	Renewable Energy & Education	Thane, Raigad, Palghar	Maharashtra	44,89,515	-	-	-	Implementing Agency (Indiabulls Foundation)
2	Cataract Surgeries	Health	PAN India	PAN India	29,35,560	-	-	-	Implementing Agency (Indiabulls Foundation)
	<b>Total</b>				<b>74,25,075</b>	-	-	-	

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.**

During the financial year 2017-18, the Company has contributed its entire CSR expenditure aggregating ₹ 74.25 lakhs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.**

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2017-18, the implementation and monitoring of CSR Policy of the Company was environmental friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

**For SORIL Infra Resources Limited**

Date : August 30, 2018

Place : Gurugram

**Anil Malhan**  
Executive Director  
DIN: 01542646

**Sargam Kataria**  
Director  
DIN: 07133394

**Brig. Labh Singh Sitara**  
Chairman – CSR Committee  
DIN: 01724648

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on **31.03.2018**  
*[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)*  
*of the Company (Management & Administration) Rules, 2014]*

**I REGISTRATION & OTHER DETAILS:**

i.	CIN	L52190DL2005PLC181536
ii.	Registration Date (Date of Incorporation)	18-March-2005
iii.	Name of the Company	SORIL Infra Resources Limited (formerly Store One Retail India Limited)
iv.	Category/Sub-category of the Company	Public Company /Company Limited by Shares
v.	Address of the Registered office & contact details	M - 62 & 63, First Floor, Connaught Place, New Delhi 110001 Tel: (011) 30252900, Fax: (011) 30252901
vi.	Whether listed company	Yes
vii.	Name, Address & contact details of Registrar & Transfer Agent, if any	Karvy Computershare Private Limited (Unit: SORIL Infra Resources Limited) Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Tel : 040-6716 2222, Fax: 040-23001153 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Management and Maintenance Services	81100	51.80%
2	Equipment Hiring Services	43900	31.69%
3	Trading goods- LED Lighting	27400	13.32%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Indiabulls Integrated Services Limited (formerly SORIL Holdings and Ventures Limited and Indiabulls Wholesale Services Limited) M-62 & 63, First Floor, M - 62 & 63, First Floor, Connaught Place, New Delhi 110001	L51101DL2007PLC166209	Holding	73.85%	Section 2(46) of CompaniesAct, 2013
2	Store One Infra Resources Limited M - 62 & 63, First Floor, Connaught Place, New Delhi 110001	U70200DL2015PLC287160	Subsidiary	100.00%	Section 2(87) of Companies Act, 2013

## Directors' Report (contd.)

### IV (i) Shareholding Pattern (Equity Share capital Break up as % to total Equity):

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	20,383,310	0	20,383,310	73.85	20,383,310	0	20,383,310	73.85	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>20,383,310</b>	<b>0</b>	<b>20,383,310</b>	<b>73.85</b>	<b>20,383,310</b>	<b>0</b>	<b>20,383,310</b>	<b>73.85</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL: (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>20,383,310</b>	<b>0</b>	<b>20,383,310</b>	<b>73.85</b>	<b>20,383,310</b>	<b>0</b>	<b>20,383,310</b>	<b>73.85</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	26,301	0	26,301	0.10	87,321	0	87,321	0.32	0.22
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs/FPIs	0	0	0	0.00	31,303	0	31,303	0.11	0.11
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(1):</b>	<b>26,301</b>	<b>0</b>	<b>26,301</b>	<b>0.10</b>	<b>118,624</b>	<b>0</b>	<b>118,624</b>	<b>0.43</b>	<b>0.33</b>

### Directors' Report (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	891,597	0	891,597	3.23	1,056,036	0	1,056,036	3.83	0.60
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	3,938,998	484	3,939,482	14.27	3,838,257	484	3,838,741	13.90	(0.37)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,060,685	0	2,060,685	7.47	1,954,256	0	1,954,256	7.08	(0.39)
<b>c) Others (specify)</b>									
i) Non-Resident Indians	167,531	0	167,531	0.61	123,121	0	123,121	0.45	(0.16)
ii) Clearing Members	118,994	0	118,994	0.43	102,137	0	102,137	0.37	(0.06)
iii) NBFC registered with RBI	12,100	0	12,100	0.04	23,775	0	23,775	0.09	0.05
<b>SUB TOTAL (B)(2):</b>	<b>7,189,905</b>	<b>484</b>	<b>7,190,389</b>	<b>26.05</b>	<b>7,097,582</b>	<b>484</b>	<b>7,098,066</b>	<b>25.72</b>	<b>(0.33)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>7,216,206</b>	<b>484</b>	<b>7,216,690</b>	<b>26.15</b>	<b>7,216,206</b>	<b>484</b>	<b>7,216,690</b>	<b>26.15</b>	<b>0.00</b>
<b>C. Share held by Custodian for ADRs &amp; GDRs</b>									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>27,599,516</b>	<b>484</b>	<b>27,600,000</b>	<b>100.00</b>	<b>27,599,516</b>	<b>484</b>	<b>27,600,000</b>	<b>100.00</b>	<b>0.00</b>

#### (ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Indiabulls Integrated Services Limited	20,383,310	73.85	0.00	20,383,310	73.85	0.00	0.00

#### (iii) Change in Promoters' Shareholding (specify if there is no change):

No change in promoter shareholding.

## Directors' Report (contd.)

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)<sup>^</sup>:

Sl No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ashish Damani*	208,070	0.75	179,801	0.65
2	Rachna Damani*	111,423	0.40	111,423	0.40
3	Mona Damani*	111,000	0.40	111,000	0.40
4	Govind Das Damani*	107,726	0.39	107,726	0.39
5	Anand Damani*	83,154	0.30	83,154	0.30
6	Sangita Shah*	81,000	0.29	81,000	0.29
7	Anju Damani*	78,000	0.28	78,250	0.28
8	ICICI Bank Limited <sup>§</sup>	19,086	0.07	76,051	0.27
9	Sarla Damani*	67,872	0.25	67,872	0.25
10	Vinay Kumar Bahl <sup>§</sup>	0	0.00	64,849	0.23
11	Hitesh Harakhchand Vora <sup>#</sup>	131,900	0.48	50,000	0.18
12	Hareesh Girdharilal Chhabria <sup>#</sup>	87,300	0.32	0	0.00

\* Top 10 shareholders as on April 1, 2017 and March 31, 2018

# Top 10 Shareholders as on April 1, 2017 only

§ Top 10 Shareholders as on March 31, 2018 only

<sup>^</sup>99.998% of paid-up Equity share capital of the Company are held in dematerialized form. These are traded on a daily basis at BSE & NSE, hence, date wise increase/decrease in shareholding is not indicated.

## Directors' Report (contd.)

### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding			Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease	Cumulative Shareholding during the year (01-Apr-2017 to 31-Mar-2018)	
		Date [beginning of the year (01-Apr-2017) / end of the year (31-Mar-2018)]	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
<b>A. Shareholding of Directors</b>							
1.	Ms. Pia Johnson, Executive Director	01-Apr-2017	0	0.00	-	0	0.00
		31-Mar-2018	0	0.00	0	0	0.00
2.	Mr. Mehul Johnson, Non-Executive Director	01-Apr-2017	0	0.00	-	0	0.00
		31-Mar-2018	*	-	-	-	-
3.	Mr. Shamsher Singh Ahlawat, Independent Director	01-Apr-2017	0	0.00	-	0	0.00
		31-Mar-2018	0	0.00			
4.	Mr. Prem Prakash Mirdha, Independent Director	01-Apr-2017	0	0.00	-	0	0.00
		31-Mar-2018	0	0.00	-	-	-
5.	Mr. Aishwarya Katoch, Independent Director	01-Apr-2017	0	0.00	0	0	0.00
		31-Mar-2018	*	-	-	-	-
6.	Col. (Retd.) Surinder Singh Kadyan, Non-Executive Director	01-Apr-2017	#	-	-	-	-
		31-Mar-2018	0	0.00	0	0	0.00
7.	Mr. Joginder Singh Kataria, Independent Director	01-Apr-2017	#	-	-	-	-
		31-Mar-2018	0	0.00	0	0	0.00
<b>B. Shareholding of KMPs other than MD/WTD/Manager</b>							
1.	Mr. Vijay Agrawal, Chief Financial Officer	01-Apr-2017	0	0.00	0	0	0.00
		31-Mar-2018	0	0.00	0	0	0.00
2.	Mr. Vikas Khandelwal, Company Secretary	01-Apr-2017	0	0.00	0	0	0.00
		31-Mar-2018	0	0.00	0	0	0.00

\*Ceased to be Director during FY 2017-18

#Appointed during FY 2017-18

## Directors' Report (contd.)

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	483,704,693	270,000,000	NIL	753,704,693
ii)	Interest due but not paid	NIL	NIL	NIL	NIL
iii)	Interest accrued but not due	1,477,816	NIL	NIL	1,477,816
	<b>Total (i+ ii+ iii)</b>	485,182,509	270,000,000	NIL	755,182,509
<b>Change in Indebtedness during the financial year</b>					
<b>Additions / (Reduction)</b>					
	Additions	208,502,708	1,005,000,000	NIL	1,213,502,708
	Reduction	(181,751,582)	(1,275,000,000)	NIL	(1,456,751,582)
	<b>Net Change</b>	26,751,126	(270,000,000)	NIL	(243,248,874)
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	510,875,758	NIL	NIL	510,875,758
ii)	Interest due but not paid	NIL	NIL	NIL	NIL
iii)	Interest accrued but not due	1,057,877	NIL	NIL	1,057,877
	<b>Total (i+ ii+ iii)</b>	511,933,635	NIL	NIL	511,933,635

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time director and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Ms. Pia Johnson, Executive Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission (as % of profit/others)	-
5	Others	-
	Total (A)	-
	Ceiling as per the Act	Not Applicable as no remuneration was paid to any of the Directors of the Company during the year ended March 31, 2018.

### Directors' Report (contd.)

#### B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount (In ₹)
		Mr. Shamsher Singh Ahlawat	Mr. Aishwarya Katoch*	Mr. Prem Prakash Mirdha	Mr. Joginder Singh Kataria#	
1	<b>Independent Directors</b>					
	(a) Fee for attending board/ committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2	<b>Other Non-Executive Director</b>	<b>Mr. Mehul Johnson*</b>		<b>Col. (Retd.) Surinder Singh Kadyan#</b>		
	(a) Fee for attending board/ committee meetings	-		-		-
	(b) Commission	-		-		-
	(c) Others, please specify	-		-		-
	Total (2)	-		-		-
	Total (B)=(1+2)	-		-		-
	Total Managerial Remuneration	-				
	<b>Overall ceiling as per the Act</b>	Not Applicable as no remuneration was paid to any of the Directors of the Company during the year ended March 31, 2018.				

\* Ceased to be Director during FY 2017-18.

# Appointed during FY 2017-18

#### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In ₹)
		Mr. Vikas Khandelwal, Company Secretary	Mr. Vijay Agrawal, CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,06,832.00	39,12,540.00	80,19,372.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	48,558.00	0.00	48,558.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission(as % of profit/others)	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	<b>Total</b>	<b>41,55,390.00</b>	<b>39,12,540.00</b>	<b>80,67,930.00</b>

\*excludes value of perquisites on exercise of stock option, if any.

## Directors' Report (contd.)

### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

**DISCLOSURES ON MANAGERIAL REMUNERATION**

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under –

**Ratio of the remuneration of each director to the median employees' remuneration for FY 2017-18.**

Not applicable because no remuneration was paid to any of the Directors during the FY 2017-18.

**Percentage increase in remuneration of each director and Key Managerial Personnel in FY 2017-18.**

Designation	Increase in Remuneration (%)
Chief Financial Officer	15.00%
Company Secretary	17.47%

No remuneration was paid to any of the Directors and other KMPs, except as aforesaid, during the FY 2017-18.

**The percentage increase in the median remuneration of employees in the FY 2017-18.**

The percentage increase in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY 2017-18 and FY 2016-17 was 8.00%.

**Number of permanent employees on the rolls of Company**

The Company had 208 employees on its permanent rolls, as of March 31, 2018.

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2017-18 is around 9.28%, while the average percentile increases in the remuneration of key managerial personnel is around 16.32%.

The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

The Company reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company.

It is hereby affirmed that the aforesaid remuneration paid by the Company, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company.

For and on behalf of the Board of Directors

Date: August 30, 2018  
Place: Gurugram

**Anil Malhan**  
Executive Director  
DIN: 01542646

**Sargam Kataria**  
Director  
DIN: 07133394

# Management Discussion and Analysis

## ECONOMIC REVIEW

The Company is geared to gain from the following economic situation.

### Global economy

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that global real GDP grew 3.8% in 2017. This is the highest growth pace over the last six years. It is also the broadest synchronized global growth upsurge, since 2010 as underlined by IMF. The global economic recovery is expected to continue. For the current and the next year, a strong growth at 3.9% is projected.

### Indian economy

The Indian economy grew at 6.7% in 2017-18 and the CSO predicts growth between 7% to 7.5% in the financial year 2018-19. The Company believes the following key factors present great opportunities and give immense confidence for brighter 2018-19:

- 1) Government efforts in enhancing India's attractiveness as an investment destination has started bearing fruits. India has made substantial progress on various counts:
  - a) Higher up on the ease of doing business index;
  - b) Higher up on Moody's sovereignty rating; and
  - c) Introduction of Insolvency and Bankruptcy Code that promises quicker resolution of stressed assets of the Company.
- 2) The Company will have more business opportunities as a result of higher expenditure outlays on the various infrastructure sectors as mentioned in Union budget in 2018-19 :
  - a) GOI has increased budgetary expenditure on infrastructure by around 20% from Rs 4.94 lacs crores in 2017-18 to Rs 5.97 lacs crores for 2018-19. Projected growth in road, transportation, railways, urban development and ports.
  - b) For roads, capital expenditure of Rs 1.22 lacs crores has been earmarked for the expansion of national highways (more than 9000 kms was achieved in 2017-18). Further Bharatmala pariyogna has been approved to provide seamless connectivity between interior and backward areas and international borders to develop around 35,000 kms of road at an estimated cost of Rs 5.35 lacs crores.
  - c) For railways, Rs 1.49 lacs crores is earmarked for 18,000 kms of doubling, third and fourth line works, 5000 kms of gauge conversion and 3600 kms of track renewals. In addition, Rs 16,800 crores has been allotted to MRTS and metro projects.
  - d) Another major policy initiative was electrification of villages during the year by launch of Saubhagya schemes to electrify the households.
  - e) Commercial real estate picked up in FY18 and is expected to continue in FY19 which in turn along with smart cities and increased construction of public utilities will bring new opportunities. Construction sector has revived to a growth of 4.3% in 2017-18 after hitting the nadir to 1.3% in 2016-17 compared to growth in previous years.
  - f) Rs 2.11 trillion recapitalisation package for public sector bank announced by the government is expected to uplift the banking sector which in turn will support the credit growth to private sector.
- 3) Gains of the structural changes like demonetization and GST will have transformative impact on the infrastructure sector.

## BUSINESS REVIEW

The Company endeavours to create sustainable business for the benefit of its stakeholders. Presently, the Company is in the business of equipment renting, LED lighting, management and maintenance services, construction advisory and other related services. The Directors believe that these businesses have huge potential for growth in view of the transformation in the structure of the economy, prevalent digitisation, and availability of relevant talent across India.

## Management Discussion and Analysis (contd.)

### **Equipment renting services branded as “Indiabulls Store One”**

The Company provides equipment renting solutions to the corporate customers, under the brand Indiabulls Store One. The Company is one of the largest equipment rental company in India, with rental fleet of more than 600 equipment. The rental fleet comprises of Tower Cranes, Passenger Hoists, Piling Rigs, Excavators, Dozers, Motor Graders, Wheel Loaders, Mobile Boom Placers, Transit Mixers, Dumpers etc. All the equipment are purchased from reputed manufactures from US, Europe, China & India.

The Company operates at more than 60 rental sites pan India. Its regional offices are spread across Mumbai, Gurgugram, Kolkata, Hyderabad, Bangalore & Chennai. The business is being managed by professional & experienced team, who has vast knowledge and hands on experience in managing the rental & leasing fleet across several industry segments.

The Company’s rental fleet is deployed at project sites of Real Estate, Infrastructure, Metro, Petroleum Refinery and Road customers etc.

According to CRISIL, infrastructure spending in India is projected to accelerate to at least ₹ 50 lakh crore between FY18 and FY22, making a visible impact on service delivery and providing a foundation for rapid and inclusive economic growth in the country.

Equipment rental market is growing rapidly due to major projects under execution in Roads, Railways, Tunnels, Airport, Metro and Infrastructure segment. For clients, owning large construction & earthmoving equipment fleet, requires large amount of capital expenditure & leads to increased maintenance and ownership expenses. It also requires additional expenditure in tax, insurance, licensing, interest on loan amount and storage cost, among others. Companies, executing such projects have budgetary constraints and prefer renting equipment since it helps reduce the overall project expenditure. In addition, renting equipment saves the hassle of transporting machinery to project sites. It also provides the flexibility of renting customized equipment, and access to increased resources for faster execution.

The Company offers wide variety of solutions to its customers, which include mainly short term rentals, long term rentals, dry lease or wet lease of construction & material handling equipment, which is maintained & operated by trained professional team. All the major players in infrastructure & construction segment have a large order book and need a professional rental company, which can take care of their equipment needs for new projects and they in turn can focus on their core strength of managing & executing the projects.

As part of its long term growth strategy, the Company will be offering total project rental solution to its customers, where it shall provide all the equipment needed for a particular project through rental or leasing model. This shall ensure long term revenue stream for the Company from one project and will help to minimize operating & maintenance cost of rental fleet. The Company shall be also expanding to new industry segments by providing rental & leasing solutions to customers related to Cement, Metro, Railways, Dams & Tunnels projects. Store one also upgrades its rental fleet regularly, by adding new equipment’s which are technologically advanced and need lower maintenance.

### **LED lighting branded as “Ib LED”**

LED lighting business started with professional LED lighting solutions last financial year under the brand name ‘Ib LED’ and recently expanded its operations in consumer LED lighting market. The new venture is focusing on LED Lighting for homes, offices, malls, showrooms, industries and infrastructure projects. Ib LED is offering a wide range of LED lighting solutions, with up to 7 years warranty. The products can also be integrated with digital platforms.

The products are designed by the Company’s in-house Product Design and Development Team and are manufactured in India. Ib LED Products can be integrated with IOT / digital platforms and are designed on the concept of human centric lighting to suit the modern work space requirements. These lights are perfect for workplace as they improve visual acuity, while also reducing energy expenditure. They also have positive non-visual biological effects on mood, health and energy.

Ib LED is offering an innovative and first time in India "ZERO COST" model, where a customer can upgrade existing conventional lighting to energy saving and environment friendly LED lighting at zero capital investment and pay from the savings in electricity bill. This is a unique positioning of LED as a service model and first time in the country.

The business operations were simultaneously launched in North, South & West India last financial year and opened up in East this year.

## Management Discussion and Analysis (contd.)

The business comprises of Lighting Solutions for Consumer Lighting, Commercial Lighting, Retail Lighting, Industrial Lighting, Landscape and Outdoor Lighting & Lighting Controls etc. Ib LED also has products and solutions for smart homes, offices and smart cities.

Over 750 nos. of SKUs were introduced in last one year along with proper due diligence, technical test reports & marketing collaterals. Ib LED is quality certified ISO 9001:2015.

### **Management and maintenance services**

The Company has developed expertise in all avenues of management and maintenance of properties. The Company's current projects span more than seven million square feet of high end Commercial and Residential developments.

### **Construction advisory and other related activities**

The Company provides advisory services pertaining to identification and acquisition of land, project planning, design management, construction, execution, maintenance and management of completed projects, as well as consultancy and advisory services on engineering and other related technical matters.

### **DISTINGUISHING ATTRIBUTES**

Deep domain knowledge in every business undertaken to exceed customer expectation.

The emphasis is on better customer and project management through continuous development of domain expertise in all businesses. The endeavor is to lower costs while maintaining quality and managing complexity.

### **Focus on improving working capital level**

The Company will continue to focus on reducing the working capital levels by emphasis on speedy customer collections, accelerating invoicing of work and supplies completed and reducing inventory levels.

Promote innovative disruption of business model led by digitization and technology.

The Company believes that sustained growth is possible only by adopting the digitization opportunities available for the various business and the processes.

Actively invest in people, products and processes to accelerate business vision.

The Company shall retain and employ the best of talent; research and introduce innovative products to accelerate the pace of company's growth.

### **OPPORTUNITIES**

#### **Equipment renting services**

The Opportunity drivers are:

- Capitalize on the infrastructure demand of a young demography in India and impetus to development of new areas.
- Leveraging supportive schemes of the Government such as smart cities, make in India project, Real Estate being regulated by Real Estate Regulatory Authority (RERA).
- Continuously adopting new technologies to achieve better productivity in project execution space.
- Company's presence in all regions of the country.
- Creating service differentiation by keeping simple performance matrices.

Although the equipment rental industry is highly fragmented and diverse, the Company believes that it is well positioned to take advantage of this environment because, as a large company, it has extensive resources and compelling competitive advantages. The Company's size gives greater purchasing power, the resources to provide customers with a broader range of equipment and services, which is well maintained and consistent in quality and the ability to enhance the earning potential of the Company's assets by transferring equipment among various regions and sites to satisfy customer needs.

#### **LED Lighting business**

The Company believes the LED lighting industry will continue at approximately 22% CAGR and is expected to maintain the same pace over the next 3 years. The opportunity is driven by following reasoning:

## Management Discussion and Analysis (contd.)

- LED growth drivers are price parity with its nearest competitor CFL and improving cost economics with government support;
- Favorable macro- economic conditions by virtue of Government policies on push on electrification, improvement of infrastructure and housing will ensure consistent growth in the market demand;
- Pan-India distribution network of the Company will ensure that the Company is able to increase its market position and introduce varied products for all segments of the market, and
- The Company has established very wide product portfolio in both consumer and professional category, which will ensure better business opportunity for the Company.

Keeping above opportunities in mind, during the second year of operations, Ib LED has ventured into Consumer LED Lighting with focus on distribution of Business to Consumers (B2C) LED Lighting products which include LED Bulbs, LED Tubes, LED Battens etc. addressing the complete general lighting requirement of the home segment.

### **Management and maintenance services**

Demand for quality on-site Property Management Services for office and residential properties is increasing, and poised for robust growth.

The Company's goal is to enhance clients' property values by ensuring maximum uptime of all infrastructure and services through efficient operations, and preventive maintenance. The Company has been generating consistent revenue from this business segment.

### **RISK AND CHALLENGES AND RISK MANAGEMENT SYSTEM**

Risk is an essential part of business and taking risk is a fundamental driving force in business. In fact, it is the unique differentiator between companies who thrive and those who merely survive or otherwise. This has never been more important than in today's VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world. There are several rapid, unprecedented and unpredictable changes taking place all the time. The size, scale and scope of these changes in today's world are enormous. Many of these are driven by changes in technology and have consequential impacts on supply chain, logistics and costs. The aforementioned uncertainties warrant robust process and framework to minimize the threats and capture opportunities to create sustainable value for the organization. The risk horizon considered includes long term strategic risks, short to medium term risks as well as single events

Key business risks identified by the Company are:

#### **Operations risk**

The risk that the purchase of various goods and services is not managed at economical cost. Efficiency of operations is a key thrust area for the Company. The company continuously develops and collaborates with suppliers to ensure that operations are not affected for any delays and optimum schedule of procurement and payment is followed to manage the operations. The Company's technology team ensures that all procurements are futuristic and value centric to the Company.

#### **Legal and Compliance**

The risk that the Company is found to have inadvertently violated laws covering business conduct. The country's regulatory framework is ever evolving and the risk of non compliance and penalties may increase for the Company, leading to reputational risks. Periodic and ad hoc reporting to the management for oversight ensures effectiveness of managing compliance.

#### **Competition Risks**

The risk that the Company may face stiffer completion for growth of equipment hiring and LED lighting sales. With the expanding capacities of existing players and also the emergence of new entrant's, competition is a sustained risk. Strategic initiatives to enhance brand equity through enhanced marketing activities and continuous efforts in enhancing the product portfolio and value adding services have been the thrust areas of the Company.

## Management Discussion and Analysis (contd.)

### **Financial Risks**

The risk of exposure to interest rates, foreign exchange rates and the requirements of cash for operations. The Company has elaborate financial risk management policies which are followed for every transaction undertaken. The Company's policies to counter such risks are reviewed periodically and keeps a track of the operations to ensure consistent cash conversion cycle.

### **Information Technology Risks**

Risks related to Information Technology systems; data integrity and physical assets the Company deploys Information Technology systems including ERP, SCM, CRM and Mobile Solutions to support its business processes, communications, sales and logistics. Risks could primarily arise from unavailability of systems and/or loss or manipulation of information. To mitigate these risks, the Company uses back up procedures and stores information at two different locations. Systems are upgraded regularly with latest security standards.

### **HUMAN RESOURCES**

The Company's human resources provide the business edge. The Company continuously builds talent pipeline at the entry, junior and middle level for its businesses. Further the Company has initiated various training and development programme for its employees to capitalize on business opportunities.

The Company is enhancing its HR processes for scale, agility and consistent employee experience. The HR environment ensures that Company houses P&L and operations leaders.

The Company has a strong team of about 220 employees, who are aligned and dedicated towards the Company's goals.

### **INTERNAL CONTROL SYSTEMS**

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 the transactions are authorized, recorded and reported correctly and adequately by appropriate empowered authorities. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, warehouses and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

### **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 here means the consolidated entity consisting of its subsidiary(ies).

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.

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

SORIL Infra Resources Limited (formerly Store One Retail India Limited) ("the Company") is committed towards achieving the highest standards of Corporate Governance coupled with best in class practices across all its business operations thereby ensuring its core values i.e. Customer First, Transparency, Integrity and Professionalism. The Company focuses on implementing the robust, resilient and best corporate practices in every facet of its operations and in all spheres of its activities for generating significantly greater returns and maximizing shareholders' value.

The Company also engages itself in a credible and transparent manner with all its stakeholders which help them to understand its long term strategies. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This together with meaningful CSR activities has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities, in which it operates.

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

- Optimizing the size and composition of Board to ensure that it has the appropriate mix of domain, functional, operational and legal expertise with the relevant experience and commitment to discharge their responsibilities and duties, thereby ensuring transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them spending adequate time on strategy, performance, talent, risk management, succession planning and social responsibility with clear vision and guidelines to discharge their functions effectively.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- Independent verification and assured integrity of financial reporting.
- Engaging and communicating with long-term institutional investors and constructively engaging with them on matters of strategic importance.
- A sound system of risk management, internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulations in letter and spirit.

## 2. BOARD OF DIRECTORS (BOARD)

### (A) Composition and size of the Board

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), as amended and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience. With effect from July 20, 2018, the Board of the Company comprises of the following directors:

- (i) Mr. Anil Malhan (DIN: 01542646) as Executive Director,
- (ii) Mr. Divyesh Bharatkumar Shah (DIN: 00010933) as Non-executive Director,
- (iii) Mrs. Sargam Kataria (DIN: 07133394) as Non-executive Director,
- (iv) Mr. Gurinder Singh (DIN: 08183046) as Independent Director,
- (v) Brig. Labh Singh Sitara (DIN: 01724648) as Independent Director, and
- (vi) Mr. Prem Prakash Mirdha (DIN: 01352748) as Independent Director.

The Board members have excellent leadership and guidance abilities, wide and rich professional knowledge and experience in diverse fields.

As on March 31, 2018, the Board consisted of five directors. 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, 2018, are as under:

## Corporate Governance Report (contd.)

Sl. No.	Name of the Directors <sup>^</sup>	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 <sup>#</sup>	As Chairperson
1.	Ms. Pia Johnson (DIN: 00722403)	Executive Director	1	1	Nil
2.	Col. (Retd.) Surinder Singh Kadyan (DIN: 03495880)	Non-Executive Director	7	2	Nil
3.	Mr. Joginder Singh Kataria (DIN: 05202673)	Non-Executive Independent Director	6	7	4
4.	Mr. Shamsheer Singh Ahlawat (DIN: 00017480)	Non-Executive Independent Director	6	9	5
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Non-Executive Independent Director	6	8	1

<sup>^</sup> During the FY 2017-18, Mr. Mehul Johnson (DIN: 00016075) and Mr. Aishwarya Katoch (DIN: 00557488) have resigned from the office of director(s) of the Company. Accordingly, their details have not been indicated in the above table. Subsequently, in the current FY, on July 20, 2018, Ms. Pia Johnson (DIN: 00722403), Col. (Retd.) Surinder Singh Kadyan (DIN: 03495880), Mr. Shamsheer Singh Ahlawat (DIN: 00017480) and Mr. Joginder Singh Kataria (DIN: 05202673) resigned from the office of director(s) of the Company.

\* Does not include directorships held in foreign companies and private limited companies and Companies under section 8 of the Companies Act, 2013.

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

# This includes the chairmanship in the Committees.

As on March 31, 2018, none of the Directors on the Board of the Company were related to each other and none of them (including Non-Executive Directors) held any equity share and/ or convertible instruments of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programmes along with details of the same imparted to the Independent Directors during the year are available on the website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/Details\\_of\\_familiarization\\_programmes\\_impacted\\_to\\_independent\\_directors.pdf](http://www.sorilinfraresources.com/dir/investor/Details_of_familiarization_programmes_impacted_to_independent_directors.pdf).

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

During the financial year 2017-18, the Board met 11 (Eleven) times. The dates of the meetings were April 07, 2017, May 26, 2017, July 04, 2017, August 28, 2017, September 14, 2017, September 28, 2017, November 29, 2017, December 08, 2017, January 11, 2018, February 14, 2018 and March 19, 2018. During the year, separate meeting of the Independent Directors was held on February 14, 2018 without the attendance of Non-Independent Directors and the members of the management. All Independent Directors attended the said meeting.

The last Annual General Meeting (AGM) of the Company was held on September 28, 2017.

## Corporate Governance Report (contd.)

Attendance of Directors at the Board Meetings held during the FY 2017-18 and at the last Annual General Meeting are as under:

Sl. No.	Name of the Director	No. of Meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
1.	Ms. Pia Johnson (DIN: 00722403)	11	11	No
2.	Mr. Mehul Johnson* (DIN: 00016075)	05	05	Yes
3.	Mr. Aishwarya Katoch* (DIN: 00557488)	05	05	N.A.
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	11	11	Yes
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	11	10 <sup>^</sup>	Yes
6.	Col. (Retd.) Surinder Singh Kadyan <sup>#</sup> (DIN: 03495880)	06	06	N.A.
7.	Mr. Joginder Singh Kataria <sup>#</sup> (DIN: 05202673)	06	05 <sup>^</sup>	N.A.

\* ceased to be director of the Company during FY 2017-18

<sup>#</sup>appointed as director on the Board of the Company during FY 2017-18

<sup>^</sup>Directors could not attend the meeting(s), due to their travelling schedule.

### 3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. Upon re-constitution of Board of the Company, these committees have been re-constituted.

The role and the composition of statutory Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under.

#### (A) Audit Committee

##### Composition

The Audit Committee currently comprises of three members namely, Mr. Prem Prakash Mirdha as the Chairman, Brig. Labh Singh Sitara and Mrs. Sargam Kataria, as other two members, all Non-Executive Directors. Two out of three members namely Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara are Independent directors.

As on March 31, 2018, the Audit Committee comprised of three members namely, Mr. Shamsher Singh Ahlawat as the Chairman, Mr. Joginder Singh Kataria and Col. (Retd.) Surinder Singh Kadyan, as other two members, all Non-Executive Directors. Two out of three members namely Mr. Shamsher Singh Ahlawat and Mr. Joginder Singh Kataria were Independent directors.

Mr. Vikas Khandelwal, Company Secretary of the Company also acts as the Secretary of the Audit Committee.

##### Terms of reference of the Audit Committee

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

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;

## Corporate Governance Report (contd.)

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

### Meetings and Attendance during the year

During the FY 2017-18, the Audit Committee met four times. The dates of the meetings being May 26, 2017, September 14, 2017, December 08, 2017 and February 14, 2018.

The attendance record of committee members to the meetings is as under:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Shamsher Singh Ahlawat	4	4
Mr. Aishwarya Katoch*	2	2
Mr. Mehul Johnson*	2	2
Mr. Joginder Singh Kataria**	2	2
Col. (Retd.) Surinder Singh Kadyan**	2	2

\*ceased to be member of the Committee during FY 2017-18

\*\* inducted to the Committee during FY 2017-18.

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

All the recommendations made by the Audit Committee were accepted by the Board.

### (B) Nomination & Remuneration Committee

#### Composition

The Nomination & Remuneration Committee (N&R Committee) of the Board currently comprises of three Non- Executive Directors as its members namely Mr. Prem Prakash Mirdha as the Chairman, Brig. Labh Singh Sitara and Mrs. Sargam Kataria, as other two members. Two out of three members namely Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara are Independent directors.

As on March 31, 2018, the N&R Committee of the Board comprised of three Independent Non- Executive Directors as its members namely, Mr. Prem Prakash Mirdha as the Chairman, Mr. Joginder Singh Kataria and Mr. Shamsher Singh Ahlawat, as other two members.

## Corporate Governance Report (contd.)

### Terms of reference

The terms of reference of N&R Committee, inter-alia, includes:

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

### Meetings and Attendance during the year

During the FY 2017-18, the Committee met once on September 04, 2017.

The attendance record of committee members to the meeting is as under:

Name of the Member	No. Meetings held during the tenure	No. of Meetings attended
Mr. Aishwarya Katoch*	1	1
Mr. Shamsher Singh Ahlawat	1	1
Mr. Prem Prakash Mirdha	1	1
Ms. Joginder Singh Kataria**	Nil	N.A

\*ceased to be member of the Committee during FY 2017-18

\*\*inducted to the Committee during FY 2017-18.

### Policy for selection and appointment of Directors

The N&R Committee has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, Senior Management and their compensation. This Policy is accordingly derived from the said Charter.

- The incumbent for the positions of Executive Directors and/or at Senior Management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, real estate, retail, facility management, hospitality, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

### Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Executive Directors and/or Key Managerial

## Corporate Governance Report (contd.)

Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/Remuneration%20Policy\\_SORIL%20Infra.pdf](http://www.sorilinfraresources.com/dir/investor/Remuneration%20Policy_SORIL%20Infra.pdf).

### Performance Evaluation criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the N&R Committee has laid down the criteria for performance evaluation of Independent Directors, which inter-alia covers level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by entire Board of Directors except Director, subject to evaluation. The Directors expressed their satisfaction with the evaluation process.

### Policy on Board Diversity

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

### Directors' Remuneration:

#### (i) Remuneration of Executive Director

During the FY 2017-18, Ms. Pia Johnson, Executive Director did not draw any remuneration from the Company.

#### (ii) Remuneration of Non-Executive Directors

During the FY 2017-18, the Non-Executive Directors have not been paid any remuneration/ sitting fees/ Bonus/Severance fees/Performance Linked Incentives or by way of other benefits.

The Company has not issued any stock option to its Non-Executive Directors.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

### (C) Stakeholders Relationship Committee

#### Composition

The Stakeholders Relationship Committee comprises of three members namely Mr. Prem Prakash Mirdha, an Independent Non-Executive Director, as the Chairman and Mrs. Sargam Kataria and Mr. Anil Malhan as other two members.

As on March 31, 2018, the Stakeholders Relationship Committee comprised of three members namely, Mr. Prem Prakash Mirdha, an Independent Non-Executive Director, as the Chairman and Col. (Retd.) Surinder Singh Kadyan and Ms. Pia Johnson as other two members.

#### Terms of Reference

- 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;
- To oversee all matters encompassing the shareholders' / investors' related issues.

#### Meetings and Attendance during the year

During the FY 2017-18, the Committee met four times. The dates of the meetings were April 3, 2017, July 3, 2017, October 3, 2017 and January 3, 2018.

The attendance record of committee members in respect of the meetings is as under:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Aishwarya Katoch*	2	2
Mr. Mehul Johnson*	2	2
Ms. Pia Johnson	4	4
Mr. Prem Prakash Mirdha**	2	2
Col. (Retd.) Surinder Singh Kadyan**	2	2

\*ceased to be member of the Committee during FY 2017-18

\*\* inducted to the Committee during FY 2017-18.

## Corporate Governance Report (contd.)

### Name and designation of Compliance Officer

Mr. Vikas Khandelwal, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI (LODR) Regulations, 2015.

### Details of queries/complaints received and resolved during the year 2017-18

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Letters from SEBI / Stock Exchange	0	1	1	0
	<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

### (D) Corporate Social Responsibility (CSR) Committee

#### Composition

The Corporate Social Responsibility Committee comprises of three members namely Brig. Labh Singh Sitara, an Independent Non-Executive Director, as the Chairman and Mrs. Sargam Kataria and Mr. Anil Malhan as other two members.

As on March 31, 2018, the Corporate Social Responsibility Committee comprised of three members namely Mr. Shamsher Singh Ahlawat, an Independent Non-Executive Director, as the Chairman and Col. (Retd.) Surinder Singh Kadyan and Ms. Pia Johnson as other two members.

#### Terms of Reference of Corporate Social Responsibility

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

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

#### Meetings and Attendance during the year

During the FY 2017-18, the Committee met two times. The dates of the meetings were February 14, 2018 and March 31, 2018.

The attendance record of Committee members in respect of the meetings is as under:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Shamsher Singh Ahlawat	2	2
Mr. Mehul Johnson*	Nil	N.A
Ms. Pia Johnson	2	2
Col. (Retd.) Surinder Singh Kadyan**	2	2

\* ceased to be member of the Committee during FY 2017-18

\*\* inducted to the Committee during FY 2017-18.

Apart from the above, the Board has also constituted Compensation Committee for administration of stock option scheme(s), Management Committee for administration and operational matters, Issuance Committee for considering issuance of securities and Reorganization Committee for considering and evaluating reorganization options.

## Corporate Governance Report (contd.)

### 3. GENERAL BODY MEETINGS

#### (A) Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	Number of special resolutions passed
2014-15	10th AGM	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 28, 2015	09:00 A.M.	2
2015-16	11th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 26, 2016	10:00 A.M.	2
2016-17	12th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 28, 2017	10:00 A.M.	3

#### (B) Special Resolutions passed during the financial year 2017-18 through Postal Ballot.

During the financial year 2017-18, no resolution was passed by the Company through Postal Ballot process and hence, procedure for postal ballot is not given.

### 5. MEANS OF COMMUNICATION

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- (i) **Publication of Financial Results:** The quarterly / annual results of the Company are published in leading newspapers viz. Business Standard (English & Hindi).
- (ii) **News, Release, etc:** The Company has its own website: [www.sorilinfraresources.com](http://www.sorilinfraresources.com) and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate/ investor presentations etc. is regularly posted on the website and are also uploaded on the designated portals of NSE and BSE, which are disseminated by the Exchanges for information of the public.
- (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 'Media & Announcement' where general information is available for shareholders.

### 6. GENERAL SHAREHOLDERS' INFORMATION

#### (A) Company Registration Details

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

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

The 13th AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

#### (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

The dates of Book Closure for the Purpose of AGM are mentioned in the Notice convening the 13th AGM of the Company.

#### (E) Dividend Payment date

No dividend has been recommended on equity shares of the Company by the Board for the financial year 2017-18.

### Corporate Governance Report (contd.)

#### (F) Listing on Stock Exchanges

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

##### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

##### National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051

The listing fees for the financial year 2018-19, have been paid to BSE and NSE.

#### (G) Stock Code

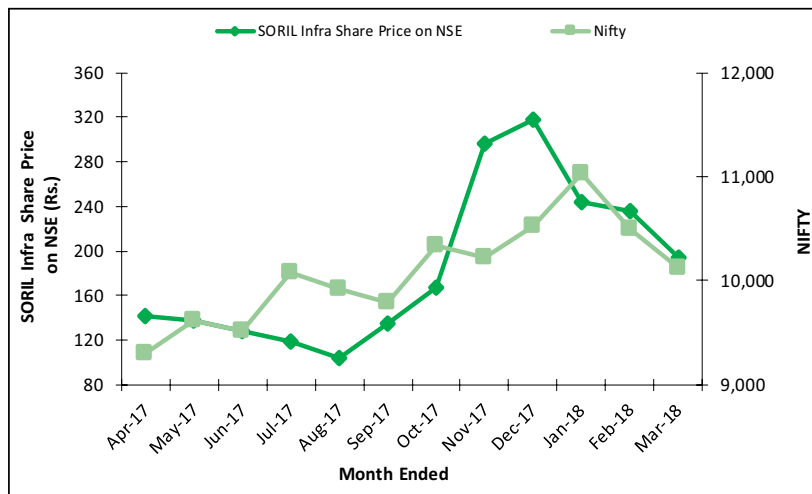
BSE Limited - 532679  
 National Stock Exchange of India Limited - SORILINFRA  
 ISIN for Dematerialization - INE034H01016

#### (H) Market Price Data

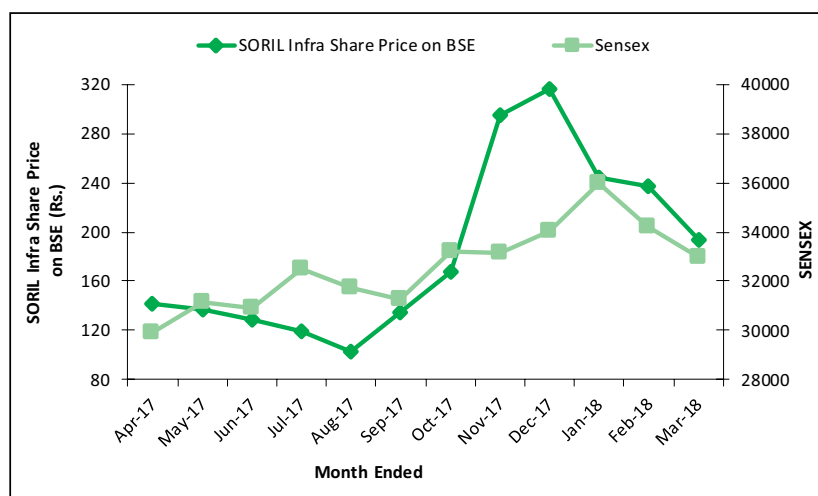
The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2018 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2017	146.40	100.80	146.00	101.05
May 2017	159.75	126.00	159.70	126.05
June 2017	144.45	126.60	144.20	127.10
July 2017	138.80	118.25	135.00	118.05
August 2017	120.80	88.60	119.75	88.75
September 2017	154.00	101.70	153.90	101.50
October 2017	179.60	132.50	178.70	131.00
November 2017	398.40	165.00	397.80	164.00
December 2017	391.00	268.35	390.55	266.00
January 2018	328.50	241.75	329.00	242.00
February 2018	288.80	175.20	290.25	176.10
March 2018	242.00	192.50	241.55	192.00

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



## Corporate Governance Report (contd.)



### (J) Registrar and Transfer Agents

M/s. Karvy Computershare Private Limited is the Registrar and Share Transfer Agents (RTA) of the Company for handling the share related matters, both in physical and the dematerialized mode.

The contact details are as under:

#### M/s. Karvy Computershare Private Limited

(Unit: SORIL Infra Resources Limited)

Karvy Selenium, Tower B, Plot No. 31-32,

Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032

Contact Person: Ms. Shobha Anand, DGM, Corporate Registry

Phone : 040-6716 2222

Fax : 040-23001153

E-mail : einward.ris@karvy.com

### (K) Share Transfer System

The Board has delegated the authority for share transfers, transmissions, remat/demat of shares/sub-division/ consolidation/issue of renewed and duplicate share certificates etc. to the board constituted Stakeholders' Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders' Relationship Committee.

### (L) (i) Distribution of equity shareholding as on March 31, 2018

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	14,631	89.78	15,266,830	5.53
2.	5,001	- 10,000	773	4.74	6,216,360	2.25
3.	10,001	- 20,000	417	2.56	6,349,740	2.30
4.	20,001	- 30,000	145	0.89	3,794,600	1.38
5.	30,001	- 40,000	67	0.41	2,431,720	0.88
6.	40,001	- 50,000	66	0.41	3,155,310	1.14
7.	50,001	- 100,000	108	0.66	7,755,070	2.81
8.	100,001	And Above	89	0.55	231,030,370	83.71
	<b>Total</b>		<b>16,296</b>	<b>100.00</b>	<b>276,000,000</b>	<b>100.00</b>

**(ii) Equity Shareholding pattern as on March 31, 2018.**

Sl. No.	Category	No. of Shares	% holding
1.	Promoters	20,383,310	73.85
2.	Financial Institutions/ Banks	87,321	0.32
3.	Bodies Corporate	1,056,036	3.83
4.	Indian Public	5,792,997	20.99
5.	NRIs	123,121	0.44
6.	Clearing Members	102,137	0.37
7.	NBFCs registered with RBI	23,775	0.09
8.	Foreign Portfolio Investors	31,303	0.11
	<b>Total</b>	<b>27,600,000</b>	<b>100.00</b>

**(M) Dematerialization of shares and liquidity**

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

As on March 31, 2018, 99.998% Equity shares of the Company representing 27,599,516 out of a total of 27,600,000 Equity shares were held in dematerialized form and the balance 484 shares were held in physical form.

Further, as on March 31, 2018, 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 Exchanges.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

In terms of SEBI circular bearing no. LIST/COMP/15/2018-19 dated July 05, 2018, trading in shares of a listed Company shall be permitted only in dematerialized form w.e.f December 5, 2018.

**(N) Outstanding Convertible Instruments**

During the FY 2017-18, the Company had granted an aggregate of 45,00,000 stock options under the Company's Employee Stock Option Schemes to its eligible employees. As on March 31, 2018, all stock options so granted are outstanding.

These options upon exercise are convertible into equal number of Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

**(O) Commodity price risk or foreign exchange risk and hedging activities**

During the FY 2017-18, the Company had no foreign currency borrowings with foreign exchange fluctuation risk exposure. However, company has a policy to manage import procurements by continuous monitoring of foreign exchange market and hedging through a combination of forward contracts, principal only swaps, interest rate swaps and / or cross currency swaps, if required.

**(P) Plant Locations – Not applicable**

**(Q) Address for Correspondence**

**(i) Registered Office:**

M-62 & 63, First Floor, Connaught Place, New Delhi – 110 001  
 Email: [helpdesk@indiabulls.com](mailto:helpdesk@indiabulls.com),  
 Tel: 011-30252900, Fax: 011-30252901,  
 Website: [www.sorilinfraresources.com](http://www.sorilinfraresources.com)

## Corporate Governance Report (contd.)

### (ii) Corporate Offices:

- (a) Indiabulls House, 448-451, Udyog Vihar,  
Phase-V, Gurugram – 122016  
Tel: 0124-6681199, Fax: 0124-6681111
- (b) Indiabulls House, Indiabulls Finance Center,  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400013 Tel: 022-61899700, Fax: 022-61891421

### (R) Profiles of the directors seeking appointment / re-appointment have been captured in the Notice convening the Thirteenth Annual General Meeting.

## 7. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V of the SEBI (LODR) Regulations, 2015 is annexed to and forms a part of this Report.

## 8. OTHER DISCLOSURES

### (i) Subsidiary Companies

The Company did not have any material unlisted subsidiary during the previous financial year. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI (LODR) Regulations, 2015 which is available on the website of the Company, at web-link: [http://www.sorilinfraresources.com/dir/investor/19.SORIL\\_Policy\\_for\\_Determining\\_material\\_subsiary.pdf](http://www.sorilinfraresources.com/dir/investor/19.SORIL_Policy_for_Determining_material_subsiary.pdf).

### (ii) Related Party Transactions

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

### (iii) Executive Director / CFO Certification

- (a) The Executive Director and CFO have issued certificate pursuant to the Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015, certifying that the financial statements do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- (b) The Executive Director and CFO have issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

### (iv) (a) Code of Conduct and Ethics

The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company: [www.sorilinfraresources.com](http://www.sorilinfraresources.com). All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Executive Director to this effect is enclosed at the end of this Report.

The Code seeks to ensure that the Board Members and Senior Management personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes along with business values and ethics.

### (b) Code of Conduct for Prevention of Insider Trading

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trading in securities of the Company by its directors, designated persons and employees.

**(v) Whistle Blower Policy**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company: [www.sorilinfraresources.com](http://www.sorilinfraresources.com). 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.

**(vi) Strictures and penalties**

During the last three financial years, there has not been any instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty has been imposed on the Company or no strictures have been passed against it, by SEBI or Exchanges or any other statutory authorities on any such matters.

**(vii) Details of compliance with mandatory requirements and adoption of the discretionary requirements of SEBI (LODR) Regulations, 2015.**

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliances with the discretionary requirements are given later in this Report.

**9. DISCRETIONARY REQUIREMENTS**

**(A) Unmodified Opinion in Audit Report**

The Auditors' Report on the annual accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

**(B) Shareholders Rights**

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information pertaining to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company's website.

**(C) Reporting of Internal Auditor**

The Internal Auditor of the Company reports to Audit Committee and the Board of Directors of the Company. Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI (LODR) Regulations, 2015.

**10. Unclaimed Shares lying in Demat Suspense Account**

The Company was not required to transfer any shares in Demat Suspense Account. Accordingly, the disclosure required to be made in terms of Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, in respect of shares in the demat suspense account or unclaimed suspense account, is not applicable to the Company.

## Corporate Governance Report (contd.)

*This Corporate Governance Report of the Company for the financial year ended 31st March, 2018 are in compliance with the requirements of Corporate Governance as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 to the extent applicable to the Company. There is no non-Compliance of any requirement of Corporate Governance Report, as required under SEBI (LODR) Regulations, 2015.*

**ANNUAL DECLARATION BY THE EXECUTIVE DIRECTOR PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

I confirm that for the year under review, Directors and Senior Management have affirmed their adherence to the provisions of the Code of Conduct.

for **SORIL Infra Resources Limited**

**Anil Malhan**  
**Executive Director**  
**DIN: 01542646**

Date: August 30, 2018  
Place: Gurugram

### CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
**The Members of  
SORIL Infra Resources Limited**

I have examined the compliance of conditions of Corporate Governance by SORIL Infra Resources Limited ("the Company"), for the year ended March 31, 2018, as prescribed in Regulations 17 to 27, 46(2)(b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI (LODR) Regulations, 2015) for the year ended March 31, 2018.

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

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**B. D. Tapriya**  
Company Secretary  
C. P. No. 2059

Date: August 27, 2018

Place: New Delhi

# Independent Auditor's Report

**To the Members of SORIL Infra Resources Limited**  
*(formerly known as Store One Retail India Limited)*

## **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **SORIL Infra Resources Limited** *(formerly known as Store One Retail India Limited)* ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The Holding Company's Board of Directors and the Board of Directors/management of the subsidiary included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these

consolidated financial statements based on our audit. In conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated financial position of the Group as at March 31, 2018, and their consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## **Other Matter**

The Holding Company had prepared separate sets of consolidated financial statements for the year ended March 31, 2017, and March 31, 2016, in accordance with Accounting Standards prescribed under Section 133 of the

## Independent Auditor's Report (contd.)

Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated May 26, 2017, and May 06, 2016, respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note – 38(e) to the consolidated financial statements.
    - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by subsidiary company.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Membership No: 097848

Gurugram  
May 02, 2018

## Annexure 'A' to the Independent Auditor's Report

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SORIL Infra Resources Limited (formerly known as Store One Retail India Limited)** ('the Holding Company') and its subsidiary company (the Holding Company and its subsidiary together referred to as 'the Group'), as at March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as at March 31, 2018.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the respective company's business including adherence to the respective company's policies, the safeguarding of the respective company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Holding Company and its subsidiary company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

## Annexure 'A' to the Independent Auditor's Report (contd.)



of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number: 005975N

Gurugram  
May 02, 2018

**Vikas Aggarwal**  
Partner  
Membership No: 097848

# Consolidated Balance Sheet

as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017	April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	14,271.62	14,372.70	15,386.49
Other intangible assets	5	92.68	97.57	87.02
Financial assets				
Loans	6A	48.18	19.59	53.71
Other financial assets	7A	0.75	1.01	1.09
Deferred tax assets, (net)	8	36.35	-	-
Non-current tax assets, (net)	9	1,410.00	2,333.92	2,147.09
Other non-current assets	10A	506.42	43.47	21.16
<b>Total of non-current assets</b>		<b>16,366.00</b>	<b>16,868.26</b>	<b>17,696.56</b>
<b>Current assets</b>				
Inventories	11	253.69	82.47	54.10
Financial assets				
Investments	12	600.68	-	-
Trade receivables	13	4,428.93	2,926.09	3,434.05
Cash and cash equivalents	14	471.42	2,086.51	428.88
Other bank balances	15	26.91	2.02	5.26
Loans	6B	11,897.35	12,524.44	66,858.00
Other financial assets	7B	1.42	26.29	9.77
Other current assets	10B	625.79	500.81	269.98
<b>Total of current assets</b>		<b>18,306.19</b>	<b>18,148.63</b>	<b>71,060.04</b>
<b>Total of assets</b>		<b>34,672.19</b>	<b>35,016.89</b>	<b>88,756.60</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	2,760.00	2,760.00	2,760.00
Other equity	17	(2,730.38)	(4,615.38)	(7,763.38)
<b>Total of equity</b>		<b>29.62</b>	<b>(1,855.38)</b>	<b>(5,003.38)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	18A	810.92	3,383.64	5,073.20
Provisions	19A	222.40	131.47	96.44
Other non-current liabilities	20A	148.08	144.54	-
<b>Total of non-current liabilities</b>		<b>1,181.40</b>	<b>3,659.65</b>	<b>5,169.64</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	18B	28,250.07	28,162.5	26,166.36
Trade payables	21	1,690.85	1,585.37	3,847.50
Other financial liabilities	22	2,979.86	2,822.85	55,519.06
Other current liabilities	20B	526.54	631.53	3,021.85
Provisions	19B	13.85	10.42	35.57
<b>Total of current liabilities</b>		<b>33,461.17</b>	<b>33,212.62</b>	<b>88,590.34</b>
<b>Total of equity and liabilities</b>		<b>34,672.19</b>	<b>35,016.89</b>	<b>88,756.60</b>

Summary of significant accounting policies 3

The accompanying notes are an integral part of consolidated financial statements.

This is the Balance Sheet referred to in our report of even date

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

# SORIL

INFRA RESOURCES

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017
<b>Income</b>			
Revenue from operations	23	16,482.72	19,710.15
Other income	24	1,852.65	1,940.75
<b>Total of Income</b>		<b>18,335.37</b>	<b>21,650.90</b>
<b>Expenses</b>			
Cost of material and services	25	8,416.38	13,948.05
Employee benefits expense	26	3,280.67	1,608.17
Finance costs	27	1,074.83	668.10
Depreciation and amortisation expense	28	1,490.89	1,447.15
Other expenses	29	2,346.17	811.73
<b>Total of Expenses</b>		<b>16,608.94</b>	<b>18,483.20</b>
<b>Profit before tax</b>		<b>1,726.43</b>	<b>3,167.70</b>
Tax expense:	30		
Current tax (including earlier years)		36.54	-
Less: Minimum alternate credit entitlement (including earlier years)		(36.35)	0.19
Deferred tax charged/(credit)		-	-
<b>Profit after tax</b>		<b>1,726.24</b>	<b>3,167.70</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefits plans		(0.39)	(19.70)
Income tax effect on above		-	-
<b>Total other comprehensive income, (net of tax)</b>		<b>(0.39)</b>	<b>(19.70)</b>
<b>Total comprehensive income for the year</b>		<b>1,725.85</b>	<b>3,148.00</b>
<b>Earnings per Equity share</b>			
Equity share of par value ₹ 10 each			
Basic (₹)		6.14	11.48
Diluted (₹)		6.14	11.48

**Summary of significant accounting policies** 3

The accompanying notes are an integral part of consolidated financial statements.

This is the Statement of profit and loss referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>A Cash flow from operating activities:</b>		
<b>Net profit before tax</b>	<b>1,726.43</b>	<b>3,167.70</b>
<i>Adjustments for Statement of Profit and Loss items:</i>		
Liabilities written back	-	(1,404.61)
Interest on income tax refunds	(124.40)	(107.23)
Interest income on fixed deposits	(1.39)	(0.28)
Dividend on units of mutual funds	(4.95)	(16.36)
Interest expenses on borrowings	1,072.56	664.89
Interest income on inter-corporate deposits	(1,718.87)	(409.59)
Unrealised foreign exchange loss/(gain)	(0.85)	1.68
Provision for gratuity/compensated absences	94.70	38.91
Provision for employee compensation reserve	191.36	-
Obligation under operating lease	3.54	144.54
Depreciation and amortization expenses	1,490.89	1,447.15
	<u>1,002.59</u>	<u>359.10</u>
<b>Operating profit before working capital changes and other adjustments:</b>	<b>2,729.02</b>	<b>3,526.80</b>
<i>Working capital changes and other adjustments:</i>		
- (Increase)/decrease in trade receivables	(1,502.84)	507.95
- Decrease/(Increase) in other financial assets	24.87	(16.52)
- Increase in other current assets	(541.79)	(250.05)
- (Increase)/decrease in loans	(46.75)	66,882.01
- Increase in inventories	(171.22)	(28.38)
- Increase/(decrease) in trade payables	105.58	(2,263.81)
- Increase/(decrease) in other financial liability	104.39	(52,557.95)
- Decrease in other liabilities and provisions	(105.72)	(1,002.23)
	<u>(2,133.48)</u>	<u>11,271.02</u>
<b>Cash flow from operating activities</b>	<b>595.54</b>	<b>14,797.82</b>
Income taxes refund/(paid), (net)	1,048.13	(79.61)
<b>Net cash flow from operating activities</b>	<b>1,643.67</b>	<b>14,718.21</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and other intangible assets (including capital advances)	(1,590.45)	(446.99)
Proceeds from sale of property, plant and equipment	123.05	-
Interest received on fixed deposits	1.15	0.86
Inter-corporate loans given to fellow subsidiary companies	(29,154.00)	(3,559.33)
Inter-corporate loans received back from fellow subsidiary companies	20,300.00	545.00
Inter-corporate loans given to others	(10,000.00)	(10,000.00)
Inter-corporate loans received back from others	19,500.00	500.00
Interest received on inter-corporate loans given	1,718.87	409.60
Investment in mutual funds	11,579.32	54,180.00
Redemption of mutual funds	(12,180.00)	(54,180.00)
Dividend received from mutual funds	4.95	16.36
Maturity of/(investments in) fixed deposits	(24.39)	41.50
<b>Net cash flow from/(used in) investing activity</b>	<b>278.50</b>	<b>(12,493.00)</b>

# Consolidated Cash Flow Statement

for the year ended March 31, 2018

# SORIL

## INFRA RESOURCES

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>C Cash flow from financing activities:</b>		
Proceeds from borrowing (secured)	2,085.03	3,737.36
Repayment of borrowing (secured)	(1,813.32)	(2,778.24)
Proceeds from borrowing (unsecured)	10,050.00	7,300.00
Repayment of borrowing (unsecured)	(12,750.00)	(8,080.00)
Interest paid on borrowings	(1,076.76)	(675.74)
Dividend paid on preference share capital (including corporate dividend tax)	<u>(32.21)</u>	<u>(32.21)</u>
<b>Net cash used in financing activities</b>	<b>(3,537.26)</b>	<b>(528.83)</b>
<b>D Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,615.09)</b>	<b>1,696.38</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>2,086.51</b>	<b>390.13</b>
<b>F Cash and cash equivalents at the end of the year (D+E)</b>	<b><u>471.42</u></b>	<b><u>2,086.51</u></b>
<b>G Reconciliation of cash and cash equivalents as per cash flow statement:</b>		
Cash and cash equivalents includes: (refer note-14 for details)		
(a) Cash on hand	17.68	4.23
(b) Foreign currency on hand	0.44	-
(c) Balances with banks		
- in Current Accounts	<u>453.30</u>	<u>2,082.28</u>
<b>Total (a + b + c)</b>	<b><u>471.42</u></b>	<b><u>2,086.51</u></b>

### Notes:

- Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The Group has presented the above cash flow statement by using the indirect method.
- Amendment to Ind AS 7**  
Effective April 1, 2017, the Company adopted the amendment to Ind AS 7 which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment do not have any material impact on the financial statements.

The accompanying notes are an integral part of consolidated financial statements.

This is the Cash Flow Statement referred to in our report of even date.

### For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

### For and on behalf of Board of Directors

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Equity Share Capital*	Other Equity **				Total equity attributable to equity holders of the Company
		Reserves and Surplus			Other Comprehensive Income	
		Deferred Employee Compensation Reserve	Securities Premium Reserve	Retained Earnings	Re-measurement of defined benefits plans	
<b>Balance as at April 01, 2016</b>	<b>2,760.00</b>	-	<b>12,149.25</b>	<b>(19,912.63)</b>	-	<b>(5,003.38)</b>
Profit/(Loss) for the period	-	-	-	3,167.70	-	3,167.70
Other Comprehensive Income	-	-	-	-	(19.70)	(19.70)
Proposed dividend on preference shares	-	-	-	-	-	-
Corporate dividend tax thereon	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>2,760.00</b>	-	<b>12,149.25</b>	<b>(16,744.93)</b>	<b>(19.70)</b>	<b>(1,855.38)</b>
Profit/(Loss) for the period	-	-	-	1,726.24	-	1,726.24
Other Comprehensive Income	-	-	-	-	(0.39)	(0.39)
Proposed dividend on preference shares	-	-	-	(26.76)	-	(26.76)
Corporate dividend tax thereon	-	-	-	(5.45)	-	(5.45)
Deferred employee compensation expense (Refer Note - 41)	-	191.36	-	-	-	191.36
<b>Balance as at March 31, 2018</b>	<b>2,760.00</b>	<b>191.36</b>	<b>12,149.25</b>	<b>(15,050.90)</b>	<b>(20.09)</b>	<b>29.62</b>

\* refer note 16 for details

\*\*refer note 17 for details

The accompanying notes are an integral part of consolidated financial statements.

This is the Statement of Changes in Equity referred to in our report of even date

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

## 1. CORPORATE OVERVIEW

SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) (“the Holding Company”) is a Public Limited Company incorporated in India with its registered office in Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

SORIL Infra Resources Limited was incorporated as Pyramid Retail Limited on March 18, 2005. The name of the company was subsequently changed to Indiabulls Retail Services Limited on May 22, 2008 and then changed to Store One Retail India Limited on September 30, 2009 and now further changed to SORIL Infra Resources Limited on December 21, 2016. The company received fresh certificate of incorporation consequent upon the change of name, from the Registrar of Companies, National Capital Territory of Delhi and Haryana.

The Group’s is in the main business of Equipment renting services, Management and maintenance services, LED Lighting and Construction, advisory and other related activities.

SORIL Holding and Ventures Limited (formerly known as Indiabulls Wholesale Services Limited) (“SHVL”), Holding Company of the SORIL Infra Resources Limited, erstwhile Subsidiary of Indiabulls Real Estate Limited, completed the acquisition of 63.92% of the outstanding Equity Share Capital of the SHVL from the then existing promoters in terms of the Share Purchase Agreement dated December 08, 2007 and Public Announcement dated December 09, 2007. In the open offer, which concluded on April 10, 2008, SHVL purchased 310 shares from the general public.

SORIL Infra Resources Limited (‘the Holding Company’) and its subsidiary together referred to as “the Group” in the following notes.

## 2. BASIS OF CONSOLIDATION AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### a) Statement of compliance

These consolidated financial statements (“financial statements”) are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 (“the Act”).

These are the Group’s first Ind AS financial statements. The date of transition to Ind AS is April 01, 2016. The Group has availed first time adoption exemption as per Ind AS 101 (Refer Note 35 for details).

Upto the year ended March 31, 2017, the Group prepared its financial statements in accordance with the previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 2013 (“the 2013 Act”), as applicable, and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In these financial statements for the year ended March 31, 2018, the financial statements for the previous year ended March 31, 2017 and Balance Sheet as at April 01, 2016, have been prepared and presented as per Ind AS for like-to-like comparison.

The consolidated financial statements for the year ended March 31, 2018 were authorized and approved for issue by the Board of Directors on May 02, 2018.

### b) Basis of accounting

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

### d) Basis of measurement

The financial statements have been prepared on accrual and going concern basis and the historical cost convention, except for the certain financial assets, financial liabilities and certain other items which have been measured at fair value as required under relevant Ind AS.

### e) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

### f) Recent accounting pronouncement

In March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income taxes', Ind AS 21 'The effects of changes in foreign exchange rates' and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Group from April 01, 2018.

#### Ind AS 115 'Revenue from Contracts with Customers'

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

1. Identification of the contracts with the customer
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of transaction price to the performance obligations in the contract (as identified in step 2)
5. Recognition of revenue when performance obligation is satisfied.

#### Amendment to Ind AS 12 'Income Taxes'

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

**Amendment to Ind AS 21 'The effects of changes in foreign exchange rates'**

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

The Group is evaluating the requirements of the amendments and their impact on the financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

**3.1 Current - non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle of the Group;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle of the Group;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**3.2 Functional and presentation currency**

The management has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (₹). The Financial Statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to nearest lakhs upto two decimal places, unless otherwise stated.

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### Transactions and balances

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

Monetary foreign currency assets and liabilities remained unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Foreign exchange gains/(losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

### 3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

- (i) 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 Group collects all relevant applicable tax on behalf of the Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- (ii) Revenue from equipment renting services (including relevant manpower and supervision) is recognized when services are performed usually on a time proportion basis as per the terms of the contract. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- (iii) Revenue from management and maintenance services are recognized on pro-rata basis over the period of contract as and when services are rendered. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.
- (iv) Income from construction, advisory and other related services is recognized on an accrual basis.
- (v) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- (vi) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- (vii) Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as on date of sale.

### 3.4 Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.5 Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 3.6 Property, plant and equipment

#### *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of improvements to assets, if recognition criteria are met, has been capitalised.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

#### *Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

#### *Capital work-in-progress*

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

#### *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of Profit and Loss. The residual values are not more than 5% of the original cost of the asset.

Depreciation on all tangible assets is provided on straight line method at the rates computed on the basis of useful life provided in Schedule II of the Companies Act, 2013. Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year. All fresh capitalisations are depreciated on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

### **3.7 Intangible assets**

#### *Recognition and measurement*

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### *Subsequent costs*

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

#### *Amortisation*

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset	: Estimated life
Computer software	: 4 years
Land - Leasehold	: 11 years (as per terms of agreement)

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### 3.8 Operating leases

Company is lessee

Lease payments in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

### 3.9 Inventories

Inventories are valued at cost or 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.

### 3.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The estimated recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.11 Fair value measurement

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

1. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

**I. Financial assets**

i) Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction costs that is attributable to the acquisition of the financial assets is also adjusted.

ii) Classification and subsequent measurement

The Group classifies financial asset as subsequently measured, at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- (a) business model for managing the financial assets, and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through other comprehensive income (FVTOCI).

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Cash and cash equivalents*

Cash and cash equivalents in the Balance Sheet comprise cash at bank and on hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

*Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivable. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

*Derecognition of financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit and loss.

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### II. Financial liabilities and equity instruments

#### *Classification as debt or equity:*

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

#### **Financial liabilities**

##### *Initial recognition and measurement*

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

##### *Classification and subsequent measurement*

Financial liabilities are classified, as measured, at amortised cost.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

##### *Derecognition of financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

##### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### 3.13 Income tax

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

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. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

### **3.14 Stock based compensation**

Share based compensation benefits are provided to employees via Employee Stock Option Scheme (ESOSs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Group will be allotted equity shares of the Group.

### **3.15 Employee benefits**

#### **Short-term employee benefits**

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

#### **Post-employment benefit plans**

##### *Defined contribution plans*

The Group pays provident fund contributions to the appropriate government authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

##### *Defined benefit plans*

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

##### *Other long-term employee benefits*

#### **i. Compensated absences**

The benefits under compensated expenses are accounted as other long-term employee benefits. The Group's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

### ii. Others

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

### 3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Group who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

### 3.17 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 at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Product warranties: The Group gives warranties on certain products and services, undertaking to repair/replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair/replacement. The timing of outflows is expected to be within a period of two years from the date of balance sheet.

Contingent liability is disclosed for:

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

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

### 3.18 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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 the Statement of Profit and Loss as incurred.

### 3.19 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.20 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.

### 3.21 Share capital

#### *Equity Share capital*

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

### 3.22 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### *Significant management judgements*

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### *Significant estimates*

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### *Warranty*

The Group periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 4**

**Property, Plant and Equipment**

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Office equipment	Temporary building	Total
<b>Gross carrying amount</b>							
As at April 01, 2016	17,637.80	2,046.78	559.57	697.18	31.37	2.51	20,975.21
Additions	378.00	1.37	17.49	21.20	4.73	-	422.79
Deletion/Adjustment	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>18,015.80</b>	<b>2,048.15</b>	<b>577.06</b>	<b>718.38</b>	<b>36.10</b>	<b>2.51</b>	<b>21,398.00</b>
Additions	1,205.78	48.20	181.45	56.41	8.71	-	1,500.55
Deletion/Adjustment	(170.47)	(5.46)	(0.05)	(612.63)	-	-	(788.61)
<b>Balance as at March 31, 2018</b>	<b>19,051.11</b>	<b>2,090.89</b>	<b>758.46</b>	<b>162.16</b>	<b>44.81</b>	<b>2.51</b>	<b>22,109.94</b>
<b>Accumulated depreciation/amortisation</b>							
As at April 01, 2016	3,306.44	1,314.75	270.16	682.16	12.70	2.51	5,588.72
Charged for the year	1,157.35	201.74	63.53	7.26	6.70	-	1,436.58
Deletion/Adjustment	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>4,463.79</b>	<b>1,516.49</b>	<b>333.69</b>	<b>689.42</b>	<b>19.40</b>	<b>2.51</b>	<b>7,025.30</b>
Charged for the year	1,167.60	204.28	77.50	22.59	6.61	-	1,478.58
Deletion/Adjustment	(47.42)	(5.46)	(0.05)	(612.63)	-	-	(665.56)
<b>Balance as at March 31, 2018</b>	<b>5,583.97</b>	<b>1,715.31</b>	<b>411.14</b>	<b>99.38</b>	<b>26.01</b>	<b>2.51</b>	<b>7,838.32</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>14,331.36</b>	<b>732.03</b>	<b>289.41</b>	<b>15.02</b>	<b>18.67</b>	<b>-</b>	<b>15,386.49</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>13,552.01</b>	<b>531.66</b>	<b>243.37</b>	<b>28.96</b>	<b>16.70</b>	<b>-</b>	<b>14,372.70</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>13,467.14</b>	<b>375.58</b>	<b>347.32</b>	<b>62.78</b>	<b>18.80</b>	<b>-</b>	<b>14,271.62</b>

**NOTE – 5**

**Other Intangible Assets**

Particulars	Land-leasehold	Computer software	Total
<b>Gross carrying amount</b>			
As at April 01, 2016	95.78	962.01	1,057.79
Additions	20.95	0.17	21.12
Deletion/Adjustment	-	-	-
<b>Balance as at March 31, 2017</b>	<b>116.73</b>	<b>962.18</b>	<b>1,078.91</b>
Additions	-	7.41	7.41
Deletion/Adjustment	-	(961.14)	(961.14)
<b>Balance as at March 31, 2018</b>	<b>116.73</b>	<b>8.45</b>	<b>125.18</b>
<b>Accumulated depreciation/amortisation</b>			
As at April 01, 2016	9.28	961.49	970.77
Charged for the year	10.32	0.25	10.57
Deletion/Adjustment	-	-	-
<b>Balance as at March 31, 2017</b>	<b>19.60</b>	<b>961.74</b>	<b>981.34</b>
Charged for the year	10.91	1.38	12.29
Deletion/Adjustment	-	(961.13)	(961.13)
<b>Balance as at March 31, 2018</b>	<b>30.51</b>	<b>1.99</b>	<b>32.50</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>86.50</b>	<b>0.52</b>	<b>87.02</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>97.13</b>	<b>0.44</b>	<b>97.57</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>86.22</b>	<b>6.46</b>	<b>92.68</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**Note:-**

**Discarded fixed assets:-**

During the year ended March 31, 2018, the group has discarded unusable fixed assets at gross book value of ₹ 1,587.12 Lakhs.

**Property, plant and equipment pledge as security:-**

Property, plant and equipment and other intangible assets has been pledge as security for bank borrowings.

**Capitalisation of borrowing cost:-**

No borrowing cost has been capitalised in Property, plant and equipment and other intangible assets.

<b>NOTE – 6</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>A Loans - non-current</b>			
<b>Unsecured, considered good</b>			
Security deposits	48.18	19.59	53.71
<b>Total of non-current loans</b>	<u>48.18</u>	<u>19.59</u>	<u>53.71</u>
<b>B Loans - current</b>			
<b>Unsecured, considered good</b>			
Security deposits	29.02	10.11	66,858.00
Inter-corporate loans to related parties	11,868.33	3,014.33	-
Inter-corporate loans to other parties	-	9,500.00	-
<b>Total of current loans</b>	<u>11,897.35</u>	<u>12,524.44</u>	<u>66,858.00</u>
<b>NOTE – 7</b>			
<b>A Other financial assets - non-current</b>			
Bank deposits with more than 12 months maturity	0.75	1.00	1.00
Interest accrued on bank deposits	0.00	0.01	0.09
<b>Total of non-current other financial assets</b>	<u>0.75</u>	<u>1.01</u>	<u>1.09</u>
<b>B Other financial assets - current</b>			
Loans to employees	-	5.92	9.77
Others with related party	1.42	-	-
Others	-	20.37	-
<b>Total of current other financial assets</b>	<u>1.42</u>	<u>26.29</u>	<u>9.77</u>
<b>NOTE - 8</b>			
<b>Deferred tax assets, (net)</b>			
Minimum alternative tax credit entitlement	36.35	-	-
<b>Total of deferred tax assets</b>	<u>36.35</u>	<u>-</u>	<u>-</u>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 9</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>Non-current tax assets, (net)</b>			
Advance income tax, including tax deducted at source (net of provisions)	1,410.00	2,333.92	2,147.09
<b>Total of non-current tax assets</b>	<b>1,410.00</b>	<b>2,333.92</b>	<b>2,147.09</b>
 <b>NOTE – 10</b>			
<b>A Other non-current assets</b>			
Capital advance	94.45	11.96	8.87
Prepaid expenses	411.97	31.51	12.29
<b>Total of other non-current assets</b>	<b>506.42</b>	<b>43.47</b>	<b>21.16</b>
 <b>B Other current assets</b>			
Advance to material/service providers	285.81	284.70	198.02
Prepaid expenses	-	53.15	26.12
Balances with statutory authorities	325.45	158.01	26.50
Others	14.53	4.95	19.34
<b>Total of other current assets</b>	<b>625.79</b>	<b>500.81</b>	<b>269.98</b>
 <b>NOTE – 11</b>			
<b>Inventories</b>			
<b>(At lower of cost or net realizable value)</b>			
Stores and spares	181.37	82.47	54.10
Stock of LED Lighting	72.32	-	-
<b>Total of inventories</b>	<b>253.69</b>	<b>82.47</b>	<b>54.10</b>
 <b>NOTE – 12</b>			
<b>Investments - current</b>			
<b>Investment in mutual funds (quoted)</b>			
Indiabulls Liquid Fund - Direct Plan - Growth. [35370.489 (March 31, 2017: Nil, April 01, 2016: Nil) units]	600.68	-	-
<b>Total of current investments</b>	<b>600.68</b>	<b>-</b>	<b>-</b>
Aggregate book value of quoted investments	600.68	-	-
Aggregate market value of quoted investments	600.68	-	-
 <b>NOTE – 13</b>			
<b>Trade receivables - current</b>			
Unsecured, considered good	4,428.93	2,926.09	3,434.05
<b>Total of current trade receivables</b>	<b>4,428.93</b>	<b>2,926.09</b>	<b>3,434.05</b>



Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE – 16 Equity share capital	March 31, 2018		March 31, 2017		April 01, 2016	
	Number	in ₹ Lakhs	Number	in ₹ Lakhs	Number	in ₹ Lakhs
<b>i Authorised</b>						
Equity share capital of face value of ₹ 10 each	28,000,000	2,800.00	28,000,000	2,800.00	28,000,000	2,800.00
Preference shares of face value ₹ 10 each (refer note (vi) & (vii) below)	4,000,000	400.00	4,000,000	400.00	4,000,000	400.00
		<u>3,200.00</u>		<u>3,200.00</u>		<u>3,200.00</u>
<b>ii Issued, subscribed and fully paid up*</b>						
Equity share capital of face value of ₹ 10 each fully paid up	27,600,000	2,760.00	27,600,000	2,760.00	27,600,000	2,760.00
		<u>2,760.00</u>		<u>2,760.00</u>		<u>2,760.00</u>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>						
<b>Equity shares</b>						
Balance at the beginning of the year	27,600,000	2,760.00	27,600,000	2,760.00	27,600,000	2,760.00
Add: Issued during the year	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<u>27,600,000</u>	<u>2,760.00</u>	<u>27,600,000</u>	<u>2,760.00</u>	<u>27,600,000</u>	<u>2,760.00</u>
<b>iv Details of shareholder holding more than 5% share capital</b>						
SORIL Holding and Ventures Limited, Holding Company (formerly known as Indiabulls Wholesale Services Limited)						
Equity shares of face value ₹ 10 each	20,383,310	2,038.33	20,383,310	2,038.33	20,383,310	2,038.33
<b>v Rights, preferences and restrictions attached to equity</b>						
The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group. In the event of liquidation of the Group, the remaining assets of the Group shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Group's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.						
<b>vi</b> 9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each fully paid up issued at premium of ₹ 870 each is presented as unsecured borrowings.						
<b>vii</b> Dividend on preference share @ 9% per annum has to be accrued and paid on approval by the Board of Directors. Preference dividend is presented as finance cost in congruence with the presentation of preference share as unsecured borrowings.						

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 17**

**Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income	Total Other Equity
	Deferred Employee Compensation reserve	Securities Premium Reserve	Retained Earnings	Re-measurement of defined benefits plans	
<b>Balance as at April 01, 2016</b>	-	<b>12,149.25</b>	<b>(19,912.63)</b>	-	<b>(7,763.38)</b>
Profit/(Loss) for the period	-	-	3,167.70	-	3,167.70
Other Comprehensive Income	-	-	-	(19.70)	(19.70)
Proposed dividend on preference shares	-	-	-	-	-
Corporate dividend tax thereon	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	-	<b>12,149.25</b>	<b>(16,744.93)</b>	<b>(19.70)</b>	<b>(4,615.38)</b>
Profit/(Loss) for the period	-	-	1,726.24	-	1,726.24
Other Comprehensive Income	-	-	-	(0.39)	(0.39)
Proposed dividend on preference shares	-	-	(26.76)	-	(26.76)
Corporate dividend tax thereon	-	-	(5.45)	-	(5.45)
Deferred employee compensation expense (Refer Note - 41)	191.36	-	-	-	191.36
<b>Balance as at March 31, 2018</b>	<b>191.36</b>	<b>12,149.25</b>	<b>(15,050.90)</b>	<b>(20.09)</b>	<b>(2,730.38)</b>

**Nature and purpose of other reserves**

**Securities premium reserve**

Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013

**Deferred employee compensation reserve**

The reserve is used to recognize the expenses related to stock options issued to employees under the Group's employee stock option scheme.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 18**

	March 31, 2018	March 31, 2017	April 01, 2016
<b>A Borrowings non-current</b>			
<b>Secured borrowings:</b>			
<b>Term loans</b>			
From banks	3,025.05	2,840.96	3,877.92
Less: Current maturities of long-term borrowings	<u>2,214.13</u>	<u>810.92</u>	<u>2,284.72</u>
	<u>2,157.32</u>	683.64	1,593.20
<b>Unsecured borrowings:</b>			
From related parties	-	-	2,280.00
Others	-	<u>2,700.00</u>	<u>1,200.00</u>
<b>Total of non-current borrowings</b>	<u><u>810.92</u></u>	<u><u>3,383.64</u></u>	<u><u>5,073.20</u></u>

**Repayment terms (including current maturities) and security details**

Name of the bank	As at	Loan outstanding	Rate of interest	Repayment terms	Nature of security
Kotak Mahindra Bank Limited	March 31, 2018	278.33	10.25 to 12.91%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	515.21			
	April 01, 2016	291.03			
ICICI Bank Limited	March 31, 2018	22.23	11.00%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	61.33			
	April 01, 2016	99.57			
	March 31, 2018	-	10.60%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	185.66			
	April 01, 2016	388.56			
	March 31, 2018	65.20	9.36%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	115.70			
	April 01, 2016	-			
March 31, 2018	-	10.92 to 12.23%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by SORIL Holdings and Ventures Limited	
March 31, 2017	121.78				
April 01, 2016	436.51				
HDFC Bank Limited	March 31, 2018	-	11.50%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	255.44			
	April 01, 2016	940.79			
	March 31, 2018	1,500.00	9.10%	Repayable within 4 months.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	-			
	April 01, 2016	-			
	March 31, 2018	785.18	9.65 to 10.65%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by SORIL Holdings and Ventures Limited
	March 31, 2017	1,126.84			
April 01, 2016	1,016.37				
Axis Bank Limited	March 31, 2018	374.11	11.50%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	459.02			
	April 01, 2016	705.08			
Total	March 31, 2018	3,025.05			
	March 31, 2017	2,840.96			
	April 01, 2016	3,877.92			

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

**SORIL**

**INFRA RESOURCES**

(All amounts in ₹ lakhs, unless otherwise stated)

Name of party	As at	Loan outstanding	Rate of interest	Repayment terms	Nature of security
SORIL Holding and Ventures Limited, Holding Company (formerly known as Indiabulls Wholesale Services Limited)	March 31, 2018	-	9.00%	4 years from the date of first disbursement	Unsecured
	March 31, 2017	-			
	April 01, 2016	1,711.00			
Albasta Wholesale Services Limited, Fellow Subsidiary Company	March 31, 2018	-	9.00%	8 years from the date of first disbursement	Unsecured
	March 31, 2017	-			
	April 01, 2016	354.00			
IVL Finance Limited (formerly known as Shivshakti Financial Services Limited)	March 31, 2018	-	9.00%	2 years from the date of first disbursement	Unsecured
	March 31, 2017	2,700.00			
	April 01, 2016	-			
Indiabulls Distribution Services Limited	March 31, 2018	-	9.00%	2 years from the date of first disbursement	Unsecured
	March 31, 2017	-			
	April 01, 2016	1,200.00			
<b>Total</b>	March 31, 2018	-			
	March 31, 2017	2,700.00			
	April 01, 2016	3,265.00			

B Borrowings -current	March 31, 2018		March 31, 2017		April 01, 2016	
	Number	in ₹ Lakhs	Number	in ₹ Lakhs	Number	in ₹ Lakhs
<b>Secured borrowings:</b>						
Working capital loan from bank (refer note (v) below)		2,083.71		1,996.09		-
<b>Unsecured borrowings:</b>						
<b>Preference Shares</b>						
9% Redeemable non-cumulative, non-convertible preference share of face value of ₹ 10 each	2,973,450	26,166.36	2,973,450	26,166.36	2,973,450	26,166.36
<b>Total of current borrowings</b>		<b>28,250.07</b>		<b>28,162.45</b>		<b>26,166.36</b>

i Reconciliation of number of preference shares outstanding at the beginning and at the end of the year	March 31, 2018		March 31, 2017		April 01, 2016	
	Number	in ₹ Lakhs	Number	in ₹ Lakhs	Number	in ₹ Lakhs
Balance at the beginning of the year	2,973,450	26,166.36	2,973,450	26,166.36	2,973,450	26,166.36
Add: Issued during the year	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,973,450</b>	<b>26,166.36</b>	<b>2,973,450</b>	<b>26,166.36</b>	<b>2,973,450</b>	<b>26,166.36</b>

ii Rights, preferences and restrictions attached to preference shares

All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

iii Details of preference shareholder holding more than 5% share capital	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Name of the preference shareholder	Number of shares	Number of shares	Number of shares
- SORIL Holding and Ventures Limited, Holding Company (formerly known as Indiabulls Wholesale Services Limited)	1,979,500	1,979,500	1,979,500
- Albasta Wholesale Services Limited, Fellow Subsidiary Company	993,950	993,950	993,950

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

- iv 9% Redeemable non-cumulative, non-convertible preference share presented as unsecured borrowings as per Ind AS accounting standard.
- v The Group has working capital facility with RBL Bank Limited. Cash Credit Facility of ₹ 1,083.71 (March 31, 2017: ₹ 1,996.09, April 01, 2016: Nil) Lakhs having an interest rate of 9.60% (March 31, 2017: 10.00%) per annum and foreign currency term loan of ₹ 1,000.00 (March 31, 2017: Nil, April 01, 2016: Nil) Lakhs at interest rate of 8.45% per annum. The cash credit facility is of ₹ 3,000.00 Lakhs and is secured against (i) first charge on all current assets includes book debts, inventory and others assets (both present and future) of the Group other than those assets exclusively charged to other lenders. (ii) Further Secured by corporate guarantee given by holding company SORIL Holding and Ventures Limited (formerly known as Indiabulls Wholesale Services Limited).

NOTE – 19	March 31, 2018	March 31, 2017	April 01, 2016
<b>A Provisions non-current</b>			
Provision for employee benefits:			
– Gratuity	150.32	91.94	56.18
– Compensated absences	72.08	39.53	40.26
<b>Total of non-current provisions</b>	<b>222.40</b>	<b>131.47</b>	<b>96.44</b>
<b>B Provisions -current</b>			
Provision for employee benefits:			
– Gratuity	6.10	4.32	1.53
– Compensated absences	7.75	6.10	1.83
Dividend on preference shares	-	-	26.76
Corporate dividend tax on dividend on preference shares	-	-	5.45
<b>Total of current provisions</b>	<b>13.85</b>	<b>10.42</b>	<b>35.57</b>
<b>NOTE – 20</b>			
<b>A Other non-current liabilities</b>			
Obligation under operating lease	148.08	144.54	-
<b>Total of other non-current liabilities</b>	<b>148.08</b>	<b>144.54</b>	-
<b>B Other current liabilities</b>			
Payable to statutory authorities	285.14	68.16	666.00
Advance from customers	241.40	427.62	2,214.14
Other liabilities	-	135.75	141.71
<b>Total of other current liabilities</b>	<b>526.54</b>	<b>631.53</b>	<b>3,021.85</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

**SORIL**

**INFRA RESOURCES**

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 21</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>Trade payables - current</b>			
Due to micro and small enterprises*	253.73	-	-
Due to others	1,437.12	1,585.37	3,847.50
<b>Total of current trade payables</b>	<b>1,690.85</b>	<b>1,585.37</b>	<b>3,847.50</b>

\* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act, 2006”) as at:

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	253.73	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	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	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

<b>NOTE – 22</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>Other financial liabilities - current</b>			
Current maturities of non-current secured borrowings from banks	2,214.13	2,157.31	2,284.72
Interest accrued but not due on term loans from banks	10.58	14.78	25.63
Security deposits-others	140.19	143.29	52,690.00
Expenses payable	614.96	507.47	518.71
<b>Total of current other financial liabilities</b>	<b>2,979.86</b>	<b>2,822.85</b>	<b>55,519.06</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 23</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Revenue from operations</b>		
Income from management and maintenance services	8,524.27	8,037.10
Revenue from equipment renting services	5,242.68	6,727.73
Revenue from construction and advisory services	-	4,235.00
Trading goods - others	432.40	467.90
Trading goods - scrap	91.33	242.42
Trading goods - LED Lighting	2,192.04	-
<b>Total of revenue from operations</b>	<b>16,482.72</b>	<b>19,710.15</b>
<b>NOTE – 24</b>		
<b>Other income</b>		
Dividend on units of mutual funds	4.95	16.36
Interest income on loans and advances to:		
- Related party	1,210.55	69.32
- Others	508.32	340.27
Interest income on fixed deposits	1.39	0.28
Interest on income tax refund	124.40	107.23
Foreign exchange - gain (net)	1.85	-
Miscellaneous income	1.19	2.68
Liabilities written back	-	1,404.61
<b>Total of other income</b>	<b>1,852.65</b>	<b>1,940.75</b>
<b>NOTE - 25</b>		
<b>Cost of material and services</b>		
Cost of material consumed	1,383.55	-
Purchase of trading goods	34.07	53.86
Consumables	220.80	586.53
Rent expenses	497.17	444.82
Transportation charges	249.85	178.90
Labour charges	2,011.05	1,809.84
Repairs and maintenance:		
- Plant and machinery	391.66	230.87
- Others for building under maintenance:	224.12	187.63
Lift operating and management charges	679.35	589.12
Gardening and maintenance	53.83	42.88
Common area electricity and water charges	426.64	495.43
Security charges	853.46	966.01
Management and construction advisory services	-	3,819.00
Property management and assets maintenance services	869.25	2,861.61
Travelling and conveyance	521.58	1,681.55
<b>Total of cost of material and services</b>	<b>8,416.38</b>	<b>13,948.05</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

**SORIL**

**INFRA RESOURCES**

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>NOTE – 26</b>		
<b>Employee benefits expense</b>		
Salaries and wages	2,933.70	1,503.67
Gratuity and leave encashment	94.70	38.91
Contribution to provident fund and other funds	19.51	5.08
Share based payment expense (refer Note - 41)	191.36	-
Staff welfare expenses	41.40	60.51
<b>Total of employee benefits expense</b>	<b><u>3,280.67</u></b>	<b><u>1,608.17</u></b>
<b>NOTE – 27</b>		
<b>Finance costs</b>		
Bank charges	2.06	0.17
Interest on taxes	0.21	3.04
Interest on borrowings	1,072.56	664.89
<b>Total of finance cost</b>	<b><u>1,074.83</u></b>	<b><u>668.10</u></b>
<b>NOTE – 28</b>		
<b>Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	1,478.60	1,436.58
Amortisation on other intangible assets	12.29	10.57
<b>Total of depreciation and amortisation expense</b>	<b><u>1,490.89</u></b>	<b><u>1,447.15</u></b>
<b>NOTE – 29</b>		
<b>Other expenses</b>		
Advertisement and sales promotion	205.40	8.10
Auditor's remuneration - as auditor (refer note (i) below)	20.10	20.21
Communication expenses	23.11	17.81
Office expenses	35.83	24.33
Corporate social responsibility expenses (refer note (ii) below)	74.25	79.36
Insurance expenses	47.74	50.03
Legal and professional charges	147.07	138.54
Travelling and conveyance expenses	196.93	42.20
Printing and stationery	17.47	16.94
Rates and taxes	9.14	33.23
Rent expenses	1,560.50	126.05
Repairs and maintenance - others	0.25	-
Software expenses	2.16	-
Donations and contributions	0.10	250.00
Miscellaneous expenses	6.12	4.93
<b>Total of other expenses</b>	<b><u>2,346.17</u></b>	<b><u>811.73</u></b>
<b>(i) Details of payment to auditors</b>		
Audit fees	20.10	20.21*
	<b><u>20.10</u></b>	<b><u>20.21</u></b>

\*including swachh bharaat cess

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 29 (contd.)**

**(ii) Corporate social responsibility expenses**

- (a) Gross amount required to be spent by the Group during the year ended March 31, 2018: ₹ 74.25 (March 31, 2017: ₹ 79.36 lakhs).
- (b) Amount spent during the year on:

Particulars	Period	Paid in cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	March 31, 2018	Nil	-	Nil
	March 31, 2017	Nil	-	Nil
ii) On purposes other than (i) above	March 31, 2018	74.25	-	74.25
	March 31, 2017	79.36	-	79.36

**NOTE – 30**

**Tax expense**

**Tax expense comprises of:**

		March 31, 2018	March 31, 2017
Current tax (including earlier years)	36.54		
Less: Minimum alternate credit entitlement	(36.35)	0.19	-
Income tax expense reported in the Statement of Profit and Loss		<u>0.19</u>	<u>-</u>

**Reconciliation of tax expenses and the accounting profit multiplied by tax rate:-**

	March 31, 2018	March 31, 2017
Profit before income tax expenses	1,726.43	3,167.70
Tax using companies domestic tax rate:- 34.608% (March 31, 2017:- 34.608%)	597.48	1,096.28
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
- Corporate social responsibility expenses	25.70	27.46
- Employee share based payment expense	66.23	-
- Donation and subscription	0.10	86.52
- Other items	0.07	(4.34)
Tax impact of expenses with temporary difference	(114.30)	(171.55)
Previously unrecognised tax losses now recouped to reduce current tax expenses	(504.74)	(1,104.90)
Tax impact of earlier year items	(70.53)	70.53
Adjustment of tax relating to earlier periods	0.19	-
Income tax expenses	0.19	-

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 31**

**Earnings per equity share**

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders' of the Group. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed by using the weighted average number of dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit/(loss) after tax	1,726.24	3,167.70
Less:- Dividend on preference share including corporate dividend tax	26.76	-
Less: Share of minority interest	5.45	-
Profit/(loss) attributable to equity shareholders	1,694.03	3,167.70
Weighted average number of shares used in computing basic earnings per equity share	27600000	27600000
Add: Potential number of equity shares on exercise of ESOPs	-	-
Weighted average number of shares used in computing diluted earnings per equity share	27600000	27600000
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	6.14	11.48
Diluted earnings per equity share (₹)	6.14	11.48

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 the potential dilutive effect of Employee stock option plans/schemes as appropriate.

**NOTE – 32**

**Financial Instruments-Accounting, Classifications and Fair Value Measurements**

**A Classification of financial assets and liabilities:**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial assets at amortised cost</b>			
Trade receivables	4,428.93	2,926.09	3,434.05
Loans	11,868.33	12,514.33	-
Cash and cash equivalents	471.42	2,086.51	428.88
Other bank balances	26.91	2.02	5.26
Security deposits	77.20	29.70	66,911.71
Other financial assets	2.17	27.30	10.86
<b>Financial assets at fair value through Profit and Loss</b>			
Investments (Mutual funds)	600.68	-	-
<b>Total financial assets</b>	<b>17,475.64</b>	<b>17,585.95</b>	<b>70,790.76</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings (including interest accrued)	29,060.99	31,546.09	31,239.56
Trade payables	1,690.85	1,585.37	3,847.50
Other financial liabilities	2,979.86	2,822.85	55,519.06
<b>Total financial liabilities</b>	<b>33,731.70</b>	<b>35,954.31</b>	<b>90,606.12</b>

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### NOTE – 32 (contd.)

#### B Fair value hierarchy of financial assets and liabilities measured at fair value:

The fair values of the financial assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial assets at fair value through Profit and Loss</b>			
Investments (Mutual funds)--Level 1	600.68	-	-
<b>Total</b>	<b>600.68</b>	<b>-</b>	<b>-</b>

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting period ending March 31, 2018 and March 31, 2017, there was no transfer between level 1 and level 2 fair value measurement.

### NOTE – 33

#### Financial risk management objectives

The Group's principal financial liabilities comprise of borrowings, trade and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade receivables, investments, cash and cash equivalents, other bank balances and other financial assets that arise directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

#### A Credit risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The customer profile largely includes renowned private corporates and industries houses, accordingly company's customer credit risk is very low. In case of equipment renting business, the project cycle is around 9 to 24 Months. General payment terms provide for mobilisation advance, security deposit with a credit period of 30-90 days; for LED Lighting business, the Group collects earnest money deposits and has a credit rating mechanism.

The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 33 (contd.)**

As per simplified approach, the Group will makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**Provision for expected credit losses**

The Group provides for 12 month expected credit losses for following financial assets:–

**As at March 31, 2018**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	471.42	-	471.42
Other bank balances	26.91	-	26.91
Trade receivables	4,428.93	-	4,428.93
Loans	11,868.33	-	11,868.33
Security deposit	77.20	-	77.20
Other financial assets	2.17	-	2.17

**As at March 31, 2017**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	2,086.51	-	2,086.51
Other bank balances	2.02	-	2.02
Trade receivables	2,926.09	-	2,926.09
Loans	12,514.33	-	12,514.33
Security deposit	29.70	-	29.70
Other financial assets	27.30	-	27.30

**As at April 01, 2016**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	428.88	-	428.88
Other bank balances	5.26	-	5.26
Trade receivables	3,434.05	-	3,434.05
Loans	-	-	-
Security deposit	66,911.71	-	66,911.71
Other financial assets	10.86	-	10.86

**B Liquidity risk**

The Group manages liquidity risk by maintaining sufficient cash and investment in mutual funds and loan given to fellow subsidiaries and by having access to funding through an adequate amount of committed credit line. Given the need to fund diverse businesses, the Group maintains flexibility in funding by maintaining availability under committed credit line to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 33 (contd.)**

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Borrowings (including current maturities)	30,464.20	317.15	269.32	224.45	31,275.12
Trade payable	1,690.85	-	-	-	1,690.85
Other financial liabilities	765.73	-	-	-	765.73
<b>Total</b>	<b>32,920.78</b>	<b>317.15</b>	<b>269.32</b>	<b>224.45</b>	<b>33,731.70</b>

March 31, 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Borrowings (including current maturities)	30,319.76	3,331.97	51.68	-	33,703.40
Trade payable	1,585.37	-	-	-	1,585.37
Other financial liabilities	665.54	-	-	-	665.54
<b>Total</b>	<b>32,570.67</b>	<b>3,331.97</b>	<b>51.68</b>	-	<b>35,954.31</b>

April 01, 2016	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Borrowings (including current maturities)	28,451.08	4,867.91	205.29	-	33,524.28
Trade payable	3,847.50	-	-	-	3,847.50
Other financial liabilities	53,234.34	-	-	-	53,234.34
<b>Total</b>	<b>85,532.92</b>	<b>4,867.91</b>	<b>205.29</b>	-	<b>90,606.12</b>

**C Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

**(i) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. Equipment loans are on fixed rate basis and hence not subject to interest rate risk. The cash credit facility is on floating rate basis.

**Interest rate exposure:**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Fixed rate borrowings	3,025.05	2,840.96	3,877.92
Floating rate borrowings	2,083.71	1,996.09	-
<b>Total</b>	<b>5,108.76</b>	<b>4,837.05</b>	<b>3,877.92</b>
Interest rate sensitivities for floating rate borrowings (impact of increase in 1%):	20.84	19.96	-

**Note:** If the rate is increase/decrease by 1%, the profit will decrease/increase by an equal amount.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 33 (contd.)**

**(ii) Equity price risk:**

The Group is not exposed to equity price risk arising from Equity Investments.

**(iii) Foreign exchange risk**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to import of LED Lighting, construction equipment and spare parts.

The Group regularly evaluates exchange rate exposure arising from foreign currency transactions. The Group follows the established risk management policies and standard operating procedures.

**Foreign currency risk exposure:**

Amount in ₹ Lakhs

Particulars	Currency	March 31, 2018		March 31, 2017		April 01, 2016	
		INR	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency
Trade payables	USD	28.65	0.44	-	-	-	-
	EUR	-	-	-	-	2.28	0.03
Advances	USD	2.40	0.04	-	-	8.87	0.13
	EUR	41.58	0.52	19.87	0.29	21.55	0.29

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Amount in ₹ Lakhs

Particulars	Currency	Exchange rate increase by 1%			Exchange rate decrease by 1%		
		March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Trade payables	USD	0.29	-	-	(0.29)	-	-
	EUR	-	-	0.02	-	-	(0.02)
Advances	USD	0.02	-	0.09	(0.02)	-	(0.09)
	EUR	0.42	0.20	0.22	(0.42)	(0.20)	(0.22)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 34**  
**Segment reporting**

Disclosure pursuant to Ind AS 108 "Operating Segment". Information about reportable segments are given below:-  
(a) Primary segment information (by business segments)

Particulars	Management and maintenance services		Equipment renting services		LED Lighting		Construction, advisory and other related activities		Total	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>(i) Segment Revenue</b>										
External Revenue	8,598.69	7,737.11	5,259.59	6,832.86	2,192.04	-	432.40	5,140.18	16,482.72	19,710.15
Inter-Segment Revenue										
<b>Total Revenue</b>	8,598.69	7,737.11	5,259.59	6,832.86	2,192.04	-	432.40	5,140.18	16,482.72	19,710.15
<b>(ii) Segment Result</b>										
Profit/(Loss) before Tax and Interest	2,922.38	826.01	843.93	1,015.03	(824.01)	-	177.88	426.04	3,120.18	2,267.08
Add/Less: Unallocated expenditure net of other unallocated income									(978.39)	1,099.29
Operating Profit									2,141.79	3,366.37
Less: Interest expense									415.36	198.67
<b>Total Profit from operating activities before tax</b>									<b>1,726.43</b>	<b>3,167.70</b>
<b>(iii) Segment Assets and Liabilities</b>										
Segment Assets	1,444.87	588.63	16,279.57	16,153.92	1,464.64	-	-	8.06	19,189.08	16,750.61
Unallocated Corporate Assets									15,483.11	18,266.28
Total Assets									34,672.19	35,016.89
Segment Liabilities	1,598.68	2,274.72	4,536.10	3,485.57	609.61	-	-	19.89	6,744.39	5,780.18
Unallocated Corporate Liabilities									27,898.18	31,092.09
Total Liabilities									34,642.57	36,872.27
<b>Capital Employed (Total Assets - Total Liabilities)</b>									<b>29.62</b>	<b>(1,855.38)</b>
<b>Capital Expenditure including capital advances</b>	23.91	39.24	1,379.75	396.03	95.35	-	-	-	1,499.01	435.27
Unallocated Capital Expenditure including capital advances									103.40	20.60
<b>Total Capital Expenditure including capital advances</b>									<b>1,602.41</b>	<b>455.87</b>
<b>Depreciation and amortization expense</b>	35.86	25.17	1,201.63	1,169.78	11.97	-	-	-	1,249.46	1,194.95
Unallocated Depreciation and amortization expense									241.43	252.20
<b>Total Depreciation and amortization expense</b>									<b>1,490.89</b>	<b>1,447.15</b>
<b>Non-Cash expenditure other than depreciation</b>	3.54	144.54	-	-	-	-	-	-	3.54	144.54
Unallocated Non-Cash expenditure other than depreciation									285.21	40.59
<b>Total Non-Cash Expenditure other than depreciation</b>									<b>288.75</b>	<b>185.13</b>

- b) The Group's primary business segments are reflected based on principal business activities carried on by the Group. The Group operates in four reportable business segments i.e. Facility Maintenance Services, Equipment Renting Services, LED Lighting and Construction, advisory and other related activities. Other non-reportable segments including wholesale trading has been shown under unallocated.
- c) The Group operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- d) Revenues and expenses directly attributable to segments are reported under each reportable segment. All other revenue and expenses which are not attributable or allocable to segments have been disclosed as unallocable revenue and expenses respectively. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 35**

**First time adoption of Ind AS:**

The Group has prepared financial statements for the year ended March 31, 2018, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

**Optional exemptions availed and mandatory exceptions**

In preparing these financial statements, the Group has applied below mentioned optional exemptions and mandatory exceptions:

**A. Optional exemptions availed**

**Property, plant and equipments**

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation broadly comparable to (a) fair value or (b) cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
- (iii) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

**Classification and measurement of financial assets**

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**B. Mandatory exceptions**

**Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on expected credit loss model.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE – 35 (contd.)

C Reconciliation of total equity as at March 31, 2017 and April 01, 2016

Particulars	March 31, 2017			April 01, 2016		
	Previous GAAP*	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Non-current assets</b>						
Property, plant and equipment	14,372.70	-	14,372.70	15,386.49	-	15,386.49
Other intangible assets	97.57	-	97.57	87.02	-	87.02
Financial assets						
Loans	19.59	-	19.59	53.71	-	53.71
Other financial assets	1.01	-	1.01	1.09	-	1.09
Non-current tax assets (net)	2,333.92	-	2,333.92	2,147.09	-	2,147.09
Other non-current assets	43.47	-	43.47	21.16	-	21.16
<b>Total of non-current assets</b>	<b>16,868.26</b>	-	<b>16,868.26</b>	<b>17,696.56</b>	-	<b>17,696.56</b>
<b>Current assets</b>						
Inventories	82.47	-	82.47	54.10	-	54.10
Financial assets						
Trade receivables	2,926.09	-	2,926.09	3,434.05	-	3,434.05
Cash and cash equivalents	2,086.51	-	2,086.51	428.88	-	428.88
Other bank balances	2.02	-	2.02	5.26	-	5.26
Loans	12,524.44	-	12,524.44	66,858.00	-	66,858.00
Other financial assets	26.29	-	26.29	9.77	-	9.77
Other current assets	500.81	-	500.81	269.98	-	269.98
<b>Total of current assets</b>	<b>18,148.63</b>	-	<b>18,148.63</b>	<b>71,060.04</b>	-	<b>71,060.04</b>
<b>Total of assets</b>	<b>35,016.89</b>	-	<b>35,016.89</b>	<b>88,756.60</b>	-	<b>88,756.60</b>
<b>Equity</b>						
Equity share capital	3,057.35	(297.35)	2,760.00	3,057.35	(297.35)	2,760.00
Other equity	21,253.63	(25,869.01)	(4,615.38)	18,105.63	(25,869.01)	(7,763.38)
<b>Total of equity</b>	<b>24,310.98</b>	<b>(26,166.36)</b>	<b>(1,855.38)</b>	<b>21,162.98</b>	<b>(26,166.36)</b>	<b>(5,003.38)</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial liabilities						
Borrowings	3,383.64	-	3,383.64	5,073.20	-	5,073.20
Provisions	131.47	-	131.47	96.44	-	96.44
Other non-current liabilities	144.54	-	144.54	-	-	-
<b>Total of non-current liabilities</b>	<b>3,659.65</b>	-	<b>3,659.65</b>	<b>5,169.64</b>	-	<b>5,169.64</b>
<b>Current liabilities</b>						
Financial liabilities						
Borrowings	1,996.09	26,166.36	28,162.45	-	26,166.36	26,166.36
Trade payables	1,585.37	-	1,585.37	3,847.50	-	3,847.50
Other financial liabilities	2,822.85	-	2,822.85	55,519.06	-	55,519.06
Other current liabilities	631.53	-	631.53	3,021.85	-	3,021.85
Provisions	10.42	-	10.42	35.57	-	35.57
<b>Total of current liabilities</b>	<b>7,046.26</b>	<b>26,166.36</b>	<b>33,212.62</b>	<b>62,423.98</b>	<b>26,166.36</b>	<b>88,590.34</b>
<b>Total of equity and liabilities</b>	<b>35,016.88</b>	-	<b>35,016.89</b>	<b>88,756.60</b>	-	<b>88,756.60</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 35 (contd.)**

**D Reconciliation of total comprehensive income for the year ended March 31, 2017**

Particulars	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Income</b>			
Revenue from operations	19,710.15	-	19,710.15
Other income	1,940.75	-	1,940.75
<b>Total of Income</b>	<b>21,650.90</b>	-	<b>21,650.90</b>
<b>Expenses</b>			
Cost of material and services	13,948.05	-	13,948.05
Employee benefits expense	1,627.87	(19.70)	1,608.17
Finance costs	668.10	-	668.10
Depreciation and amortisation expense	1,447.15	-	1,447.15
Other expenses	811.73	-	811.73
<b>Total of Expenses</b>	<b>18,502.90</b>	<b>(19.70)</b>	<b>18,483.20</b>
<b>Profit before tax</b>	<b>3,148.00</b>	<b>19.70</b>	<b>3,167.70</b>
Tax expense:			
Current tax (including earlier years)	-	-	-
Deferred tax charge/(credit)	-	-	-
<b>Profit for the year</b>	<b>3,148.00</b>	<b>19.70</b>	<b>3,167.70</b>
<b>Other Comprehensive Income</b>			
Re-measurement (loss)/gain on defined benefits plans	-	(19.70)	(19.70)
Income tax effect on above	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>3,148.00</b>	-	<b>3,148.00</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

**E Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**1 Reconciliation of total equity as at March 31, 2017 and April 01, 2016**

	March 31, 2017	April 01, 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>	24,310.98	21,162.98
<b>Adjustments:</b>		
9% Redeemable non-cumulative, non-convertible preference share presented as unsecured borrowings*	(26,166.36)	(26,166.36)
<b>Total adjustments</b>	<b>(26,166.36)</b>	<b>(26,166.36)</b>
<b>Total equity as per Ind AS</b>	<b>(1,855.38)</b>	<b>(5,003.38)</b>

\* Other equity as at April 01, 2016 has been adjusted consequent to this effect.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 35 (contd.)**

**2 Reconciliation of total comprehensive income for the year ended March 31, 2017**

	<b>March 31, 2017</b>
<b>Profit after tax as per previous GAAP</b>	3,148.00
<b>Adjustments:</b>	
Impact of actuarial gain through other comprehensive income**	19.70
<b>Total adjustments</b>	<b>19.70</b>
<b>Total comprehensive income</b>	<b>3,167.70</b>

**\*\*Actuarial gain and loss**

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Group recognised actuarial gains and losses in profit or loss. Accordingly, actuarial loss of ₹19.70 lakhs recognised in the Statement of Profit and Loss has been recognised under other comprehensive income under Ind AS. However, this has no impact on total comprehensive income and total equity as on April 01, 2016 and as on March 31, 2017.

**3** There is no Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017.

**NOTE - 36**

**Capital management**

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Group.

**Debt equity ratio**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
Total debt (bank and other borrowings)	5,108.76	7,537.05	7,357.92
Less: Current investments (mutual funds)	(600.68)	-	-
Less: Cash and cash equivalents, other bank balances	(498.33)	(2,088.53)	(434.14)
Net debt	4,009.75	5,448.52	6,923.78
Total equity	29.62	(1,855.38)	(5,003.38)
Net debt to equity	135.37	(2.94)	(1.38)

In addition, the Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Group.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 37**

**Operating lease**

The Group has taken premises on operating leases and lease rent of ₹ 679.92 Lakhs (March 31, 2017: ₹ 419.30 Lakhs) in respect of the same has been charged to statement of profit and loss for the year ended March 31, 2018. The minimum lease rentals payable in respect of such operating leases, are as under:

Minimum lease rentals payable	For the year ended	
	March 31, 2018	March 31, 2017
Within one year	665.82	607.07
Later than one year but not later than five years	1,736.95	1,903.20
Later than five years	-	-
<b>Total</b>	<b>2,402.78</b>	<b>2,510.27</b>

**NOTE – 38**

**Contingent liabilities and commitment**

**Contingent liabilities, not acknowledged as debt, include:**

a) Bank Guarantees\*:

Bank Guarantees of ₹ 21.93 lakhs (March 31, 2017: ₹ 1.25 lakhs, April 01, 2016: ₹ 1.25 lakhs) issued in favour of VAT Authorities.

b) Claims (excluding interest) against the Group not acknowledged as debts: ₹ 2,780.00 lakhs (March 31, 2017: ₹ 1,406.03 lakhs, April 01, 2016: ₹ 148.03 lakhs).

c) Open status of letter of credit issued is of ₹ 382.62 lakhs (March 31, 2017: ₹ Nil, April 01, 2016: ₹ Nil).

d) Contingent liabilities in respect of income-tax demands for which appeals have been filed ₹ Nil (March 31, 2017: ₹ 16.89 lakhs, April 01, 2016: ₹ 165.15 lakhs) and of VAT for which appeals have been filed ₹ Nil (March 31, 2017: ₹ Nil, April 01, 2016: ₹ 111.64 lakhs).

e) There are legal cases against the Group in the ordinary course of business. Management has evaluated the same and depending upon the facts and after due evaluation of legal aspects of each case, adequate amounts have been provided in respect of the claims made against the Group under these cases. The Group does not expect any further liability and these litigations/lawsuits and claims may, individually or in aggregate, will not have any material adverse effect on the financial position of the Group.

**Commitments**

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 1,292.57 lakhs (March 31, 2017: ₹ 107.69 lakhs, April 01, 2016: ₹ 79.82 lakhs).

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 39**

**Disclosures in respect of ‘related party’**

**a) Name and nature of relationship with related parties:**

Relationship	Name of related parties
i) Related party exercising control:	
Holding Company	SORIL Holding and Ventures Limited (formerly known as Indiabulls Wholesale Services Limited)
ii) Other related parties:	
Fellow Subsidiary Company*	Albasta Wholesale Services Limited Airmid Aviation Services Limited
Key Management Personnel	Mrs. Pia Johnson, Whole Time Director Mr. Mehul Johnson, Director Mr. Vijay Kumar Agrawal, Chief Financial Officer Mr. Vikas Khandelwal, Company Secretary

\* With whom transactions entered during the year (significant transaction)

**(b) Summary of significant transactions with related parties:**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inter corporate deposit taken/(repaid), net</b>		
Holding Company:- SORIL Holding and Ventures Limited	-	(1,711.00)
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	(354.00)
Total	-	(2,065.00)
<b>Inter corporate deposit given/(received back), net</b>		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	(300.00)	955.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	1,154.00	2,059.33
Total	854.00	3,014.33
<b>Fixed assets</b>		
Sale of fixed assets		
Holding Company:- SORIL Holding and Ventures Limited	123.04	-
Purchase of fixed assets		
Holding Company:- SORIL Holding and Ventures Limited	118.91	-
Total	241.95	-
<b>Other Income</b>		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	67.16	53.41
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	285.52	15.91
Total	352.68	69.32

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 39 (contd.)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Employee benefit expenses</b>		
Salaries and wages		
Holding Company:- SORIL Holding and Ventures Limited	3.46	-
Total	3.46	-
<b>Operating expenses</b>		
Travelling expenses		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	504.75	1,372.39
Total	504.75	1,372.39
<b>Other expenses</b>		
Legal and professional charges		
Holding Company:- SORIL Holding and Ventures Limited	-	9.80
Total	-	9.80
<b>Finance costs</b>		
Interest on term loan		
Holding Company:- SORIL Holding and Ventures Limited	-	14.21
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	4.10
Total	-	18.31

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inter corporate deposit taken</b>		
Holding Company:- SORIL Holding and Ventures Limited	-	1,711.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	354.00
Total	-	2,065.00
<b>Inter corporate deposit given</b>		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	955.00	955.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	3,213.33	2,059.33
Total	4,168.33	3,014.33

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 39 (contd.)**

**(d) Outstanding balances:**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Inter corporate deposit taken</b>			
Holding Company:- SORIL Holding and Ventures Limited	-	-	1,711.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	-	354.00
Total	-	-	2,065.00
<b>Inter corporate deposit given</b>			
Fellow Subsidiary Company:-Airmid Aviation Services Limited	655.00	955.00	-
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	3,213.33	2,059.33	-
Total	3,868.33	3,014.33	-
<b>Trade payable</b>			
Fellow Subsidiary Company:-Airmid Aviation Services Limited	-	-	257.63
Total	-	-	257.63
<b>Other current liabilities</b>			
Holding Company:- SORIL Holding and Ventures Limited	-	-	1.24
Total	-	-	1.24
<b>Other financial assets - current</b>			
Holding Company:- SORIL Holding and Ventures Limited	1.41	-	-
Total	1.41	-	-

**(e) Corporate guarantee:**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 01, 2016
Corporate Guarantee given for secured borrowings			
Holding Company:- SORIL Holding and Ventures Limited	4,295.87	3,703.72	2,157.96

\* Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 40**

**Employee benefits**

**Defined contribution plan**

The Group has made ₹ 5.44 lakhs (March 31, 2017 - ₹ 3.10 lakhs) contribution in respect of provident fund.

**Defined benefit plan**

The Group has the following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

**Risks associated with plan provisions:**

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death & liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**Compensated absences**

The leave obligations cover the Group's liability for permitted leaves. The amount of provision of ₹ 78.73 (March 31, 2017 - ₹ 44.84, April 01, 2016 - ₹ 31.84) lakhs is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore, based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 18.96 years (March 31, 2017: 19.13 years).

**Actuarial (gain)/loss on obligation:**

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	(1.69)	2.68
Actuarial (gain)/loss arising from experience adjustment	3.92	(4.11)

**Amount recognised in the statement of profit and loss is as under:**

Particulars	March 31, 2018	March 31, 2017
Total service cost	28.55	10.58
Net interest cost	3.43	2.70
Net actuarial (gain)/loss recognized in the period	2.23	(1.43)
<b>Expense recognized in the statement of profit and loss</b>	<b>34.20</b>	<b>11.84</b>

**Movement in the liability recognized in the balance sheet is as under:**

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation at the beginning of the year	45.63	33.79
Current service cost	28.55	10.58
Interest cost	3.43	2.70
Actuarial (gain)/loss on obligation	2.23	(1.43)
Benefits paid	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>79.83</b>	<b>45.63</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 40 (contd.)**

**Bifurcation of projected benefit obligation at the end of the year in current and non-current:**

Particulars	March 31, 2018	March 31, 2017
a) Current liability (amount due within one year)	7.75	6.10
b) Non - current liability (amount due over one year)	72.09	39.53
<b>Total projected benefit obligation at the end of the year</b>	<b>79.83</b>	<b>45.63</b>

**For determination of the liability of the Group, the following actuarial assumptions were used:**

Particulars	Compensated absences		
	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.93%	7.51%	8.00%
Salary escalation rate	5.25%	5.00%	5.00%
Mortality table	100 % of IALM (2006 - 08)	100 % of IALM (2006 - 08)	100 % of IALM (2006 - 08)

As the Group does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Maturity plan of defined benefit obligation:**

Year	March 31, 2018	Year	March 31, 2017
April, 2018 - March, 2019	7.75	April, 2017 - March, 2018	6.10
April, 2019 - March, 2020	1.30	April, 2018 - March, 2019	0.85
April, 2020 - March, 2021	2.01	April, 2019 - March, 2020	0.69
April, 2021 - March, 2022	1.44	April, 2020 - March, 2021	0.72
April, 2022 - March, 2023	1.27	April, 2021 - March, 2022	0.90
April, 2023 - March, 2024	1.65	April, 2022 - March, 2023	1.12
April, 2024 onwards	64.42	April, 2023 onwards	35.25

**Sensitivity analysis for compensated absences liability:**

Particulars	March 31, 2018	March 31, 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	79.83	45.63
a) Impact due to increase of 0.50%	(4.86)	(2.73)
b) Impact due to decrease of 0.50%	5.32	2.99
Impact of the change in salary increase		
Present value of obligation at the end of the year	79.83	45.63
a) Impact due to increase of 0.50%	5.43	3.05
b) Impact due to decrease of 0.50%	(5.00)	(2.80)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

**Gratuity**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 19.13 years (March 31, 2017: 18.96 years).

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 40 (contd.)**

**Actuarial (gain)/loss recognised in other comprehensive income:**

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustment	(3.04)	5.59
Actuarial (gain)/loss arising from experience adjustment	3.43	14.11

**Amount recognised in the statement of profit and loss is as under:**

Particulars	March 31, 2018	March 31, 2017
Total service cost	53.27	20.64
Net interest cost	7.23	5.28
Net actuarial (gain)/loss recognized in the period	0.39	19.70
<b>Expense recognized in the statement of profit and loss</b>	<b>60.89</b>	<b>45.62</b>

**Movement in the liability recognized in the balance sheet is as under:**

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation at the beginning of the year	96.27	66.02
Current service cost	53.27	20.64
Interest cost	7.23	5.28
Actuarial (gain)/loss on obligation	0.39	19.70
Benefits paid	(0.73)	(15.38)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>156.43</b>	<b>96.27</b>

**Bifurcation of projected benefit obligation at the end of the year in current and non-current:**

Particulars	March 31, 2018	March 31, 2017
a) Current liability (amount due within one year)	6.10	4.32
b) Non - current liability (amount due over one year)	150.33	91.94
<b>Total projected benefit obligation at the end of the year</b>	<b>156.43</b>	<b>96.27</b>

**For determination of the liability of the Group, the following actuarial assumptions were used:**

Particulars	Gratuity		
	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.93%	7.51%	8.00%
Salary escalation rate	5.25%	5.00%	5.00%
Mortality table	100 % of IALM (2006 - 08)	100 % of IALM (2006 - 08)	100 % of IALM (2006 - 08)

As the Group does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 40 (contd.)**

**Maturity plan of defined benefit obligation:**

Year	March 31, 2018	Year	March 31, 2017
April, 2018 - March, 2019	6.10	April, 2017 - March, 2018	4.32
April, 2019 - March, 2020	14.38	April, 2018 - March, 2019	1.12
April, 2020 - March, 2021	3.43	April, 2019 - March, 2020	2.37
April, 2021 - March, 2022	3.37	April, 2020 - March, 2021	9.03
April, 2022 - March, 2023	2.63	April, 2021 - March, 2022	2.35
April, 2023 - March, 2024	2.85	April, 2022 - March, 2023	3.13
April, 2024 onwards	123.66	April, 2023 onwards	73.94

**Sensitivity analysis for gratuity liability:**

Particulars	March 31, 2018	March 31, 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	156.43	96.27
a) Impact due to increase of 0.50%	(9.73)	(5.83)
b) Impact due to decrease of 0.50%	10.69	6.43
Impact of the change in salary increase		
Present value of obligation at the end of the year	156.43	96.27
a) Impact due to increase of 0.50%	10.92	6.56
b) Impact due to decrease of 0.50%	(10.01)	(5.99)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

**NOTE – 41**

**Share based payments**

**Employees' Stock Option Schemes of the Group:**

**1. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009**

The Shareholders vide postal ballot passed a special resolution on February 9, 2009 for issue of 15,00,000 (fifteen lakhs) shares towards issue of Employee Stock Option Scheme -2009 in supersession of Resolution passed on May 12, 2008 for ESOP -2008.

The Compensation Committee, constituted by the Board of Directors of the Group, at its meeting held on November 03, 2017, granted, under the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009 ("SORIL Infra ESOS-2009" or "Scheme"), 15,00,000 (fifteen lakhs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Group, to the eligible employees, at an exercise price of ₹ 168.30 per option, being the latest available closing market price on the National Stock Exchange of India Limited, on the date of grant. The stock options so granted, shall vest in the eligible employees within 5 years beginning from first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of 5 years from the relevant vesting date.

The Scheme had earlier granted option at ₹ 30.45 per option and no option were exercised and allotted till March 31, 2017.

The title of the Scheme was changed from Store One Retail India Limited Employees Stock Option Scheme – 2009 to SORIL Infra Resources Limited Employee Stock Option Scheme – 2009 as per the revised certificate of incorporation dated December 21, 2016.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 41 (contd.)**

Following is a summary of options granted under the Scheme:

Particulars	March 31, 2018	March 31, 2017
Opening balance	Nil	Nil
Granted during the year	1500000	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	1500000	Nil
Exercisable at the year ended	Nil	Nil

Weighted average share price of exercised option on the date of exercise was for the year ended March 31, 2018: ₹ Nil (March 31, 2017: ₹ Nil).

The fair value of the option under Scheme using the black scholes model, based on the following parameters is ₹ 18.77 per option, as certified by an independent valuer.

Particulars	Scheme
Fair market value of option on the date of grant (₹)	18.77
Exercise price (₹)	168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

The expected volatility was determined based on historical volatility data of the Group's shares listed on the National Stock Exchange of India Limited.

**2. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II)**

Shareholder's of the Group in their Annual General Meeting held on September 30, 2009 have approved by way of special resolution the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), covering 30,00,000 (thirty lakhs) equity settled options for eligible employees of the Group, its subsidiaries, its fellow subsidiaries and the holding company.

The Compensation Committee, constituted by the Board of Directors of the Group, at its meeting held on November 03, 2017, granted, under the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), 30,00,000 (thirty lakhs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Group, to the eligible employees, at an exercise price of ₹ 168.30 per option, being the latest available closing market price on the National Stock Exchange of India Limited, on the date of grant. The stock options so granted, shall vest in the eligible employees within 5 years beginning from first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of 5 years from the relevant vesting date.

The title of the Scheme-II was changed from Store One Retail India Limited Employees Stock Option Scheme - 2009(II) to SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) as per the revised certificate of incorporation dated December 21, 2016.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 41 (contd.)**

Following is a summary of options granted under the Scheme-II:

Particulars	March 31, 2018	March 31, 2017
Opening balance	Nil	Nil
Granted during the year	3000000	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	3000000	Nil
Exercisable at the year ended	Nil	Nil

Weighted average share price of exercised option on the date of exercise was for the year ended March 31, 2018: ₹ Nil (March 31, 2017: ₹ Nil).

The fair value of the option under Scheme-II using the black scholes model, based on the following parameters is ₹ 18.77 per option, as certified by an independent valuer.

Particulars	Scheme
Fair market value of option on the date of grant (₹)	18.77
Exercise price (₹)	168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

The expected volatility was determined based on historical volatility data of the Group's shares listed on the National Stock Exchange of India Limited.

During the year, the Group has recognised Share based payment expenses of ₹ 191.36 Lakhs (March 31, 2017: ₹ Nil).

**NOTE – 42**

**Dividend on Preference Shares**

Under Indian GAAP, till March 31, 2016, proposed dividends including dividend distribution tax (DDT) were recognised as a liability in the period to which they relate, irrespective of when they are declared. In accordance with the amendment in Accounting Standard 4 vide notification dated March 30, 2016, applicable to accounting period beginning from April 01, 2016, the proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

Accordingly, preference dividend for ₹ 26.76 lakhs which was declared and approved on May 26, 2017 and dividend distribution tax of ₹ 5.45 lakhs, have been recognised in FY 2017-18.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 43**

**(a) Subsidiary company included in consolidation:**

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Period of financial statements included in consolidation
Store One Infra Resources Limited	India	100%	April 01, 2017 to March 31, 2018

**(b) Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013.**

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
	As percentage of consolidated net assets	Amount	As percentage of consolidated net assets	Amount
<b>Holding Company</b> SORIL Infra Resources Limited	402.30%	119.16	103.37%	1,784.49
<b>Indian subsidiary</b> Store One Infra Resources Limited	(302.30%)	(89.54)	(3.37%)	(58.25)

**NOTE – 44**

**Other informations**

- There are no dues payable under section 125 of Companies Act, 2013 as at March 31, 2018.
- In the opinion of the Board of Directors, all current and non-current assets including non-current loans, appearing in the balance sheet as at March 31, 2018, have a value on realization, in the ordinary course of the Group's business, at least equal to the amount at which they are stated in the financial statements and no provision is required to be made against the recoverability of these balances.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

# Independent Auditor's Report

**To the Members of SORIL Infra Resources Limited**  
(formerly known as Store One Retail India Limited)

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SORIL Infra Resources Limited** (formerly known as Store One Retail India Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. In conducting the Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

## **Other Matter**

The Company had prepared separate sets of statutory financial statements for the year ended March 31, 2017, and March 31, 2016, in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated May 26, 2017, and May 06, 2016, respectively to the shareholders of the Company. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11)

## Independent Auditor's Report (contd.)

of Section 143 of the Act, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required under provisions of Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of

the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As detailed in Note –38(e) to the standalone financial statements, the Company has disclosed the impact of pending litigations on its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number : 005975N

Gurugram  
May 02, 2018

**Vikas Aggarwal**  
Partner  
Membership No: 097848

## Annexure 'A' to the Independent Auditor's Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) of even date)**

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

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- a. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- b. The Company does not hold any immovable properties (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
  - a. In our opinion, the terms and conditions of the grant are not prejudicial to the company's interest.
  - b. In our opinion, the schedule of repayment of principal amount and payment of interest has been stipulated and the repayment of principal amount and receipt of interest are regular.
  - c. There is no overdue amount in respect of loans granted to such companies, with regard to principal amount and interests.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other

relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues :
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanations given to us, there are no dues in respect of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax have not been deposited with the appropriate authorities on account of any dispute.
- viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. Further, the Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year.
- ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or its employees was noticed or reported during the year.

## Annexure 'A' to the Independent Auditor's Report (contd.)



- xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year.
- Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number : 005975N

Gurugram  
May 02, 2018

**Vikas Aggarwal**  
Partner  
Membership No: 097848

## Annexure 'B' to the Independent Auditor's Report

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SORIL Infra Resources Limited (formerly known as Store One Retail India Limited)** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all

## Annexure 'B' to the Independent Auditor's Report (contd.)



material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number : 00.5975N

Gurugram  
May 02, 2018

**Vikas Aggarwal**  
Partner  
Membership No: 097848

# Balance Sheet

as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017	April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	14,271.62	14,211.36	15,203.66
Other intangible assets	5	92.68	97.57	87.02
Financial assets				
Investments	6A	5.00	5.00	5.00
Loans	7A	47.93	234.34	53.46
Other financial assets	8A	0.75	1.01	1.09
Deferred tax assets, (net)	9	36.35	-	-
Non-current tax assets, (net)	10	1,322.70	2,333.25	2,147.08
Other non-current assets	11A	506.42	43.47	21.16
<b>Total of non-current assets</b>		<b>16,283.45</b>	<b>16,926.00</b>	<b>17,518.47</b>
<b>Current assets</b>				
Inventories	12	253.69	82.47	54.10
Financial assets				
Investments	6B	600.68	-	-
Trade receivables	13	4,428.93	2,900.67	3,400.01
Cash and cash equivalents	14	470.47	2,086.10	415.98
Other bank balances	15	26.91	2.02	5.26
Loans	7B	11,932.35	12,534.65	66,858.00
Other financial assets	8B	1.42	5.92	9.78
Other current assets	11B	625.44	481.48	266.50
<b>Total of current assets</b>		<b>18,339.89</b>	<b>18,093.31</b>	<b>71,009.63</b>
<b>Total of assets</b>		<b>34,623.34</b>	<b>35,019.31</b>	<b>88,528.10</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	2,760.00	2,760.00	2,760.00
Other equity	17	(2,635.84)	(4,576.66)	(7,752.94)
<b>Total of equity</b>		<b>124.16</b>	<b>(1,816.66)</b>	<b>(4,992.94)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	18A	810.92	3,383.65	4,858.20
Provisions	19A	218.40	126.43	87.26
Other non-current liabilities	20A	148.08	144.54	-
<b>Total of non-current liabilities</b>		<b>1,177.40</b>	<b>3,654.62</b>	<b>4,945.46</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	18B	28,250.07	28,162.45	26,166.36
Trade payables	21	1,690.85	1,585.37	3,847.50
Other financial liabilities	22	2,964.11	2,794.89	55,518.96
Other current liabilities	20B	403.41	628.45	3,008.25
Provisions	19B	13.34	10.19	34.51
<b>Total of current liabilities</b>		<b>33,321.78</b>	<b>33,181.35</b>	<b>88,575.58</b>
<b>Total of equity and liabilities</b>		<b>34,623.34</b>	<b>35,019.31</b>	<b>88,528.10</b>
<b>Summary of significant accounting policies</b>	3			

The accompanying notes are an integral part of standalone financial statements.

This is the Balance Sheet referred to in our report of even date

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2018

# SORIL

## INFRA RESOURCES

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	March 31, 2018	March 31, 2017
<b>Income</b>			
Revenue from operations	23	16,454.71	19,564.57
Other income	24	1,585.52	1,950.91
<b>Total of income</b>		<b>18,040.23</b>	<b>21,515.48</b>
<b>Expenses</b>			
Cost of material and services	25	8,416.38	13,948.05
Employee benefits expense	26	3,233.77	1,480.65
Finance costs	27	788.47	660.10
Depreciation and amortisation expense	28	1,471.22	1,425.65
Other expenses	29	2,345.71	811.33
<b>Total of expenses</b>		<b>16,255.55</b>	<b>18,325.78</b>
<b>Profit before tax</b>		<b>1,784.68</b>	<b>3,189.70</b>
Tax expense:	30		
Current tax (including earlier years)		36.54	-
Less: Minimum alternate tax credit entitlement (including earlier years)		(36.35)	0.19
Deferred tax charged/(credit)		-	-
<b>Profit after tax</b>		<b>1,784.49</b>	<b>3,189.70</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefits plans		(2.82)	(13.42)
Income tax effect on above		-	-
<b>Total other comprehensive income, (net of tax)</b>		<b>(2.82)</b>	<b>(13.42)</b>
<b>Total comprehensive income for the year</b>		<b>1,781.67</b>	<b>3,176.28</b>
<b>Earnings per Equity share</b>			
Equity share of par value ₹ 10 each			
Basic (₹)		6.35	11.56
Diluted (₹)		6.35	11.56

**Summary of significant accounting policies**

3

The accompanying notes are an integral part of standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

# Cash Flow Statement

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>A Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>1,784.68</b>	<b>3,189.70</b>
<i>Adjustments for Statement of Profit and Loss items:</i>		
Liabilities written back	-	(1,403.46)
Interest on income tax refunds	(124.23)	(107.20)
Interest income on fixed deposits	(1.39)	(0.28)
Dividend on units of mutual funds	(4.95)	(16.36)
Interest expenses on borrowings	786.25	656.89
Interest income on inter-corporate deposits	(1,451.91)	(420.94)
Unrealised foreign exchange loss/(gain)	(0.85)	1.68
Provision for gratuity/compensated absences	93.04	36.69
Provision for employee compensation reserve	191.36	-
Obligation under operating lease	3.54	144.54
Depreciation and amortization expenses	<u>1,471.22</u>	<u>1,425.65</u>
	962.08	317.21
<b>Operating profit before working capital changes and other adjustments:</b>	<b>2,746.76</b>	<b>3,506.91</b>
<i>Working capital changes and other adjustments:</i>		
- (Increase)/decrease in trade receivables	(1,528.26)	499.34
- Decrease in other financial assets	4.51	3.85
- Increase in other assets	(524.42)	(234.20)
- (Increase)/decrease in loans	(46.75)	66,882.02
- Increase in inventories	(171.22)	(28.38)
- Increase/(decrease) in trade payables	105.58	(2,263.81)
- Increase/(decrease) in other financial liability	116.59	(52,585.80)
- Decrease in other liabilities and provisions	<u>(225.78)</u>	<u>(979.40)</u>
	(2,269.75)	11,293.62
<b>Cash flow from operating activities</b>	<b>477.01</b>	<b>14,800.53</b>
Income taxes refund/(paid), (net)	<u>1,098.24</u>	<u>(78.97)</u>
<b>Net cash flow from operating activities</b>	<b>1,575.25</b>	<b>14,721.56</b>
<b>B Cash flow from investing activities:</b>		
Purchase of Property, Plant and Equipment and other intangible assets (including capital advances)	(1,732.12)	(446.99)
Proceeds from sale of Property, Plant and Equipment	123.04	-
Interest received on fixed deposits	1.15	0.86
Inter-corporate loans given to subsidiary company	(18,000.00)	(215.00)
Inter-corporate loans received back from subsidiary company	10,180.00	-
Inter-corporate loans given to fellow subsidiary companies	(1,154.00)	(3,559.33)
Inter-corporate loans received back from fellow subsidiary companies	300.00	545.00
Inter-corporate loans given to others	(10,000.00)	(10,000.00)
Inter-corporate loans received back from others	19,500.00	500.00
Interest received on inter-corporate loans given	1,462.12	410.73
Investment in mutual funds	11,579.32	54,180.00
Redemption of mutual funds	(12,180.00)	(54,180.00)
Dividend received from mutual funds	4.95	16.36
Maturity of/(Investments in) fixed deposits	<u>(24.39)</u>	<u>41.50</u>
<b>Net cash flow from/(used in) investing activities</b>	<b>60.07</b>	<b>(12,706.87)</b>

# Cash Flow Statement

for the year ended March 31, 2018

# SORIL

## INFRA RESOURCES

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
<b>C Cash flow from financing activities:</b>		
Proceeds from borrowing (secured)	2,085.03	3,737.36
Repayment of borrowing (secured)	(1,813.32)	(2,778.23)
Proceeds from borrowing (unsecured)	10,050.00	7,300.00
Repayment of borrowing (unsecured)	(12,750.00)	(7,865.00)
Interest paid on borrowings	(790.45)	(667.75)
Dividend paid on preference share capital (including corporate dividend tax)	(32.21)	(32.21)
<b>Net cash used in financing activities</b>	<b>(3,250.95)</b>	<b>(305.83)</b>
<b>D Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(1,615.63)</b>	<b>1,708.86</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>2,086.10</b>	<b>377.24</b>
<b>F Cash and cash equivalents at the end of the year (D + E)</b>	<b>470.47</b>	<b>2,086.10</b>
<b>G Reconciliation of cash and cash equivalents as per cash flow statement:</b>		
Cash and cash equivalents includes: (refer note-14 for details)		
(a) Cash on hand	17.68	4.23
(b) Foreign currency on hand	0.44	-
(c) Balances with banks		
– in current accounts	452.35	2,081.87
<b>Total (a + b + c)</b>	<b>470.47</b>	<b>2,086.10</b>

### Notes:

- 1) Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities and Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The company has presented the above cash flow statement by using the indirect method.
- 2) Amendment to Ind AS-7  
Effective April 01, 2017, the Company adopted the amendment to Ind AS-7 which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment do not have any material impact on the financial statements.

The accompanying notes are an integral part of standalone financial statements.

This is the Cash Flow Statement referred to in our report of even date

### For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N

### Vikas Aggarwal

Partner

Place: Gurugram

Date: May 02, 2018

### For and on behalf of Board of Directors

### Pia Johnson

Whole Time Director  
(DIN: 00722403)

### Vijay Kumar Agrawal

Chief Financial Officer

### Surinder Singh Kadyan

Director  
(DIN: 03495880)

### Vikas Khandelwal

Company Secretary

# Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Equity Share Capital*	Other Equity **				Total equity attributable to equity holders of the Company
		Reserves and Surplus			Other Comprehensive Income	
		Deferred Employee Compensation Reserve	Securities Premium Reserve	Retained Earnings	Re-measurement of defined benefits plans	
<b>Balance as at April 01, 2016</b>	<b>2,760.00</b>	-	<b>12,149.25</b>	<b>(19,902.19)</b>	-	<b>(4,992.94)</b>
Profit/(Loss) for the period	-	-	-	3,189.70	-	3,189.70
Other Comprehensive Income	-	-	-	-	(13.42)	(13.42)
Proposed dividend on preference shares	-	-	-	-	-	-
Corporate dividend tax thereon	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>2,760.00</b>	-	<b>12,149.25</b>	<b>(16,712.49)</b>	<b>(13.42)</b>	<b>(1,816.66)</b>
Profit/(Loss) for the period	-	-	-	1,784.49	-	1,784.49
Other Comprehensive Income	-	-	-	-	(2.82)	(2.82)
Proposed dividend on preference shares	-	-	-	(26.76)	-	(26.76)
Corporate dividend tax thereon	-	-	-	(5.45)	-	(5.45)
Deferred employee compensation expense (refer Note- 26)	-	191.36	-	-	-	191.36
<b>Balance as at March 31, 2018</b>	<b>2,760.00</b>	<b>191.36</b>	<b>12,149.25</b>	<b>(14,960.21)</b>	<b>(16.24)</b>	<b>124.16</b>

\* refer Note 16 for details

\*\* refer Note 17 for details

The accompanying notes are an integral part of standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**  
Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**  
Company Secretary

## 1. CORPORATE OVERVIEW

SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) (“the Company”) is a Public Limited Company incorporated in India with its registered office in Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

SORIL Infra Resources Limited was incorporated as Pyramid Retail Limited on March 18, 2005. The name of the company was subsequently changed to Indiabulls Retail Services Limited on May 22, 2008 and then changed to Store One Retail India Limited on September 30, 2009 and now further changed to SORIL Infra Resources Limited on December 21, 2016. The company received fresh certificate of incorporation consequent upon the change of name, from the Registrar of Companies, National Capital Territory of Delhi and Haryana.

The Company is in the main business of Equipment renting services, Management and maintenance services, LED Lighting and Construction, advisory and other related activities.

SORIL Holding and Ventures Limited (formerly known as Indiabulls Wholesale Services Limited), Holding Company of the Company, erstwhile Subsidiary of Indiabulls Real Estate Limited, completed the acquisition of 63.92% of the outstanding Equity Share Capital of the Company from the then existing promoters in terms of the Share Purchase Agreement dated December 08, 2007 and Public Announcement dated December 09, 2007. In the open offer, which concluded on April 10, 2008, IBWSL purchased 310 shares from the general public.

The Company had invested ₹ 5 Lakhs in Store One Infra Resources Limited, a wholly owned subsidiary on November 20, 2015.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENT

### a) General information and statement of compliance with Ind AS

These financial statements (‘financial statements’) of the Company have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 (“the Act”) The Company has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended March 31, 2018 are the first which the Company has prepared in accordance with Ind AS. For the purpose of corresponding figures, set of financial statements for the year ended March 31, 2017 and opening balance sheet as at April 01, 2016 are also prepared under Ind AS.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 35.

The financial statements for the year ended March 31, 2018 were authorized and approved for issue by the Board of Directors on May 02, 2018.

### b) Basis of accounting

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### c) Recent accounting pronouncement

In March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income taxes', Ind AS 21 'The effects of changes in foreign exchange rates' and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 01, 2018.

#### Ind AS 115 'Revenue from contracts with customers'

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

1. Identification of the contracts with the customer
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of transaction price to the performance obligations in the contract (as identified in step 2)
5. Recognition of revenue when performance obligation is satisfied.

#### Amendment to Ind AS 12 'Income taxes'

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

#### Amendment to Ind AS 21 'The effects of changes in foreign exchange rates'

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

The Company is evaluating the requirements of the amendments and their impact on the financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

#### 3.1 Current - non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle of the company;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle of the Company;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

## **3.2 Functional and presentation currency**

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (₹). The Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to nearest lakhs upto two decimal places, unless otherwise stated.

### **Transactions and balances**

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

Monetary foreign currency assets and liabilities remained unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Foreign exchange gains/(losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

## **3.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

- (i) 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 etc. on behalf of the Statutory Authorities and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.
- (ii) Revenue from equipment renting services (including relevant manpower and supervision) is recognized when

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

services are performed usually on a time proportion basis as per the terms of the contract. The Company collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

- (iii) Revenue from management and maintenance services are recognized on pro-rata basis over the period of contract as and when services are rendered. The Company collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.
- (iv) Income from construction, advisory and other related services is recognized on an accrual basis.
- (v) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- (vi) Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- (vii) Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as on date of sale.

### 3.4 Investments in subsidiaries

Investment in equity instruments of subsidiaries are stated at cost as per Ind AS 27 'Separate Financial Statements'.

### 3.5 Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 3.6 Property, Plant and Equipment

#### *Recognition and measurement*

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of improvements to assets, if recognition criteria are met, has been capitalised.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

#### *Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

#### *Capital work-in-progress*

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

#### *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of Profit and Loss. The residual values are not more than 5% of the original cost of the asset.

Depreciation on all tangible assets is provided on straight line method at the rates computed on the basis of useful life provided in Schedule II of the Companies Act, 2013. Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year. All fresh capitalisations are depreciated on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

### **3.7 Intangible assets**

#### *Recognition and measurement*

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from de-recognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### *Subsequent costs*

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

#### *Amortisation*

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset	: Estimated life
Computer software	: 4 years
Land-Leasehold	: 11 years (as per terms of agreement)

### **3.8 Operating leases**

Company is lessee

Lease payments in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

### **3.9 Inventories**

Inventories are valued at cost or 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.

### **3.10 Impairment of non-financial Assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.11 Fair value measurement

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

1. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
3. Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.12 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### I. Financial assets

- i) Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction costs that is attributable to the acquisition of the financial assets is also adjusted.

- ii) Classification and subsequent measurement

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- (a) business model for managing the financial assets, and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A Financial Asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Cash and cash equivalents*

Cash and cash equivalents in the Balance Sheet comprise cash at bank and on hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

#### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

#### *Derecognition of financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit and loss.

## **II. Financial liabilities and equity instruments**

#### *Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### **Financial liabilities**

#### *Initial recognition and measurement*

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

#### *Classification and subsequent measurement*

Financial liabilities are classified as measured at amortised cost.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

#### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### *Derecognition of financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **3.13 Stock based compensation**

Share based compensation benefits are provided to employees via Employee Stock Option Scheme (ESOSs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted equity shares of the Company.

### **3.14 Employee benefits**

#### **Short-term employee benefits**

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

#### **Post-employment benefit plans**

##### *Defined contribution plans*

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further

payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

*Defined benefit plans*

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

*Other long-term employee benefits*

i. Compensated absences

The benefits under compensated expenses are accounted as other long-term employee benefits. The Company's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

ii. Others

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

### 3.15 Income tax

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

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. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

### 3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

### 3.17 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 at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

**Product warranties:** The Company gives warranties on certain products and services, undertaking to repair/replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair/replacement. The timing of outflows is expected to be within a period of two years from the date of balance sheet.

Contingent liability is disclosed for:

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

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

### 3.18 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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 the statement of profit and loss as incurred.

### 3.19 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 3.20 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.

### 3.21 Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.22 Share capital

Issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

### 3.23 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### *Significant management judgements*

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### *Significant estimates*

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### *Warranty*

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 4**

**Property, plant and equipment**

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Office equipment	Temporary building	Total
<b>Gross carrying amount</b>							
<b>As at April 01, 2016</b>	17,375.13	2,046.78	559.57	697.18	31.37	2.51	20,712.54
Additions	377.99	1.37	17.49	21.20	4.73	-	422.78
Deletion/Adjustment	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>17,753.12</b>	<b>2,048.15</b>	<b>577.06</b>	<b>718.38</b>	<b>36.10</b>	<b>2.51</b>	<b>21,135.32</b>
Additions	1,347.46	48.20	181.45	56.41	8.71	-	1,642.23
Deletion/Adjustment	(170.47)	(5.46)	(0.05)	(612.63)	-	-	(788.61)
<b>Balance as at March 31, 2018</b>	<b>18,930.11</b>	<b>2,090.89</b>	<b>758.46</b>	<b>162.16</b>	<b>44.81</b>	<b>2.51</b>	<b>21,988.94</b>
<b>Accumulated depreciation/amortisation</b>							
As at April 01, 2016	3,226.60	1,314.75	270.16	682.16	12.70	2.51	5,508.88
Charged for the year	1,135.85	201.74	63.53	7.26	6.70	-	1,415.08
Deletion/Adjustment	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>4,362.45</b>	<b>1,516.49</b>	<b>333.69</b>	<b>689.42</b>	<b>19.40</b>	<b>2.51</b>	<b>6,923.96</b>
Charged for the year	1,147.93	204.29	77.50	22.59	6.61	-	1,458.92
Deletion/Adjustment	(47.42)	(5.46)	(0.05)	(612.63)	-	-	(665.56)
<b>Balance as at March 31, 2018</b>	<b>5,462.96</b>	<b>1,715.32</b>	<b>411.14</b>	<b>99.38</b>	<b>26.01</b>	<b>2.51</b>	<b>7,717.32</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>14,148.53</b>	<b>732.03</b>	<b>289.41</b>	<b>15.02</b>	<b>18.67</b>	<b>-</b>	<b>15,203.66</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>13,390.67</b>	<b>531.66</b>	<b>243.37</b>	<b>28.96</b>	<b>16.70</b>	<b>-</b>	<b>14,211.36</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>13,467.15</b>	<b>375.57</b>	<b>347.32</b>	<b>62.78</b>	<b>18.80</b>	<b>-</b>	<b>14,271.62</b>

**NOTE – 5**

**Other intangible assets**

Particulars	Land-leasehold	Computer software's	Total
<b>Gross carrying amount</b>			
<b>As at April 01, 2016</b>	95.78	962.01	1,057.79
Additions	20.95	0.17	21.12
Deletion/Adjustment	-	-	-
<b>Balance as at March 31, 2017</b>	<b>116.73</b>	<b>962.18</b>	<b>1,078.91</b>
Additions	-	7.41	7.41
Deletion/Adjustment	-	(961.14)	(961.14)
<b>Balance as at March 31, 2018</b>	<b>116.73</b>	<b>8.45</b>	<b>125.18</b>
<b>Accumulated depreciation/amortisation</b>			
As at April 01, 2016	9.28	961.49	970.77
Charged for the year	10.32	0.25	10.57
Deletion/Adjustment	-	-	-
<b>Balance as at March 31, 2017</b>	<b>19.60</b>	<b>961.74</b>	<b>981.34</b>
Charged for the year	10.91	1.38	12.29
Deletion/Adjustment	-	(961.13)	(961.13)
<b>Balance as at March 31, 2018</b>	<b>30.51</b>	<b>1.99</b>	<b>32.50</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>86.50</b>	<b>0.52</b>	<b>87.02</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>97.13</b>	<b>0.44</b>	<b>97.57</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>86.22</b>	<b>6.46</b>	<b>92.68</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

**SORIL**

**INFRA RESOURCES**

(All amounts in ₹ lakhs, unless otherwise stated)

**Note:-**

**Discarded fixed assets:-**

During the year ended March 31, 2018, the Company has discarded unusable fixed assets at gross book value of ₹ 1,587.12 Lakhs.

**Property, plant and equipment pledge as security:-**

Property, plant and equipment and other intangible assets has been pledge as security for bank borrowings.

**Capitalisation of borrowing cost:-**

No borrowing cost has been capitalised in property, plant and equipment and other intangible assets.

NOTE – 6	March 31, 2018	March 31, 2017	April 01, 2016
<b>A Investments - non-current</b>			
<b>Investment in equity shares</b>			
<b>Subsidiary - Unquoted</b>			
Store One Infra Resources Limited* (in 50000 Shares)	5.00	5.00	5.00
<b>Total of non current investments</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>B Investments - current</b>			
<b>Investment in mutual funds (quoted)</b>			
Indiabulls Liquid Fund - Direct Plan - Growth. [35370.489 (March 31, 2017: Nil, April 01, 2016: Nil) units]	600.68	-	-
<b>Total of current investments</b>	<b>600.68</b>	-	-
Aggregate book value of unquoted investments	5.00	5.00	5.00
Aggregate book value of quoted investments	600.68	-	-
Aggregate market value of quoted investments	600.68	-	-

\* Investment in equity instruments represent investment in subsidiary are stated at cost as per Ind AS 27 'Separate Financial Statements'.

**NOTE – 7**

**A Loans - non-current**

**Unsecured, considered good**

Security deposits	47.93	19.34	53.46
Inter-corporate loans - Related parties	-	215.00	-
<b>Total of non-current loans</b>	<b>47.93</b>	<b>234.34</b>	<b>53.46</b>

**B Loans - current**

**Unsecured, considered good**

Security deposits	29.02	10.11	66,858.00
Inter-corporate loans to related parties	11,903.33	3,014.33	-
Interest accrued on Inter-corporate loans to related parties	-	10.21	-
Inter-corporate loans to other parties	-	9,500.00	-
<b>Total of current loans</b>	<b>11,932.35</b>	<b>12,534.65</b>	<b>66,858.00</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE – 8	March 31, 2018	March 31, 2017	April 01, 2016
<b>A Other financial assets - non-current</b>			
Bank deposits with more than 12 months maturity	0.75	1.00	1.00
Interest accrued on bank deposits	0.00	0.01	0.09
<b>Total of non-current other financial assets</b>	<b>0.75</b>	<b>1.01</b>	<b>1.09</b>
<b>B Other financial assets - current</b>			
Loans to employees	-	5.92	9.78
Others with related party	1.42	-	-
<b>Total of current other financial assets</b>	<b>1.42</b>	<b>5.92</b>	<b>9.78</b>
<b>NOTE – 9</b>			
<b>Deferred tax assets, (net)</b>			
Minimum Alternative Tax credit entitlement	36.35	-	-
<b>Total of deferred tax assets</b>	<b>36.35</b>	<b>-</b>	<b>-</b>
<b>NOTE – 10</b>			
<b>Non-current tax assets, (net)</b>			
Advance income tax, including tax deducted at source (net of provisions)	1,322.70	2,333.25	2,147.08
<b>Total of non-current tax assets</b>	<b>1,322.70</b>	<b>2,333.25</b>	<b>2,147.08</b>
<b>NOTE – 11</b>			
<b>A Other non-current assets</b>			
Capital advance	94.45	11.96	8.87
Prepaid expenses	411.97	31.51	12.29
<b>Total of other non-current assets</b>	<b>506.42</b>	<b>43.47</b>	<b>21.16</b>
<b>B Other current assets</b>			
Advance to material/service providers	285.81	284.69	213.57
Prepaid expenses	-	53.15	26.12
Balances with statutory authorities	325.10	138.69	26.50
Others	14.53	4.95	0.31
<b>Total of other current assets</b>	<b>625.44</b>	<b>481.48</b>	<b>266.50</b>
<b>NOTE – 12</b>			
<b>Inventories</b>			
<b>(At lower of cost or net realizable value)</b>			
Stores and spares	72.32	82.47	54.10
Stock of LED Lighting	181.37	-	-
<b>Total of inventories</b>	<b>253.69</b>	<b>82.47</b>	<b>54.10</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 13</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>Trade Receivables - current</b>			
Unsecured, considered good	4,428.93	2,900.67	3,400.01
<b>Total of trade receivables</b>	<b>4,428.93</b>	<b>2,900.67</b>	<b>3,400.01</b>

<b>NOTE – 14</b>				
<b>Cash and cash equivalents</b>				
Cash on hand	17.68	4.23	0.22	
Foreign currency on hand	0.44	-	-	
Balances with banks:				
- in current accounts	452.35	2,081.87	372.14	
Bank deposits with original maturity upto three months*	-	-	43.50	
Interest accrued on bank deposits	-	-	0.12	43.62
<b>Total of cash and cash equivalents</b>	<b>470.47</b>	<b>2,086.10</b>	<b>415.98</b>	

<b>NOTE – 15</b>						
<b>Other bank balances</b>						
Bank deposits *						
With maturity of more than three months and upto twelve months	26.65	2.00	4.87			
With maturity of more than twelve months	0.75	1.00	1.00			
	27.40	3.00	5.87			
Less: Non-current bank balances in fixed deposit accounts	0.75	26.65	1.00	2.00	1.00	4.87
Interest accrued on bank deposits	0.26	0.02	0.02			0.39
<b>Total of other bank balances</b>	<b>26.91</b>	<b>2.02</b>	<b>5.26</b>			

\* Bank deposits of ₹ 2.00 lakhs (March 31, 2017: ₹ 2.00 lakhs, April 01, 2016: ₹ 2.00 lakhs) have been lien marked as a security for valued added tax registration with various states.

\* Bank deposits of ₹ 25.39 lakhs (March 31, 2017: ₹ 1.00 lakhs, April 01, 2016: ₹ 47.37 lakhs) have been pledged against bank guarantees, letter of credit.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE – 16	March 31, 2018		March 31, 2017		April 01, 2016	
	Number	in ₹ Lakhs	Number	in ₹ Lakhs	Number	in ₹ Lakhs
<b>Equity share capital</b>						
<b>i Authorised</b>						
Equity share capital of face value of ₹ 10 each	28,000,000	2,800.00	28,000,000	2,800.00	28,000,000	2,800.00
Preference shares of face value ₹ 10 each (refer note (vi) & (vii) below)	4,000,000	400.00	4,000,000	400.00	4,000,000	400.00
		<u>3,200.00</u>		<u>3,200.00</u>		<u>3,200.00</u>
<b>ii Issued, subscribed and fully paid up*</b>						
Equity share capital of face value of ₹ 10 each fully paid up	27,600,000	2,760.00	27,600,000	2,760.00	27,600,000	2,760.00
		<u>2,760.00</u>		<u>2,760.00</u>		<u>2,760.00</u>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>						
<b>Equity shares</b>						
Balance at the beginning of the year	27,600,000	2,760.00	27,600,000	2,760.00	27,600,000	2,760.00
Add: Issued during the year	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<u>27,600,000</u>	<u>2,760.00</u>	<u>27,600,000</u>	<u>2,760.00</u>	<u>27,600,000</u>	<u>2,760.00</u>
<b>iv Details of shareholder holding more than 5% share capital</b>						
SORIL Holding and Ventures Limited, Holding Company (formerly known as Indiabulls Wholesale Services Limited)						
Equity shares of face value ₹ 10 each	20,383,310	2,038.33	20,383,310	2,038.33	20,383,310	2,038.33
<b>v Rights, preferences and restrictions attached to equity</b>						
The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.						
<b>vi</b> 9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each fully paid up issued at premium of ₹ 870 each is presented as unsecured borrowings.						
<b>vii</b> Dividend on preference share @ 9% per annum has to be accrued and paid on approval by the Board of Directors. Preference dividend is presented as finance cost in congruence with the presentation of preference share as unsecured borrowings.						

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 17**  
**Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income	Total Other Equity
	Deferred Employee Compensation reserve	Securities Premium Reserve	Retained Earnings	Re-measurement of defined benefits plans	
<b>Balance as at April 01, 2016</b>	-	<b>12,149.25</b>	<b>(19,902.19)</b>	-	<b>(7,752.94)</b>
Profit/(Loss) for the period	-	-	3,189.70	-	3,189.70
Other Comprehensive Income	-	-	-	(13.42)	(13.42)
Proposed dividend on preference shares	-	-	-	-	-
Corporate dividend tax thereon	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	-	<b>12,149.25</b>	<b>(16,712.49)</b>	<b>(13.42)</b>	<b>(4,576.66)</b>
Profit/(Loss) for the period	-	-	1,784.49	-	1,784.49
Other Comprehensive Income	-	-	-	(2.82)	(2.82)
Proposed dividend on preference shares	-	-	(26.76)	-	(26.76)
Corporate dividend tax thereon	-	-	(5.45)	-	(5.45)
Deferred employee compensation expense (refer Note- 26)	191.36	-	-	-	191.36
<b>Balance as at March 31, 2018</b>	<b>191.36</b>	<b>12,149.25</b>	<b>(14,960.21)</b>	<b>(16.24)</b>	<b>(2,635.84)</b>

**Nature and purpose of other reserves**

**Securities premium reserve**

Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013

**Deferred employee compensation reserve**

The reserve is used to recognize the expenses related to stock options issued to employees under the Company's employee stock option scheme.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 18</b>	<b>March 31, 2018</b>		<b>March 31, 2017</b>		<b>April 01, 2016</b>	
<b>A Borrowings non-current</b>						
<b>Secured borrowings:</b>						
<b>Term loans</b>						
From banks	3,025.05		2,840.96		3,877.92	
Less: Current maturities of long-term borrowings	<u>2,214.13</u>	810.92	<u>2,157.31</u>	683.65	<u>2,284.72</u>	1,593.20
<b>Unsecured borrowings:</b>						
From related parties		-		-		2,065.00
Others		-		2,700.00		1,200.00
<b>Total of non-current borrowings</b>		<u><b>810.92</b></u>		<u><b>3,383.65</b></u>		<u><b>4,858.20</b></u>

**Repayment terms (including current maturities) and security details**

Name of the bank	As at	Loan outstanding	Rate of interest	Repayment terms	Nature of security
Kotak Mahindra Bank Limited	March 31, 2018	278.33	10.25 to 12.91%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	515.21			
	April 1, 2016	291.03			
ICICI Bank Limited	March 31, 2018	22.23	11.00%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	61.33			
	April 1, 2016	99.57			
	March 31, 2018	-	10.60%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	185.66			
	April 1, 2016	388.56			
	March 31, 2018	65.20	9.36%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	115.70			
	April 1, 2016	-			
March 31, 2018	-	10.92 to 12.23%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by SORIL Holdings and Ventures Limited	
March 31, 2017	121.78				
April 1, 2016	436.51				
HDFC Bank Limited	March 31, 2018	-	11.50%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	255.44			
	April 1, 2016	940.79			
	March 31, 2018	1,500.00	9.10%	Repayable within 4 months.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	-			
	April 1, 2016	-			
	March 31, 2018	785.18	9.65 to 10.65%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by SORIL Holdings and Ventures Limited
March 31, 2017	1,126.84				
April 1, 2016	1,016.37				
Axis Bank Limited	March 31, 2018	374.11	11.50%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	March 31, 2017	459.02			
	April 1, 2016	705.08			
Total	March 31, 2018	3,025.05			
	March 31, 2017	2,840.96			
	April 1, 2016	3,877.92			

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

**SORIL**

**INFRA RESOURCES**

(All amounts in ₹ lakhs, unless otherwise stated)

Name of party	As at	Loan outstanding	Rate of interest	Repayment terms	Nature of security
SORIL Holding and Ventures Limited, Holding Company (formerly known as Indiabulls Wholesale Services Limited)	March 31, 2018	-	9.00%	4 years from the date of first disbursement	Unsecured
	March 31, 2017	-			
	April 1, 2016	1,711.00			
Albasta Wholesale Services Limited, Fellow Subsidiary Company	March 31, 2018	-	9.00%	8 years from the date of first disbursement	Unsecured
	March 31, 2017	-			
	April 1, 2016	354.00			
IVL Finance Limited (formerly known as Shivshakti Financial Services Limited)	March 31, 2018	-	9.00%	2 years from the date of first disbursement	Unsecured
	March 31, 2017	2,700.00			
	April 1, 2016	-			
Indiabulls Distribution Services Limited	March 31, 2018	-	9.00%	2 years from the date of first disbursement	Unsecured
	March 31, 2017	-			
	April 1, 2016	1,200.00			
<b>Total</b>	March 31, 2018	-			
	March 31, 2017	2,700.00			
	April 1, 2016	3,265.00			

B Borrowings-current	March 31, 2018		March 31, 2017		April 01, 2016	
	Number	in ₹ Lakhs	Number	in ₹ Lakhs	Number	in ₹ Lakhs
<b>Secured borrowings:</b>						
Working capital loan from bank (refer note (v) below)		2,083.71		1,996.09		-
<b>Unsecured borrowings:</b>						
<b>Preference Shares</b>						
9% Redeemable non-cumulative, non-convertible preference share of face value of ₹ 10 each	2,973,450	26,166.36	2,973,450	26,166.36	2,973,450	26,166.36
<b>Total of current borrowings</b>		<b>28,250.07</b>		<b>28,162.45</b>		<b>26,166.36</b>

i Reconciliation of number of preference shares outstanding at the beginning and at the end of the year	March 31, 2018		March 31, 2017		April 01, 2016	
Balance at the beginning of the year	2,973,450	26,166.36	2,973,450	26,166.36	2,973,450	26,166.36
Add: Issued during the year	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,973,450</b>	<b>26,166.36</b>	<b>2,973,450</b>	<b>26,166.36</b>	<b>2,973,450</b>	<b>26,166.36</b>

ii Rights, preferences and restrictions attached to preference shares

All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

iii Details of preference shareholder holding more than 5% share capital	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Name of the preference shareholder	Number of shares	Number of shares	Number of shares
- SORIL Holding and Ventures Limited, Holding Company (formerly known as Indiabulls Wholesale Services Limited)	1,979,500	1,979,500	1,979,500
- Albasta Wholesale Services Limited, Fellow Subsidiary Company	993,950	993,950	993,950

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

- iv 9% Redeemable non-cumulative, non-convertible preference share presented as unsecured borrowings as per Ind AS accounting standard.
- v The Company has working capital facility with RBL Bank Limited. Cash Credit Facility of ₹ 1,083.71 (March 31, 2017: ₹ 1,996.09, April 01, 2016: Nil) Lakhs having an interest rate of 9.6% (March 31, 2017: 10%) per annum and foreign currency term loan of ₹ 1,000.00 (March 31, 2017: Nil, April 01, 2016: Nil) Lakhs at interest rate of 8.45% per annum. The cash credit facility is of ₹ 3,000.00 lakhs and is secured against (i) first charge on all current assets includes book debts, inventory and others assets (both present and future) of the Company other than those assets exclusively charged to other lenders. (ii) Further Secured by corporate guarantee given by holding company SORIL Holding and Ventures Limited (formerly known as Indiabulls Wholesale Services Limited).

NOTE – 19	March 31, 2018	March 31, 2017	April 01, 2016
<b>A Provisions non-current</b>			
Provision for employee benefits:			
Gratuity	146.91	87.48	56.18
Compensated absences	71.49	38.95	31.08
<b>Total of non-current provisions</b>	<b>218.40</b>	<b>126.43</b>	<b>87.26</b>
<b>B Provisions -current</b>			
Provision for employee benefits:			
Gratuity	6.10	4.30	1.53
Compensated absences	7.24	5.89	0.77
Dividend on preference shares	-	-	26.76
Corporate dividend tax on dividend on preference shares	-	-	5.45
<b>Total of current provisions</b>	<b>13.34</b>	<b>10.19</b>	<b>34.51</b>
<b>NOTE – 20</b>			
<b>A Other non-current liabilities</b>			
Obligation under operating lease	148.08	144.54	-
<b>Total of other non-current liabilities</b>	<b>148.08</b>	<b>144.54</b>	-
<b>B Other current liabilities</b>			
Payable to statutory authorities	162.01	65.08	661.22
Advance from customers	241.40	427.62	2,214.14
Other liabilities	-	135.75	132.89
<b>Total of other current liabilities</b>	<b>403.41</b>	<b>628.45</b>	<b>3,008.25</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 21</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>Trade payables - current</b>			
Due to micro and small enterprises*	253.73	-	-
Due to others	<u>1,437.12</u>	<u>1,585.37</u>	<u>3,847.50</u>
<b>Total of current trade payables</b>	<b><u>1,690.85</u></b>	<b><u>1,585.37</u></b>	<b><u>3,847.50</u></b>

\* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act, 2006”) as at:-

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	253.73	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	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	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

<b>NOTE – 22</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
<b>Other financial liabilities - current</b>			
Current maturities of non-current secured borrowings from banks	2,214.13	2,157.31	2,284.72
Interest accrued but not due on term loans from banks	10.58	14.78	25.63
Security deposits-others	140.19	143.29	52,690.00
Expenses payable	<u>599.21</u>	<u>479.51</u>	<u>518.61</u>
<b>Total of current other financial liabilities</b>	<b><u>2,964.11</u></b>	<b><u>2,794.89</u></b>	<b><u>55,518.96</u></b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 23</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Revenue from operations</b>		
Income from management and maintenance services	8,524.27	8,037.11
Revenue from equipment renting services	5,214.67	6,610.40
Revenue from construction and advisory services	-	4,235.00
Trading goods - others	432.40	439.64
Trading goods - scrap	91.33	242.42
Trading goods - LED Lighting	2,192.04	-
<b>Total of revenue from operations</b>	<b><u>16,454.71</u></b>	<b><u>19,564.57</u></b>
 <b>NOTE – 24</b>		
<b>Other income</b>		
Dividend on units of mutual funds	4.95	16.36
Interest income on loans and advances to:		
- Related party	943.59	80.67
- Others	508.32	340.27
Interest income on fixed deposits	1.39	0.28
Interest on income tax refund	124.23	107.20
Foreign exchange - gain (net)	1.85	-
Miscellaneous income	1.19	2.67
Liabilities written back	-	1,403.46
<b>Total of other income</b>	<b><u>1,585.52</u></b>	<b><u>1,950.91</u></b>
 <b>NOTE – 25</b>		
<b>Cost of material and services</b>		
Cost of material consumed	1,383.55	-
Purchase of trading goods	34.07	53.85
Consumables	220.80	586.53
Rent expenses	497.17	444.82
Transportation charges	249.85	178.90
Labour charges	2,011.05	1,809.84
Repairs and maintenance:		
- Plant and machinery	391.66	230.88
- Others for building under maintenance	224.12	187.63
Lift operating and management charges	679.35	589.12
Gardening and maintenance	53.83	42.88
Common area electricity and water charges	426.64	495.43
Security charges	853.46	966.01
Management and construction advisory services	-	3,819.00
Property management and assets maintenance services	869.25	2,861.61
Travelling and conveyance	521.58	1,681.55
<b>Total of cost of material and services</b>	<b><u>8,416.38</u></b>	<b><u>13,948.05</u></b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

<b>NOTE – 26</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Employee benefits expense</b>		
Salaries and wages	2,889.24	1,379.26
Gratuity and leave encashment	93.04	36.69
Contribution to provident fund and other funds	18.73	4.19
Share based payment expenses (refer Note - 40)	191.36	-
Staff welfare expenses	41.40	60.51
<b>Total of employee benefits expense</b>	<b>3,233.77</b>	<b>1,480.65</b>
<b>NOTE – 27</b>		
<b>Finance costs</b>		
Bank charges	2.06	0.17
Interest on taxes	0.16	3.04
Interest on borrowings	786.25	656.89
<b>Total of finance costs</b>	<b>788.47</b>	<b>660.10</b>
<b>NOTE – 28</b>		
<b>Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	1,458.93	1,415.08
Amortisation on other intangible assets	12.29	10.57
<b>Total of depreciation and amortisation expense</b>	<b>1,471.22</b>	<b>1,425.65</b>
<b>NOTE – 29</b>		
<b>Other expenses</b>		
Advertisement and sales promotion	205.40	8.10
Auditor's remuneration - as auditor (refer note (i) below)	20.00	20.10
Communication expenses	23.11	17.81
Office expenses	35.83	24.33
Corporate social responsibility expenses (refer note (ii) below)	74.25	79.36
Insurance expenses	47.74	50.03
Legal and professional charges	146.77	138.32
Travelling and conveyance expenses	196.93	42.19
Printing and stationery	17.47	16.93
Rates and taxes	9.09	33.19
Rent expenses	1,560.50	126.05
Repairs and maintenance - others	0.25	-
Software expenses	2.16	-
Donations and contributions	0.10	250.00
Miscellaneous expenses	6.11	4.92
<b>Total of other expenses</b>	<b>2,345.71</b>	<b>811.33</b>
<b>(i) Details of payment to auditors</b>		
Audit fees	20.00	20.10*
	<b>20.00</b>	<b>20.10</b>

\* including swachh bharat cess

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year ended March 31, 2018 : ₹ 74.25 lakhs (March 31, 2017 : ₹ 79.36 lakhs).

(b) Amount spent during the year on:

Particulars	Period	Paid in cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	March 31, 2018	Nil	-	Nil
	March 31, 2017	Nil	-	Nil
ii) On purposes other than (i) above	March 31, 2018	74.25	-	74.25
	March 31, 2017	79.36	-	79.36

NOTE – 30

March 31, 2018      March 31, 2017

Tax Expense

Tax expense comprises of:

Current tax (including earlier years)	36.54		
Less: Minimum alternate credit entitlement	(36.35)	0.19	-
Income tax expense reported in the statement of profit and loss		<u>0.19</u>	<u>-</u>

Reconciliation of tax expenses and the accounting profit multiplied by Tax rate:-

Particulars	March 31, 2018	March 31, 2017
Profit before income tax expenses	1,784.68	3,189.70
Tax using companies domestic tax rate:- 34.608% (March 31, 2017:- 34.608%)	617.64	1,103.89
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Corporate social responsibility expenses	25.70	27.46
Employee share based payment expense	66.23	-
Donation and subscription	0.10	86.52
Other items	0.06	(4.34)
Tax impact of expenses with temporary difference	(134.44)	(179.16)
Previously unrecognised tax losses now recouped to reduce current tax expenses	(504.74)	(1,104.90)
Tax impact of earlier year items	(70.53)	70.53
Adjustment of tax relating to earlier periods	0.19	-
Income tax expenses	0.19	0.00

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 31**

**Earnings per equity share**

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed by using the weighted average number of dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit/(loss) after tax	1,784.49	3,189.70
Less:- Dividend on preference share including corporate dividend tax	26.76	-
Less: Share of minority interest	5.45	-
Profit/(loss) attributable to equity shareholders	1,752.28	3,189.70
Weighted average number of shares used in computing basic earnings per equity share	27600000	27600000
Weighted average number of shares used in computing diluted earnings per equity share	27600000	27600000
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	6.35	11.56
Diluted earnings per equity share (₹)	6.35	11.56

Option granted to employees under the Schemes, SORIL Infra ESOS-2009 and SORIL Infra ESOS-2009(II), are considered to be potential equity shares. They have been included in the determination of diluted earning per share to the extent they are dilutive. Details relating to the option are set out in Note -41.

**NOTE – 32**

**Financial instruments-accounting, classifications and fair value measurements**

**A Classification of financial assets and liabilities:**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial assets at amortised cost</b>			
Trade receivables	4,428.93	2,900.67	3,400.01
Loans	11,903.33	12,739.54	-
Cash and cash equivalents	470.47	2,086.10	415.98
Other bank balances	26.91	2.02	5.26
Security deposits	76.95	29.45	66,911.46
Other financial assets	2.17	6.93	10.87
<b>Financial assets at fair value through Profit and Loss</b>			
Investments (Mutual funds)	600.68	-	-
<b>Total financial assets</b>	<b>17,509.44</b>	<b>17,764.71</b>	<b>70,743.58</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings	29,060.99	31,546.10	31,024.56
Trade payables	1,690.85	1,585.37	3,847.50
Other financial liabilities	2,964.11	2,794.89	55,518.96
<b>Total financial liabilities</b>	<b>33,715.95</b>	<b>35,926.36</b>	<b>90,391.02</b>

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### B Fair value hierarchy of financial assets and liabilities measured at fair value:

The fair values of the financial assets and liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<b>Financial Assets at fair value through Profit and Loss</b>			
Investments (Mutual funds)--Level 1	600.68	-	-
<b>Total</b>	<b>600.68</b>	-	-

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting period ending March 31, 2018 and March 31, 2017, there was no transfer between level 1 and level 2 fair value measurement.

### NOTE – 33

#### Financial risk management objectives

The Company's principal financial liabilities comprise of borrowings, trade and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, investments, cash and cash equivalents, other bank balances and other financial assets that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

#### A Credit risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

The customer profile largely includes renowned private corporates and industries houses, accordingly company's customer credit risk is very low. In case of equipment renting business the project cycle is around 9 to 24 Months. General payment terms provide for mobilisation advance, security deposit with a credit period of 30-90 days; for LED lighting business the company collects earnest money deposits and has a credit rating mechanism.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined.

(All amounts in ₹ lakhs, unless otherwise stated)

As per simplified approach, the Company will makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets:—

**As at March 31, 2018**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	470.47	-	470.47
Other bank balances	26.91	-	26.91
Trade receivables	4,428.93	-	4,428.93
Loans	11,903.33	-	11,903.33
Security deposit	76.95	-	76.95
Other financial assets	2.17	-	2.17

**As at March 31, 2017**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	2,086.10	-	2,086.10
Other bank balances	2.02	-	2.02
Trade receivables	2,900.67	-	2,900.67
Loans	12,739.54	-	12,739.54
Security deposit	29.45	-	29.45
Other financial assets	6.93	-	6.93

**As at April 01, 2016**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	415.98	-	415.98
Other bank balances	5.26	-	5.26
Trade receivables	3,400.01	-	3,400.01
Loans	-	-	-
Security deposit	66,911.46	-	66,911.46
Other financial assets	10.87	-	10.87

**B Liquidity risk**

The Company manages liquidity risk by maintaining sufficient cash and investment in mutual funds and loan given to fellow subsidiaries and by having access to funding through an adequate amount of committed credit line. Given the need to fund diverse businesses, the Company maintains flexibility in funding by maintaining availability under committed credit line to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Borrowings (including current maturities)	30,464.20	317.15	269.32	224.45	31,275.12
Trade payable	1,690.85	-	-	-	1,690.85
Other financial liabilities	749.98	-	-	-	749.98
<b>Total</b>	<b>32,905.03</b>	<b>317.15</b>	<b>269.32</b>	<b>224.45</b>	<b>33,715.95</b>

March 31, 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Borrowings (including current maturities)	30,319.77	3,331.97	51.68	-	33,703.41
Trade payable	1,585.37	-	-	-	1,585.37
Other financial liabilities	637.58	-	-	-	637.58
<b>Total</b>	<b>32,542.72</b>	<b>3,331.97</b>	<b>51.68</b>	<b>-</b>	<b>35,926.36</b>

April 01, 2016	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Borrowings (including current maturities)	28,451.08	4,652.91	205.29	-	33,309.28
Trade payable	3,847.50	-	-	-	3,847.50
Other financial liabilities	53,234.24	-	-	-	53,234.24
<b>Total</b>	<b>85,532.82</b>	<b>4,652.91</b>	<b>205.29</b>	<b>-</b>	<b>90,391.02</b>

**C Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

**(i) Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. Equipment loans are on fixed rate basis and hence not subject to interest rate risk. The cash credit facility is on floating rate basis.

**Interest Rate Exposure:**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Fixed rate borrowings	3,025.05	5,540.96	7,142.92
Floating rate borrowings	2,083.71	1,996.09	-
<b>Total</b>	<b>5,108.76</b>	<b>7,537.05</b>	<b>7,142.92</b>
Interest rate sensitivities for floating rate borrowings (impact of increase in 1%):	20.84	19.96	-

**Note:** If the rate is increase/decrease by 1%, the profit will decrease/increase by an equal amount.

(All amounts in ₹ lakhs, unless otherwise stated)

**(ii) Equity price risk:**

The Company is not exposed to equity price risk arising from Equity Investments (other than Subsidiary, carried at cost).

**(iii) Foreign exchange risk:**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of LED leghiting, capital equipment and spare parts.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures.

**Foreign currency risk exposure:**

Amount in ₹ Lakhs

Particulars	Currency	March 31, 2018		March 31, 2017		April 01, 2016	
		INR	Foreign currency	INR	Foreign currency	INR	Foreign currency
Trade payables	USD	28.65	0.44	-	-	-	-
	EUR	-	-	-	-	2.28	0.03
Advances	USD	2.40	0.04	-	-	8.87	0.13
	EUR	41.58	0.52	19.87	0.29	21.55	0.29

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Amount in ₹ Lakhs

Particulars	Currency	Exchange rate increase by 1%			Exchange rate decrease by 1%		
		March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Trade payables	USD	0.29	-	-	(0.29)	-	-
	EUR	-	-	0.02	-	-	(0.02)
Advances	USD	0.02	-	0.09	(0.02)	-	(0.09)
	EUR	0.42	0.20	0.22	(0.42)	(0.20)	(0.22)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 34**  
**Segment reporting**

Disclosure pursuant to Ind AS 108 "Operating Segment". Information about reportable segments are given below:-  
(a) Primary segment information (by business segments)

Particulars	Management and maintenance services		Equipment renting services		LED Lighting		Construction, advisory and other related activities		Total	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>(i) Segment Revenue</b>										
External Revenue	8,598.69	7,737.11	5,231.58	6,687.28	2,192.04	-	432.40	5,140.18	16,454.71	19,564.57
Inter-Segment Revenue	8,598.69	7,737.11	5,231.58	6,687.28	2,192.04	-	432.40	5,140.18	16,454.71	19,564.57
<b>Total Revenue</b>										
<b>Segment Result</b>										
Profit/(Loss) before tax and interest	2,922.38	826.01	902.17	1,043.31	(824.01)	-	177.88	426.04	3,178.42	2,295.36
Add/Less: Unallocated expenditure net of other unallocated income										(978.38)
Operating Profit										2,200.04
Less: interest expense										415.36
<b>Total Profit from operating activities before tax</b>										<b>1,784.68</b>
<b>Segment Assets and Liabilities</b>										<b>3,189.70</b>
Segment Assets	1,444.87	588.63	16,278.97	16,156.34	1,464.64	-	-	8.06	19,188.48	16,753.03
Unallocated Corporate Assets									15,434.86	18,266.28
Total Assets									34,623.34	35,019.31
Segment Liabilities	1,598.68	2,274.72	4,520.35	3,449.27	609.61	-	-	19.89	6,728.64	5,743.88
Unallocated Corporate Liabilities									27,770.54	31,092.08
Total Liabilities									34,499.18	36,835.96
<b>Capital Employed (Total Assets - Total Liabilities)</b>									<b>124.16</b>	<b>(1,816.66)</b>
<b>Capital Expenditure including capital advances</b>	23.91	39.24	1,453.26	396.03	95.35	-	-	-	1,572.52	435.27
Unallocated Capital Expenditure including capital advances									171.57	20.59
<b>Total Capital Expenditure including capital advances</b>									<b>1,744.09</b>	<b>455.86</b>
<b>Depreciation and amortization expense</b>	35.86	25.17	1,181.96	1,148.28	11.97	-	-	-	1,229.79	1,173.45
Unallocated Depreciation and amortization expense									241.43	252.20
<b>Total Depreciation and amortization expense</b>									<b>1,471.22</b>	<b>1,425.65</b>
<b>Non-Cash expenditure other than depreciation</b>	3.54	144.54	-	-	-	-	-	-	3.54	144.54
Unallocated Non-Cash expenditure other than depreciation									283.55	38.37
<b>Total Non-Cash Expenditure other than depreciation</b>									<b>287.09</b>	<b>182.91</b>

b) The Company's primary business segments are reflected based on principal business activities carried on by the Company. The Company operates in four reportable business segments i.e. Facility Maintenance Services, Equipment Renting Services, LED Lighting and Construction, advisory and other related activities. Other non-reportable segments including wholesale trading has been shown under unallocated.

c) The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

d) Revenues and expenses directly attributable to segments are reported under each reportable segment. All other revenue and expenses which are not attributable or allocable to segments have been disclosed as unallocable revenue and expenses respectively. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 35**

**First time adoption of Ind AS:**

The Company has prepared financial statements for the year ended March 31, 2018, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

In preparing its Ind AS balance sheet as at April 01, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**Optional exemptions availed and mandatory exceptions**

In preparing these financial statements, the Company has applied below mentioned optional exemptions and mandatory exceptions:

**A. Optional exemptions availed**

**Property, plant and equipments**

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to (a) fair value or (b) cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
- (iii) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

**Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**B. Mandatory exceptions**

**Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on expected credit loss model.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE – 35 (contd.)

C Reconciliation of total equity as at March 31, 2017 and April 01, 2016

Particulars	March 31, 2017			April 01, 2016		
	Previous GAAP*	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Non-current assets</b>						
Property, plant and equipment	14,211.36	-	14,211.36	15,203.66	-	15,203.66
Other intangible assets	97.57	-	97.57	87.02	-	87.02
Financial assets						
Investments	5.00	-	5.00	5.00	-	5.00
Loans	234.34	-	234.34	53.46	-	53.46
Other financial assets	1.01	-	1.01	1.09	-	1.09
Non-current tax assets, (net)	2,333.25	-	2,333.25	2,147.08	-	2,147.08
Other non-current assets	43.47	-	43.47	21.16	-	21.16
<b>Total of non-current assets</b>	<b>16,926.00</b>	-	<b>16,926.00</b>	<b>17,518.47</b>	-	<b>17,518.47</b>
<b>Current assets</b>						
Inventories	82.47	-	82.47	54.10	-	54.10
Financial assets						
Trade receivables	2,900.67	-	2,900.67	3,400.01	-	3,400.01
Cash and cash equivalents	2,086.10	-	2,086.10	415.98	-	415.98
Other bank balances	2.02	-	2.02	5.26	-	5.26
Loans	12,534.65	-	12,534.65	66,858.00	-	66,858.00
Other financial assets	5.92	-	5.92	9.78	-	9.78
Other current assets	481.48	-	481.48	266.50	-	266.50
<b>Total of current assets</b>	<b>18,093.31</b>	-	<b>18,093.31</b>	<b>71,009.63</b>	-	<b>71,009.63</b>
<b>Total of assets</b>	<b>35,019.31</b>	-	<b>35,019.31</b>	<b>88,528.10</b>	-	<b>88,528.10</b>
<b>Equity</b>						
Equity share capital	3,057.35	(297.35)	2,760.00	3,057.35	(297.35)	2,760.00
Other equity	21,292.36	(25,869.02)	(4,576.66)	18,116.08	(25,869.02)	(7,752.94)
<b>Total of equity</b>	<b>24,349.70</b>	<b>(26,166.36)</b>	<b>(1,816.66)</b>	<b>21,173.42</b>	<b>(26,166.36)</b>	<b>(4,992.94)</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Financial liabilities						
Borrowings	3,383.65	-	3,383.65	4,858.20	-	4,858.20
Provisions	126.43	-	126.43	87.26	-	87.26
Other non-current liabilities	144.54	-	144.54	-	-	-
<b>Total of non-current liabilities</b>	<b>3,654.62</b>	-	<b>3,654.62</b>	<b>4,945.46</b>	-	<b>4,945.46</b>
<b>Current liabilities</b>						
Financial liabilities						
Borrowings	1,996.09	26,166.36	28,162.45	-	26,166.36	26,166.36
Trade payables	1,585.37	-	1,585.37	3,847.50	-	3,847.50
Other financial liabilities	2,794.89	-	2,794.89	55,518.96	-	55,518.96
Other current liabilities	628.45	-	628.45	3,008.25	-	3,008.25
Provisions	10.19	-	10.19	34.51	-	34.51
<b>Total of current liabilities</b>	<b>7,014.99</b>	<b>26,166.36</b>	<b>33,181.35</b>	<b>62,409.22</b>	<b>26,166.36</b>	<b>88,575.58</b>
<b>Total of equity and liabilities</b>	<b>35,019.31</b>	-	<b>35,019.31</b>	<b>88,528.10</b>	-	<b>88,528.10</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 35 (contd.)**

**D Reconciliation of total comprehensive income for the year ended March 31, 2017**

Particulars	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Income</b>			
Revenue from operations	19,564.57	-	19,564.57
Other income	1,950.91	-	1,950.91
<b>Total of Income</b>	<b>21,515.48</b>	-	<b>21,515.48</b>
<b>Expenses</b>			
Cost of material and services	13,948.05	-	13,948.05
Employee benefits expense	1,494.07	(13.42)	1,480.65
Finance costs	660.10	-	660.10
Depreciation and amortisation expense	1,425.65	-	1,425.65
Other expenses	811.33	-	811.33
<b>Total of Expenses</b>	<b>18,339.20</b>	<b>(13.42)</b>	<b>18,325.78</b>
<b>Profit before tax</b>	<b>3,176.28</b>	<b>13.42</b>	<b>3,189.70</b>
Tax expense:			
Current tax (including earlier years)	-	-	-
Deferred tax charge/(credit)	-	-	-
<b>Profit for the year</b>	<b>3,176.28</b>	<b>13.42</b>	<b>3,189.70</b>
<b>Other Comprehensive Income</b>			
Re-measurement (loss)/gain on defined benefits plans	-	(13.42)	(13.42)
Income tax effect on above	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>3,176.28</b>	-	<b>3,176.28</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

**E Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**1 Reconciliation of total equity as at March 31, 2017 and April 01, 2016**

	March 31, 2017	April 01, 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>	24,349.70	21,173.42
<b>Adjustments:</b>		
9% Redeemable non-cumulative, non-convertible preference share presented as unsecured borrowings*	(26,166.36)	(26,166.36)
<b>Total adjustments</b>	<b>(26,166.36)</b>	<b>(26,166.36)</b>
<b>Total equity as per Ind AS</b>	<b>(1,816.66)</b>	<b>(4,992.94)</b>

\* Other equity as at April 01, 2016 has been adjusted consequent to this effect.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 35 (contd.)**

**2 Reconciliation of total comprehensive income for the year ended March 31, 2017**

	<b>March 31, 2017</b>
<b>Profit after tax as per previous GAAP</b>	<b>3,176.28</b>
<b>Adjustments:</b>	
Impact of actuarial gain through other comprehensive income**	13.42
<b>Total adjustments</b>	<b>13.42</b>
<b>Total comprehensive income</b>	<b>3,189.70</b>

**\*\* Actuarial gain and loss**

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses in profit or loss. Accordingly, actuarial loss of ₹13.42 lakhs recognised in the Statement of profit and loss has been recognised under other comprehensive income under Ind AS. However, this has no impact on total comprehensive income and total equity as on April 01, 2016 and as on March 31, 2017.

**3** There is no Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017.

**NOTE – 36**

**Capital management**

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

**Debt equity ratio**

	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 01, 2016</b>
Total debt (bank and other borrowings)	5,108.76	7,537.05	5,077.92
Less: Current investments (mutual funds)	(600.68)	-	-
Less: Cash and cash equivalents, other bank balances	(497.38)	(2,088.12)	(421.24)
<b>Net Debt</b>	<b>4,010.70</b>	<b>5,448.93</b>	<b>4,656.68</b>
Total equity	124.16	(1,816.66)	(4,992.94)
<b>Net debt to equity</b>	<b>32.30</b>	<b>(3.00)</b>	<b>(0.93)</b>

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 37**

**Operating lease**

The Company has taken premises on operating leases and lease rent of ₹ 679.92 Lakhs (March 31, 2017: ₹ 419.30 Lakhs) in respect of the same has been charged to statement of profit and loss for the year ended March 31, 2018. The minimum lease rentals payable in respect of such operating leases, are as under:

Minimum lease rentals payable	For the year ended	
	March 31, 2018	March 31, 2017
Within one year	665.82	607.07
Later than one year but not later than five years	1,736.95	1,903.20
Later than five years	-	-
<b>Total</b>	<b>2,402.78</b>	<b>2,510.27</b>

**NOTE – 38**

**Contingent liabilities and commitment**

**Contingent liabilities, not acknowledged as debt, include:**

- Bank Guarantees\*:  
Bank Guarantees of ₹21.93 lakhs (March 31, 2017: ₹1.25 lakhs, April 01, 2016: ₹1.25 lakhs) issued in favour of VAT Authorities.
- Claims (excluding interest) against the Company not acknowledged as debts: ₹2,780.00 lakhs (March 31, 2017: ₹1,406.03 lakhs, April 01, 2016: ₹148.03 lakhs).
- Open status of letter of credit issued is of ₹ 382.62 lakhs (March 31, 2017: ₹ Nil, April 01, 2016: ₹ Nil).
- Contingent liabilities in respect of income-tax demands for which appeals have been filed ₹ Nil (March 31, 2017: ₹16.89 lakhs, April 01, 2016: ₹165.15 lakhs) and of VAT for which appeals have been filed ₹ Nil (March 31, 2017: ₹ Nil, April 01, 2016: ₹111.64 lakhs).
- There are certain others claims and legal cases against the Company in the ordinary course of business. Management has evaluated the same and depending upon the facts and after due evaluation of legal aspects of each case, no amount has been provided in respect of the claims made against the Company under these cases. Company does not expect any liability and these litigations/lawsuits and claims may, individually or in aggregate, will not have any material adverse effect on the financial position of the Company.

**Commitments**

- Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹1,292.57 lakhs (March 31, 2017: ₹107.69 lakhs, April 01, 2016: ₹79.82 lakhs).

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 39**

**Disclosures in respect of 'related party'**

**(a) Name and nature of relationship with related parties:**

Relationship	Name of related parties
i) Related party exercising control:	
Holding company	SORIL Holding and Ventures Limited (formerly known as Indiabulls Wholesale Services Limited)
ii) Related Party where control exist:	
Wholly Owned Subsidiary	Store One Infra Resources Limited (from November 20, 2015)
iii) Other related parties:	
Fellow Subsidiary Company*	Albasta Wholesale Services Limited Airmid Aviation Services Limited
Key Management Personnel	Mrs. Pia Johnson, Whole Time Director Mr. Surinder Singh Kadyan, Director (from September 28, 2017) Mr. Mehul Johnson, Director (till September 28, 2017) Mr. Vijay Kumar Agrawal, Chief Financial Officer Mr. Vikas Khandelwal, Company Secretary

\* With whom transactions entered during the year (significant transaction)

**(b) Summary of significant transactions with related parties:**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inter corporate deposit taken/(repaid), net</b>		
Holding Company:- SORIL Holding and Ventures Limited	-	(1,711.00)
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	(354.00)
Total	-	(2,065.00)
<b>Inter corporate deposit given/(received back), net</b>		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	(300.00)	955.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	1,154.00	2,059.33
Wholly Owned Subsidiary:-Store One Infra Resources Limited	7,820.00	215.00
Total	8,674.00	3,229.33
<b>Fixed assets</b>		
Sale of fixed assets		
Holding Company:- SORIL Holding and Ventures Limited	123.04	-
Purchase of fixed assets		
Holding Company:- SORIL Holding and Ventures Limited	118.91	-
Wholly Owned Subsidiary:-Store One Infra Resources Limited	141.67	-
Total	383.62	-

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 39 (contd.)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Other Income</b>		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	67.16	53.41
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	285.52	15.91
Wholly Owned Subsidiary:-Store One Infra Resources Limited	590.91	11.34
Total	943.59	80.67
<b>Employee benefit expenses</b>		
Salaries and wages		
Holding Company:- SORIL Holding and Ventures Limited	3.46	-
Total	3.46	-
<b>Operating expenses</b>		
Travelling expenses		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	504.75	1,372.39
Total	504.75	1,372.39
<b>Other expenses</b>		
Legal and professional charges		
Holding Company:- SORIL Holding and Ventures Limited	-	9.80
Total	-	9.80
<b>Finance costs</b>		
Interest on term loan		
Holding Company:- SORIL Holding and Ventures Limited	-	14.21
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	4.10
Total	-	18.31

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

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Inter corporate deposit taken</b>		
Holding Company:- SORIL Holding and Ventures Limited	-	1,711.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	354.00
<b>Inter corporate deposit given</b>		
Fellow Subsidiary Company:-Airmid Aviation Services Limited	955.00	955.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	3,213.33	2,059.33
Wholly Owned Subsidiary:-Store One Infra Resources Limited	18,215.00	215.00

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 39 (contd.)**

**(d) Outstanding balances:**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Inter corporate deposit taken</b>			
Holding Company:- SORIL Holding and Ventures Limited	-	-	1,711.00
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	-	-	354.00
Total	-	-	2,065.00
<b>Inter corporate deposit given</b>			
Fellow Subsidiary Company:-Airmid Aviation Services Limited	655.00	955.00	-
Fellow Subsidiary Company:-Albasta Wholesale Services Limited	3,213.33	2,059.33	-
Wholly Owned Subsidiary:-Store One Infra Resources Limited	8,035.00	215.00	-
Total	11,903.33	3,229.33	-
<b>Trade payable</b>			
Fellow Subsidiary Company:-Airmid Aviation Services Limited	-	-	257.63
Total	-	-	257.63
<b>Other current liabilities</b>			
Holding Company:- SORIL Holding and Ventures Limited	-	-	1.24
Wholly Owned Subsidiary:-Store One Infra Resources Limited	-	10.19	15.55
Total	-	10.19	16.80
<b>Other financial assets - current</b>			
Holding Company:- SORIL Holding and Ventures Limited	1.42	-	-
Total	1.42	-	-
Wholly Owned Subsidiary:-Store One Infra Resources Limited	-	10.21	-
Total	-	10.21	-

**(e) Corporate guarantee:**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Corporate Guarantee given for Secured borrowings			
Holding Company:- SORIL Holding and Ventures Limited	4,295.87	3,703.72	2,157.96

\* Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 40**

**Share Based Payments**

**Employees' Stock Option Schemes of the Company:**

**1. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009**

The Shareholders vide postal ballot passed a special resolution on February 9, 2009 for issue of 15,00,000 (fifteen lakhs) shares towards issue of Employee Stock Option Scheme -2009 in supersession of resolution passed on May 12, 2008 for ESOP -2008.

The Compensation Committee, constituted by the Board of Directors of the Company, at its meeting held on November 03, 2017, granted, under the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009 ("SORIL Infra ESOS-2009" or "Scheme"), 15,00,000 (fifteen lakhs) 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 ₹ 168.30 per option, being the latest available closing market price on the National Stock Exchange of India Limited, on the date of grant. The stock options so granted, shall vest in the eligible employees within 5 years beginning from first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of 5 years from the relevant vesting date.

The Scheme had earlier granted option at ₹ 30.45 per option and no option were exercised and allotted till March 31, 2017.

The title of the Scheme was changed from Store One Retail India Limited Employees Stock Option Scheme – 2009 to SORIL Infra Resources Limited Employee Stock Option Scheme – 2009 as per the revised certificate of incorporation dated December 21, 2016.

Following is a summary of options granted under the Scheme:

Particulars	March 31, 2018	March 31, 2017
Opening balance	Nil	Nil
Granted during the year	1500000	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	1500000	Nil
Exercisable at the year ended	Nil	Nil

Weighted average share price of exercised option on the date of exercise was for the year ended March 31, 2018: ₹ Nil (March 31 2017: ₹ Nil).

The fair value of the option under Scheme using the black scholes model, based on the following parameters is ₹ 18.77 per option, as certified by an independent valuer.

Particulars	Scheme
Fair market value of option on the date of grant (₹)	18.77
Exercise price (₹)	168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the National Stock Exchange of India Limited.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 40 (contd.)**

**2. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II)**

Shareholder's of the Company in their Annual General Meeting held on September 30, 2009 have approved by way of special resolution the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), covering 30,00,000 (thirty lakhs) equity settled options for eligible employees of the Company, its subsidiaries, its fellow subsidiaries and the holding company.

The Compensation Committee, constituted by the Board of Directors of the Company, at its meeting held on November 03, 2017, granted, under the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), 30,00,000 (thirty lakhs) 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 ₹ 168.30 per option, being the latest available closing market price on the National Stock Exchange of India Limited, on the date of grant. The stock options so granted, shall vest in the eligible employees within 5 years beginning from first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of 5 years from the relevant vesting date.

The title of the Scheme-II was changed from Store One Retail India Limited Employees Stock Option Scheme - 2009(II) to SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) as per the revised certificate of incorporation dated December 21, 2016.

Following is a summary of options granted under the Scheme-II

Particulars	March 31, 2018	March 31, 2017
Opening balance	Nil	Nil
Granted during the year	3000000	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	3000000	Nil
Exercisable at the year ended	Nil	Nil

Weighted average share price of exercised option on the date of exercise was for the year ended March 31, 2018: ₹ Nil (March 31, 2017: ₹ Nil).

The fair value of the option under Scheme-II using the black scholes model, based on the following parameters is ₹ 18.77 per option, as certified by an independent valuer.

Particulars	Scheme
Fair market value of option on the date of grant (₹)	18.77
Exercise price (₹)	168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the National Stock Exchange of India Limited.

During the year, the Company has recognised Share based payment expenses of ₹ 191.36 Lakhs (March 31, 2017: ₹ Nil).

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 41**

**Employee benefits**

**Defined contribution plan**

The Company has made ₹ 4.84 lakhs (March 31, 2017 - ₹ 2.41 lakhs) contribution in respect of provident fund.

**Defined benefit plan**

The Company has the following Defined Benefit Plans:

- Gratuity (Unfunded)
- Compensated absences (Unfunded)

**Risks associated with plan provisions:**

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death & liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**Compensated absences**

The leave obligations cover the Company's liability for permitted leaves. The amount of provision of ₹ 78.73 lakhs (March 31, 2017 - ₹ 44.84 lakhs, April 01, 2016 - ₹ 31.84 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 18.96 years (March 31, 2017: 19.13 years).

**Actuarial (gain)/loss on obligation:**

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	(1.67)	2.64
Actuarial (gain)/loss arising from experience adjustment	4.04	(2.35)

**Amount recognised in the statement of profit and loss is as under:**

Particulars	March 31, 2018	March 31, 2017
Total service cost	28.17	10.16
Net interest cost	3.37	2.55
Net actuarial (gain)/loss recognized in the period	2.36	0.29
<b>Expense recognized in the statement of profit and loss</b>	<b>33.90</b>	<b>12.99</b>

**Movement in the liability recognized in the balance sheet is as under:**

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation at the beginning of the year	44.84	31.84
Current service cost	28.17	10.16
Interest cost	3.37	2.55
Actuarial (gain)/loss on obligation	2.36	0.29
Benefits paid	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>78.73</b>	<b>44.84</b>

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 41 (contd.)**

**Bifurcation of projected benefit obligation at the end of the year in current and non-current:**

Particulars	March 31, 2018	March 31, 2017
a) Current liability (amount due within one year)	7.25	5.89
b) Non - current liability (amount due over one year)	71.49	38.95
<b>Total projected benefit obligation at the end of the year</b>	<b>78.73</b>	<b>44.84</b>

**For determination of the liability of the Company, the following actuarial assumptions were used:**

Particulars	Compensated absences		
	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.93%	7.51%	8.00%
Salary escalation rate	5.25%	5.00%	5.00%
Mortality table	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Maturity plan of defined benefit obligation:**

Year	March 31, 2018	Year	March 31, 2017
April, 2018 - March, 2019	7.25	April, 2017 - March, 2018	5.89
April, 2019 - March, 2020	1.29	April, 2018 - March, 2019	0.84
April, 2020 - March, 2021	1.99	April, 2019 - March, 2020	0.67
April, 2021 - March, 2022	1.43	April, 2020 - March, 2021	0.71
April, 2022 - March, 2023	1.26	April, 2021 - March, 2022	0.89
April, 2023 - March, 2024	1.63	April, 2022 - March, 2023	1.11
April, 2024 onwards	63.89	April, 2023 onwards	34.73

**Sensitivity analysis for compensated absences liability:**

Particulars	March 31, 2018	March 31, 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	78.73	44.84
a) Impact due to increase of 0.50%	(4.81)	(2.69)
b) Impact due to decrease of 0.50%	5.27	2.95
Impact of the change in salary increase		
Present value of obligation at the end of the year	78.73	44.84
a) Impact due to increase of 0.50%	5.38	3.01
b) Impact due to decrease of 0.50%	(4.95)	(2.77)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 19.13 years (March 31, 2017: 18.96 years).

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 41 (contd.)**

**Actuarial (gain)/loss recognised in other comprehensive income:**

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	(3.01)	5.49
Actuarial (gain)/loss arising from experience adjustment	5.83	7.92

**Amount recognised in the statement of profit and loss is as under:**

Particulars	March 31, 2018	March 31, 2017
Total service cost	52.24	19.08
Net interest cost	6.89	4.62
Net actuarial (gain) / loss recognized in the period	2.82	13.42
<b>Expense recognized in the statement of profit and loss</b>	<b>61.95</b>	<b>37.12</b>

**Movement in the liability recognized in the balance sheet is as under:**

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation at the beginning of the year	91.79	57.71
Current service cost	52.24	19.08
Interest cost	6.89	4.62
Actuarial (gain)/loss on obligation	2.82	13.42
Benefits paid	(0.73)	(3.04)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>153.01</b>	<b>91.79</b>

**Bifurcation of projected benefit obligation at the end of the year in current and non-current:**

Particulars	March 31, 2018	March 31, 2017
a) Current liability (amount due within one year)	6.10	4.30
b) Non - current liability (amount due over one year)	146.92	87.49
<b>Total projected benefit obligation at the end of the year</b>	<b>153.01</b>	<b>91.79</b>

**For determination of the liability of the Company, the following actuarial assumptions were used:**

Particulars	Gratuity		
	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.93%	7.51%	8.00%
Salary escalation rate	5.25%	5.00%	5.00%
Mortality table	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience

**Maturity plan of Defined Benefit Obligation:**

Year	March 31, 2018	Year	March 31, 2017
April, 2018 - March, 2019	6.10	April, 2017 - March, 2018	4.30
April, 2019 - March, 2020	11.88	April, 2018 - March, 2019	1.12
April, 2020 - March, 2021	3.41	April, 2019 - March, 2020	2.33
April, 2021 - March, 2022	3.35	April, 2020 - March, 2021	7.38
April, 2022 - March, 2023	2.61	April, 2021 - March, 2022	2.31
April, 2023 - March, 2024	2.83	April, 2022 - March, 2023	3.02
April, 2024 onwards	122.83	April, 2023 onwards	71.33

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018 (contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

**NOTE – 41 (contd.)**

**Sensitivity analysis for gratuity liability:**

Particulars	March 31, 2018	March 31, 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	153.01	91.79
a) Impact due to increase of 0.50%	(9.65)	(5.73)
b) Impact due to decrease of 0.50%	10.61	6.32
Impact of the change in salary increase		
Present value of obligation at the end of the year	153.01	91.79
a) Impact due to increase of 0.50%	10.84	6.45
b) Impact due to decrease of 0.50%	(9.93)	(5.89)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

**NOTE – 42**

**Dividend on preference shares**

Under Indian GAAP, Till March 31, 2016, proposed dividends including dividend distribution tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. In accordance with the amendment in Accounting Standard 4 vide notification dated March 30, 2016, applicable to accounting period beginning from April 01, 2016, the proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

Accordingly, preference dividend for ₹ 26.76 lakhs which was declared and approved on May 26, 2017 and dividend distribution tax of ₹ 5.45 lakhs, have been recognised in FY 2017-18.

**NOTE - 43**

**Other information**

- There are no dues payable under section 125 of Companies Act, 2013 as at March 31, 2018.
- In the opinion of the Board of Directors, all current and non-current assets including non-current loans, appearing in the balance sheet as at March 31, 2018, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements and no provision is required to be made against the recoverability of these balances.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Vikas Aggarwal**

Partner

Place: Gurugram

Date: May 02, 2018

**For and on behalf of Board of Directors**

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

**Vijay Kumar Agrawal**

Chief Financial Officer

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**

Company Secretary

(All amounts in ₹ lakhs, unless otherwise stated)

**Annexure: Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures [Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 (Form AOC-I)]**

Sl. No.	Name of Subsidiary	Reporting period	Reporting currency	Share capital	Reserves & surplus	Total assets (other than investments)	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (including corporate dividend tax)	% of shareholding at the end of the reporting period
1	Store One Infra Resources Limited	2017-18	INR	5.00	(94.54)	(89.54)	8,178.39	-	886.05	(58.24)	-	(58.24)	-	100.00%

For and on behalf of the Board of Directors

**Pia Johnson**

Whole Time Director  
(DIN: 00722403)

Place: Gurugram  
Date: May 02, 2018

**Surinder Singh Kadyan**

Director  
(DIN: 03495880)

**Vikas Khandelwal**  
Company Secretary

**Vijay Kumar Agrawal**  
Chief Financial Officer



SORIL INFRA RESOURCES LIMITED  
(Formerly Store One Retail India Limited)

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