

**SORIL**

**INFRA RESOURCES**



**ANNUAL  
REPORT**  
2016-17

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# Company Information

## **Board of Directors**

Ms. Pia Johnson  
Mr. Mehul Johnson  
Mr. Shamsheer Singh Ahlawat  
Mr. Aishwarya Katoch  
Mr. Prem Prakash Mirdha

## **Company Secretary**

Mr. Vikas Khandelwal

## **Chief Financial Officer**

Mr. Vijay Kumar Agrawal

## **Statutory Auditors**

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

## **Internal Auditors**

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**

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**

Indiabulls House,  
448-451, Udyog Vihar,  
Phase-V, Gurugram – 122016

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 Twelfth Annual Report together with audited statement of accounts for the financial year ended March 31, 2017.

### FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2017 are as under:

Particulars	Amount in ₹	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit/ (Loss) before Tax and Depreciation	460,193,134	693,140,922
Less: Depreciation of Fixed Assets	142,565,048	140,400,524
Profit/ (Loss) before Tax	317,628,086	552,740,398
Less: Prior Period Tax Adjustments	-	-
Profit/ (Loss) after Tax	317,628,086	552,740,398
Profit/ (Loss) brought forward	(1,990,219,281)	(2,539,738,782)
Amount available for appropriation	(1,672,591,195)	(1,986,998,384)
Less: Appropriations:		
Proposed dividend on preference shares	-	2,676,105
Corporate dividend tax thereon	-	544,792
Balance carried forward to Balance Sheet	(1,672,591,195)	(1,990,219,281)

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

### BUSINESS OVERVIEW

The Company is in the business of management and maintenance services, equipment renting, LED lighting, construction advisory and other related services. Your directors believe that these businesses have huge potential and scope for further development. The combination of our rental fleet and property management services, coupled with our experienced management team will enable the Company to achieve a sustained growth ahead of the market.

#### Management and maintenance services

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

#### Equipment renting services

The Company provides bespoke solutions in the development and construction of infrastructure and real estate by renting out equipment in the categories: concrete, earth moving, transport, energy, lifting, steel cutting and highway. The Company has a large fleet of branded equipment which includes: tower cranes, passenger cum material hoists, boom placers, transit mixers, dumpers, excavators and framework development of buildings/structures. The renting of machinery is done on both dry and wet lease basis.

Expertise in project management and deep domain knowledge has enabled the Company to provide country wide services to several institutional and large customers in several prestigious projects.

#### 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.

#### LED Lighting business

The Company focuses on LED Lighting for offices, malls, showrooms, factories, industries and housing societies, and offering a wide range of LED lighting solutions, with up to seven years' warranty. The products are designed by the

## Directors' Report (contd.)

Company's in-house product design and development team and manufactured in India, and can also be integrated with digital and IoT platforms. Products are branded as IB LED.

IB LED is offering an innovative and first time in India "ZERO COST" model, wherein 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.

### CHANGE IN NAME OF THE COMPANY

Pursuant to issuance of fresh Certificate of Incorporation dated December 21, 2016, by the Registrar of Companies, NCT of Delhi & Haryana, the name of the Company stands changed from 'Store One Retail India Limited' to 'SORIL Infra Resources Limited' with effect from the said date.

### 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.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

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

The present composition of the Board along with the brief resume of Mr. Mehul Johnson, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board Committees, are provided in the Report on Corporate Governance forming part of this Annual Report.

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.

### EMPLOYEE STOCK OPTIONS

The disclosures required to be made in compliance with the applicable regulations are set out in the Annexure 1 to this Report and have been placed on the website of the Company [www.sorilinfraresources.com](http://www.sorilinfraresources.com).

Shareholders of the Company in their Annual General Meeting held on September 30, 2009, had approved the launch of 'SORIL Infra Resources Limited Employees Stock Option Scheme-2009 (II)' covering 3,000,000 (Thirty Lac) stock options, for the benefit of the Eligible Employees. However, no options have yet been granted by the Board/Compensation Committee under this scheme.

### 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 2017-18 have been paid.

### AUDITORS

#### (a) Statutory Auditors

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were appointed by the members in their 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 Company has received a certificate from the Auditors to the effect that their continuation as such from the conclusion of this Annual General Meeting until the conclusion of thirteenth Annual General Meeting is in accordance with the

## Directors' Report (contd.)

provisions of the Section 141(3)(g) of the Companies Act, 2013. The Board recommends the ratification of the appointment of M/s Agarwal Prakash & Co., as Statutory Auditors of the Company till the conclusion of thirteenth Annual General Meeting of the Company. The Auditors' Report is self-explanatory and therefore do not call for any further explanation.

### (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 2016-17. 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 2016-17, is annexed as Annexure 2, forming part of this Report. The Report is self-explanatory and therefore do not call for any further explanation.

### CORPORATE SOCIAL RESPONSIBILITY

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to 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 24 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2017 and the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## Directors' Report (contd.)

### **INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH THE RELEVANT RULES AND SEBI (LODR) REGULATIONS, 2015**

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013, read with the relevant rules (to the extent applicable) and SEBI (LODR) Regulations, 2015, not elsewhere mentioned in this Report, are given in Annexure A, forming part of this Report.

### **GREEN INITIATIVES**

Electronic copies of the Annual Report 2017 and Notice of the Twelfth 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 and Notice of the Twelfth 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 Twelfth 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 28, 2017  
Place: Gurugram

**Pia Johnson**  
**Executive Director**  
**DIN: 00722403**

**Mehul Johnson**  
**Director**  
**DIN: 00016075**

# Annexure to the Directors' Report

## ANNEXURE A

### EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, as on the financial year ended March 31, 2017, pursuant to Section 92(3) of the Companies Act, 2013, in form MGT-9, are given in Annexure 4, forming part of this Report.

### BOARD MEETINGS

During the FY 2016-17, 7 (Seven) 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. During the year, separate meeting of the Independent Directors was held on January 25, 2017, without the presence of Non-Independent Directors and the members of the Company Management.

### BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board has carried out an evaluation of its performance, the directors individually as well as the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report forming part of this Annual Report.

### REMUNERATION POLICY

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

### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2016-17, 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 2016-17, 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.

### 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 Annual report and/or financials statements of the Company. None of the transactions with related parties fall under the scope of section 188(1) of the Companies Act, 2013 ('the Act') and hence the information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014, required to be given in the prescribed form AOC-2, are not applicable. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company: [www.sorilinfraresources.com](http://www.sorilinfraresources.com).

### 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

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, 2017 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.

## Annexure to the Directors' Report (contd.)

### 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%.
- 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:

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase of fixed assets and spares and services	7,054,285	35,959,320
Legal and professional charges	642,030	—
Travelling and conveyance	23,401,400	—

### BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013, the Company has formulated robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework 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 5, 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.

## Annexure to the Directors' Report (contd.)

### 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. 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: [www.sorilinfraresources.com](http://www.sorilinfraresources.com).

### 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, 2017, form 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.

### 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).

### 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 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 Rule thereunder.

During the financial year 2016-17, no cases of sexual harassment were reported.

### 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 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.

## Annexure to the Directors' Report (contd.)

### ANNEXURE 1

#### SORIL INFRA RESOURCES LIMITED EMPLOYEES STOCK OPTION SCHEME - 2009 - AS AT MARCH 31, 2017

Particulars	
a. Options Granted	As on March 31, 2017, all the outstanding options of the Company under this Scheme, have lapsed.
b. Exercise price	Nil (No options are outstanding as on March 31, 2017)
c. Options vested	Nil
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	No options are outstanding as on March 31, 2017
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	Nil (No options are outstanding as on March 31, 2017)
j. Employee wise details of options granted to:	Nil (No options are outstanding as on March 31, 2017)
i. Senior Management personnel	
ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company.	

**Form-MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 **31<sup>st</sup> March, 2017** 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 **31<sup>st</sup> March, 2017** 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 thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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
  - 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 Labor (Regulation and Abolition) Act, 1970;

## Annexure to the Directors' Report (contd.)

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 Directors, Non-Executive Directors, Woman Director and Independent Directors. There are no changes in composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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.

All decisions of the Board and Committees were carried with requisite majority.

**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. The Company has introduced compliance alert system for applicability of all applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, pursuant to issuance of fresh Certificate of Incorporation dated December 21, 2016, by the Registrar of Companies, NCT of Delhi & Haryana, the name of the Company stood changed from 'Store One Retail India Limited' to 'SORIL Infra Resources Limited' with effect from the said date.

**For NP Gupta & Associates**  
Company Secretaries

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

Place: New Delhi  
Date: August 23, 2017

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.

**Annexure A**

To,  
The Members,  
**SORIL Infra Resources 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. Wherever 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 23, 2017

## Annexure to the Directors' Report (contd.)

### ANNEXURE 3

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

- 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 or in special situations like providing relief in natural disasters. 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 below 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)

- Composition of the CSR Committee**

Mr. Shamsheer Singh Ahlawat, Chairman (Independent Director)

Ms. Pia Johnson, Member (Executive Director)

Mr. Mehul Johnson, Member (Non-executive Director)

- Average Net Profit of the Company for last three financial years:** ₹ 39.68 crores.
- Prescribed CSR expenditure (two percent of the amount as in item 3 above):** ₹ 79.36 lacs
- Details of CSR expenditure for the financial year 2016-17:**

a. **Total amount spent for the financial year:** ₹ 79.36 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 programwise	Amount spent on projects or programs Sub Heads:		Cumulative expenditure up to 31st March, 2017	Amount spent directly or through implementing agency
			District	State		Direct Exp. On Project or programwise	Overheads		
1	Disaster Management & Relief	Disaster Relief	PAN India	PAN India	7,936,203	-	-	-	Implementing Agency (Indiabulls Foundation)
	<b>Total</b>				<b>7,936,203</b>	-	-	-	

- 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 2016-17, the Company has contributed its entire CSR expenditure aggregating ₹79.36 lakhs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf.

- 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 2016-17, 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 28, 2017

Place : Gurugram

**Pia Johnson**  
Executive Director  
DIN: 00722403

**Shamsheer Singh Ahlawat**  
Chairman – CSR Committee  
DIN: 00017480

### Annexure to the Directors' Report (contd.)

#### ANNEXURE 4

#### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (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	37.35%
2	Equipment Hiring Services	43900	30.72%
3	Construction, advisory and other related activities	07020	22.86%

#### 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	SORIL Holdings and Ventures Limited (formerly Indiabulls Wholesale Services Limited) M-62 & 63, First Floor, Connaught Place, New Delhi 110001	L51101DL2007PLC166209	Holding	73.85%	Section 2(46) of Companies Act, 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

## Annexure to the 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
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	0	0	0	0.00	26,301	0	26,301	0.10	0.10
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	40,000	0	40,000	0.14	0	0	0	0.00	(0.14)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>0.14</b>	<b>26,301</b>	<b>0</b>	<b>26,301</b>	<b>0.10</b>	<b>(0.04)</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporate									
i) Indian	764,418	0	764,418	2.77	891,597	0	891,597	3.23	0.46
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,311,887	484	3,312,371	12.01	3,938,998	484	3,939,482	14.27	2.26
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,930,279	0	2,930,279	10.62	2,060,685	0	2,060,685	7.47	(3.15)

### Annexure to the 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	
c) Others (specify)									
i) Non-Resident Indians	144,804	0	144,804	0.52	167,531	0	167,531	0.61	0.09
ii) Clearing Members	24,818	0	24,818	0.09	118,994	0	118,994	0.43	0.34
iii) NBFC registered with RBI	0	0	0	0.00	12,100	0	12,100	0.04	0.04
<b>SUB TOTAL (B)(2):</b>	<b>7,176,206</b>	<b>484</b>	<b>7,176,690</b>	<b>26.01</b>	<b>7,189,905</b>	<b>484</b>	<b>7,190,389</b>	<b>26.05</b>	<b>0.04</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	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
<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	SORIL Holdings and Ventures Limited (formerly Indiabulls Wholesale 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):

	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	20,383,310	73.85		
<i>Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)*</i>				
At the end of the year	20,383,310	73.85		

\*No change in shareholding

## Annexure to the Directors' Report (contd.)

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

Sl. No.	For each of the Top 10 Shareholders	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*	238,070	0.86	208,070	0.75
2	Hitesh Harakhchand Vora*	202,000	0.73	131,900	0.48
3	Tarun Suresh Jain <sup>#</sup>	183,403	0.66	0	0.00
4	Mona Damani*	137,000	0.50	111,000	0.40
5	Rachna Damani*	136,423	0.49	111,423	0.40
6	Govind Das Damani*	135,726	0.49	107,726	0.39
7	Anju Damani*	110,000	0.40	78,000	0.28
8	Siddharth Dilipkumar Mehta <sup>#</sup>	90,000	0.33	0	0.00
9	Anand Damani*	83,154	0.30	83,154	0.30
10	Sangita Shah*	81,000	0.29	81,000	0.29
11	Sarla Damani <sup>#</sup>	67,872	0.25	67,872	0.25
12	Haresh Girdharilal Chhabria <sup>§</sup>	0	0.00	87,300	0.32

\* Top 10 shareholders as on April 1, 2016 and March 31, 2017

<sup>#</sup> Top 10 Shareholders as on April 1, 2016 only

<sup>§</sup> Top 10 Shareholders as on March 31, 2017 only

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

### (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-2016 to 31-Mar-2017)	
		Date [beginning of the year (01-Apr-2016)/ end of the year (31-Mar-2017)]	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-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			
2	Mr. Mehul Johnson Non-Executive Director	01-Apr-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			
3	Mr. Shamsher Singh Ahlawat Independent Director	01-Apr-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			

### Annexure to the Directors' Report (contd.)

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-2016 to 31-Mar-2017)	
		Date [beginning of the year (01-Apr-2016)/ end of the year (31-Mar-2017)]	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
4	Mr. Prem Prakash Mirdha Independent Director	01-Apr-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			
5.	Mr. Aishwarya Katoch Independent Director	01-Apr-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			
<b>B</b>	<b>Shareholding of KMPs other than MD/WTD/Manager</b>						
1.	Mr. Vijay Agrawal Chief Financial Officer	01-Apr-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			
2.	Mr. Vikas Khandelwal Company Secretary	01-Apr-2016	0	0.00	-	0	0.00
		31-Mar-2017	0	0.00			

#### 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	387,791,927	326,500,000	NIL	714,291,927
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	2,563,384	NIL	NIL	2,563,384
<b>Total (i+ ii+ iii)</b>	<b>390,355,311</b>	<b>326,500,000</b>	<b>NIL</b>	<b>716,855,311</b>
<b>Change in Indebtedness during the financial year</b>				
<b>Additions / (Reduction)</b>				
i) Principal Amount	95,912,766	(56,500,000)	NIL	39,412,766
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	(1,085,568)	NIL	NIL	(1,085,568)
<b>Net Change</b>	<b>94,827,198</b>	<b>(56,500,000)</b>	<b>NIL</b>	<b>38,327,198</b>
<b>Indebtedness at the end 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>	<b>485,182,509</b>	<b>270,000,000</b>	<b>NIL</b>	<b>755,182,509</b>

## Annexure to the Directors' Report (contd.)

### 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	-
	<b>Total (A)</b>	-
	<b>Ceiling as per the Act</b>	Not Applicable as no remuneration was paid to any of the Directors of the Company during the FY 2016-17.

#### B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount (In ₹)
1	<b>Independent Directors</b>	<b>Mr. Shamsher Singh Ahlawat</b>	<b>Mr. Aishwarya Katoch</b>	<b>Mr. Prem Prakash Mirdha</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>			
	(a) Fee for attending board/ committee meetings	-			-
	(b) Commission	-			-
	(c) Others, please specify	-			-
	Total (2)	-			-
	<b>Total (B)=(1+2)</b>	-			-
	<b>Total Managerial Remuneration</b>	-			-
	<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 FY 2016-17.			

### Annexure to the Directors' Report (contd.)

#### 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	3,603,002.00	3,416,531.00	7,019,533.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	42,241.34	0.00	42,241.34
	(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>3,645,243.34</b>	<b>3,416,531.00</b>	<b>7,061,774.34</b>

\* Excludes value of perquisites on exercise of stock options, if any.

#### 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 2016-17.

Not applicable because no remuneration was paid to any of the Directors during the FY 2016-17.

#### Percentage increase in remuneration of each director and Key Managerial Personnel in FY 2016-17.

Designation	Increase in Remuneration (%)
Chief Financial Officer	24.86%
Company Secretary	10.35%

No remuneration was paid to any of the Directors and other KMPs, except as aforesaid, during the FY 2016-17.

#### The percentage increase in the median remuneration of employees in the FY 2016-17.

The percentage increase in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY 2016-17 and FY 2015-16 was 9.99%.

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

The Company had 188 employees on its permanent rolls, as of March 31, 2017.

#### 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 there of 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 2016-17 is around 10.43%, while the average percentile increases in the remuneration of key managerial personnel is around 16.93%.

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.

# Management Discussion and Analysis

## ECONOMY OVERVIEW

The macro economic conditions in the Country have significantly improved over past couple of years. The markets have begun to respond to this favorable change, with the national indices hitting all time high. India's GDP grew by more than 7% in FY 2016-17, making it one of the world's fastest growing major economies. The Government of India has taken a number of measures/initiatives / steps to build confidence and growth in economy. The Central Government along with Reserve Bank of India (RBI) has announced several legislative and policy reforms, which have resulted in improvements on the macro-economic front, reflecting in acceleration of India's GDP growth. The country remained on moderate growth radar owing to positive policy initiatives, low interest rates, declining fiscal deficit and moderate inflation. The demonetization had temporarily impacted the Gross Value Added (GVA) in the third as well as fourth quarter of 2016-17 due to cash crunch, however the surplus liquidity in the banking system, created by demonetization, has reduced borrowing costs and increased access to credit, which in turn is expected to boost economic activity with multiplier effects.

The long-awaited and transformational Goods and services Tax (GST) amendment was rolled out on July 1st, 2017. GST will create a common Indian market and is widely expected to improve tax compliance, boost investment and growth, and improve supply chain efficiency.

## BUSINESS OVERVIEW

The Company is in the business of management and maintenance services, equipment renting, LED lighting, construction advisory and other related services. Your directors believe that these businesses have huge potential and scope for further development. The combination of our rental fleet and property management services, coupled with our experienced management team will enable the Company to achieve a sustained growth ahead of the market.

### 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.

### Equipment renting services

The Company provides bespoke solutions in the development and construction of infrastructure and real estate by renting out equipment in the categories: concrete, earth moving, transport, energy, lifting, steel cutting and highway. The Company has a large fleet of branded equipment which includes: tower cranes, passenger cum material hoists, boom placers, transit mixers, dumpers, excavators and framework development of buildings/structures. The renting of machinery is done on both dry and wet lease basis.

Expertise in project management and deep domain knowledge has enabled the Company to provide country wide services to several institutional and large customers in several prestigious projects.

### 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.

### LED Lighting business

The Company focuses on LED Lighting for offices, malls, showrooms, factories, industries and housing societies, and

## Management Discussion and Analysis (contd.)

offering a wide range of LED lighting solutions, with up to seven years' warranty. The products are designed by the Company's house product design and development team and manufactured in India, and can also be integrated with digital and IoT platforms. Products are branded as IB LED.

IB LED is offering an innovative and first time in India "ZERO COST" model, wherein 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.

### **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**

#### **Management and maintenance services**

The Indian management and maintenance market is estimated to grow at 17 per cent and cross 19 billion USD over the next five years as per the report by Global Infrastructure Facilities and Project Managers Association (GIFPMA). 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 our 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.

#### **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.

## Management Discussion and Analysis (contd.)

- Leveraging supportive schemes of the Government such as smart cities and Make in India project.
- Continuously adopting new technologies to achieve better productivity in project execution space.
- Creating service differentiation by keeping simple performance matrices.

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

The introduction of GST may see greater utilization of cranes across geography.

### Construction advisory and other related services

Construction advisory services delivers innovative, results-driven real estate solutions that align strategically and tactically with clients' business objectives.

With the implementation of Real Estate (Regulation and Development) Act, 2016, the demand for advisory services in the Real estate sector is expected to see consistent growth.

### LED Lighting business

The Company believes the LED lighting industry will continue to grow in the next five years. The opportunity is driven by following reasoning:

- Overall lighting market has grown by 15% between CY11 and CY15; growth has been driven by LED segment which has grown by 55% during the same period;
- LED growth drivers are price parity with its nearest competitor CFL, cost economics and government support;
- LED market is expected to grow 2.5X in the next 5 years with the commercial segment accounting for 2/3rd of the total LED industry; and
- OLEDs, the closest competing technology, unlikely to threaten LED dominance in the next 5 years.

### RISK MANAGEMENT

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.

## Management Discussion and Analysis (contd.)

The Board along with the management team regularly reviews all related business and economic risks and risk policies and take appropriate steps to mitigate any of such risks.

### **HUMAN RESOURCES**

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

### **INTERNAL CONTROLS AND THEIR ADEQUACY**

The Company has a sound and adequate system of internal controls commensurate with the size of the Company and the nature of its business to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly and adequately by appropriate empowered authorities. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the Company at regular periodical interval.

### **CAUTIONARY STATEMENT**

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

# Corporate Governance Report

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

The Company continuously adapts and refines itself to the Corporate Governance practices within the framework of evolving laws and regulations. The Company's philosophy on Corporate Governance encompasses simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable laws while at the same time ensuring complete commitment to values and the highest ethical standards in every facet of its operations and in all spheres of its activities.

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 the 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:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Independent verification and assured integrity of financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI (LODR) Regulations, 2015) 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. The Board members have professional knowledge and experience in diverse fields.

The Board consists of five directors of whom one is woman executive director and the remaining four directors are non-executive directors, with three of such directors being Independent Directors. The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various Board Committees, as on March 31, 2017 are depicted in the table given below:

## Corporate Governance Report (contd.)

Sl. No.	Name of the Directors	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	3	1	Nil
2.	Mr. Mehul Johnson (DIN: 00016075)	Non-Executive Director	8	5	1
3.	Mr. Aishwarya Katoch (DIN: 00557488)	Non-Executive Independent Director	9	10	3
4.	Mr. Shamsheer Singh Ahlawat (DIN: 00017480)	Non-Executive Independent Director	7	10	5
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Non-Executive Independent Director	7	9	Nil

\* 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.

Ms. Pia Johnson and Mr. Mehul Johnson, being spouse, are related to each other.

None of the Directors (including Non-Executive Directors) held any equity share and/ or convertible security of the Company during the financial year ended March 31, 2017.

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: [www.sorilinfraresources.com](http://www.sorilinfraresources.com).

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

During the financial year 2016-17, the Board met 7 (Seven) times. The dates of the meetings were May 06, 2016, July 05, 2016, August 12, 2016, October 05, 2016, November 04, 2016, December 15, 2016 and February 03, 2017. During the year, separate meeting of the Independent Directors was held on January 25, 2017 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 26, 2016.

Attendance of Directors at the Board Meetings held during the FY 2016-17 and at the last Annual General Meeting are as under:

## Corporate Governance Report (contd.)

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)	07	07	No
2.	Mr. Mehul Johnson (DIN: 00016075)	07	07	Yes
3.	Mr. Aishwarya Katoch (DIN: 00557488)	07	06	Yes
4.	Mr. Shamsheer Singh Ahlawat (DIN: 00017480)	07	06	Yes
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	07	06	Yes

### 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.

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

##### Terms of reference 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;
- 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;

## Corporate Governance Report (contd.)

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

### Meetings and Attendance during the year

During the FY 2016-17, the Audit Committee met five times. The dates of the meetings being May 06, 2016, July 05, 2016, August 12, 2016, November 04, 2016 and February 03, 2017.

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

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Shamsheer Singh Ahlawat	5	5
Mr. Aishwarya Katoch	5	5
Mr. Mehul Johnson	5	5

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

### (B) Nomination & Remuneration Committee

#### Composition

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

#### 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;
- Formulating the criteria for determining the qualifications, positive attributes and independence of a director.

### Meetings and Attendance during the year

During the FY 2016-17, the Committee met once on January 09, 2017 and the meeting was attended by all the members.

### 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.

- a. 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.
- b. 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.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a- vis the Company, shall be ensured.
- d. 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.
- e. 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 Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary.

### Performance Evaluation

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 and Board of 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 the Non-Independent Directors. The performance evaluation of the non-Independent Directors was carried out by the Independent Directors in their separate meeting held on January 25, 2017. 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*

Ms. Pia Johnson, Executive Director does not draw any remuneration from the Company.

## Corporate Governance Report (contd.)

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

Non-Executive Directors have not been paid any remuneration/ sitting fees/ Bonus/ Severance fees/ Performance Linked Incentives or by way of any other benefits during the FY 2016-17.

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. Aishwarya Katoch, an Independent Non-Executive Director, as the Chairman and Mr. Mehul Johnson 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 2016-17, the Committee met four times. The dates of the meetings were April 04, 2016, July 11, 2016, October 10, 2016 and January 09, 2017.

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

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Aishwarya Katoch	4	4
Mr. Mehul Johnson	4	4
Ms. Pia Johnson	4	4

#### 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 2016-17

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1.	Letters from SEBI / Stock Exchange	0	1	1	0
2.	Non-receipt of dividend	0	1	1	0
3.	Non-receipt of annual report	0	1	1	0
	<b>Total</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>

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

#### Composition

The Corporate Social Responsibility Committee comprises of three members namely Mr. Shamsher Singh Ahlawat, an Independent Non-Executive Director, as the Chairman and Mr. Mehul Johnson and Ms. Pia Johnson as other two members.

## Corporate Governance Report (contd.)

### 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;
- To ensure compliance of all related applicable regulatory requirements.

### Meetings and Attendance during the year

During the FY 2016-17, the Committee met two times. The dates of the meetings were July 05, 2016 and March 31, 2017.

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

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Shamsheer Singh Ahlawat	2	2
Mr. Mehul Johnson	2	2
Ms. Pia Johnson	2	2

### 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
2013-14	9 <sup>th</sup> AGM	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 26, 2014	10:00 A.M.	3
2014-15	10 <sup>th</sup> AGM	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 28, 2015	09:00 A.M.	2
2015-16	11 <sup>th</sup> AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 26, 2016	10:00 A.M.	2

#### (B) Special Resolutions passed during the financial year 2016-17 through Postal Ballot:

During the financial year 2016-17, the Company has in pursuance of Section 110 of Companies Act, 2013 read with applicable rules, conducted one postal ballot for seeking approval of the shareholders by way of special resolutions.

**Date of declaration of results: 15<sup>th</sup> December, 2016.**

Resolution No.	Purpose	% of valid votes in favor of resolution	% of valid votes against resolution
1.	Change in name of the Company from "Store One Retail India Limited" to "SORIL Infra Resources Limited" and consequent amendment to Memorandum of Association and Articles of Association of the Company.	99.998%	0.002%

## Corporate Governance Report (contd.)

Resolution No.	Purpose	% of valid votes in favor of resolution	% of valid votes against resolution
2.	Alteration of existing Clause III, the Object Clause, of the Memorandum of Association of the Company.	99.998%	0.002%

Mr. Atul Khandelwal, Partner AGK & Co, Chartered Accountants, New Delhi as the Board appointed Scrutinizer, conducted the Postal Ballot exercise.

### (C) Procedure for postal ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose name appear on the register of members / list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's register and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as a mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman after the completion of scrutiny and consolidated results of voting by postal ballot are then announced by Chairman/ authorized officer. The results are also displayed on the website of the Company: [www.sorilinfraresources.com](http://www.sorilinfraresources.com) besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## 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 presentations etc. is regularly posted on the website.
- (iii) Management Discussion and Analysis Report: The same has been included in a separate section, which forms a part of this Annual Report.
- (iv) Investors' Relation: The Company's website contains a separate dedicated section 'Investor Relations' and 'Media & Announcement' where general information is available for shareholders.

## Corporate Governance Report (contd.)

### 6. GENERAL SHAREHOLDERS' INFORMATION

#### (A) Company Registration Details

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

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

The 12<sup>th</sup> 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 1<sup>st</sup> April every calendar year and ending on 31<sup>st</sup> March the following calendar year.

#### (D) Date of Book Closure

The dates of Book Closure are as mentioned in the Notice convening the 12<sup>th</sup> 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 2016-17.

#### (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 2017-18, have been paid to BSE and NSE.

#### (G) Stock Code

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

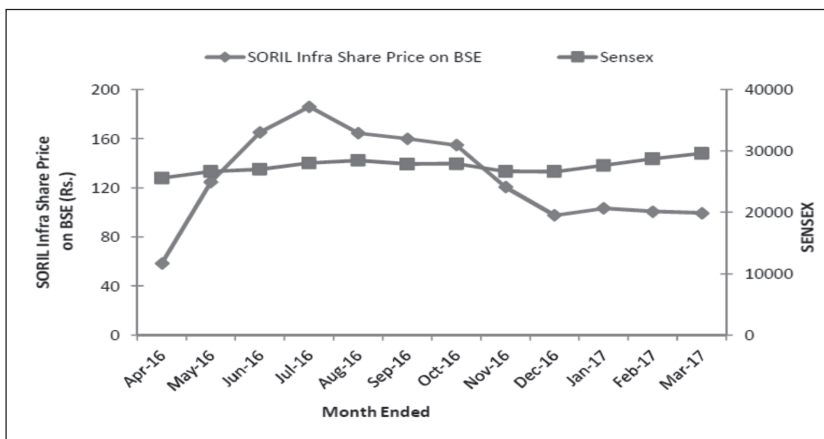
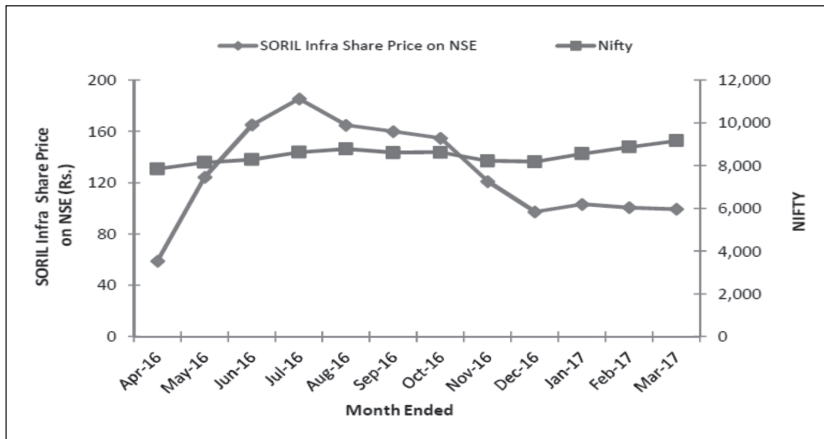
#### (H) Market Price Data

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, 2017 are as under:

## Corporate Governance Report (contd.)

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	69.70	53.00	69.40	54.15
May 2016	158.80	55.65	158.90	56.20
June 2016	176.90	120.10	176.80	120.80
July 2016	247.40	169.00	247.50	170.05
August 2016	233.80	137.00	233.10	141.00
September 2016	186.00	132.50	185.80	132.05
October 2016	175.00	147.00	173.00	151.10
November 2016	159.00	84.30	158.90	84.50
December 2016	121.95	89.00	122.20	89.25
January 2017	117.25	99.85	117.65	100.70
February 2017	114.20	91.00	113.85	91.00
March 2017	106.00	89.50	106.40	89.00

(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, 2017

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	14,038	88.73	16,057,770	5.82
2.	5,001 - 10,000	898	5.68	7,235,630	2.62
3.	10,001 - 20,000	442	2.79	6,796,520	2.46
4.	20,001 - 30,000	150	0.95	3,893,870	1.41
5.	30,001 - 40,000	65	0.41	2,364,470	0.86
6.	40,001 - 50,000	59	0.37	2,771,620	1.00
7.	50,001 - 100,000	84	0.53	6,222,880	2.26
8.	100,001 and above	86	0.54	230,657,240	83.57
	<b>Total</b>	<b>15,822</b>	<b>100.00</b>	<b>276,000,000</b>	<b>100.00</b>

#### (ii) Equity Shareholding pattern as on March 31, 2017.

Sl.No.	Category	No. of Shares	% holding
1.	Promoters	20,383,310	73.85
2.	Financial Institutions/ Banks	26,301	0.10
3.	Bodies Corporate	891,597	3.23
4.	Indian Public	6,000,167	21.74
5.	NRIs	167,531	0.61
6.	Clearing Members	118,994	0.43
7.	NBFCs registered with RBI	12,100	0.04
	<b>Total</b>	<b>27,600,000</b>	<b>100.00</b>

## Corporate Governance Report (contd.)

### **(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, 2017, 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, 2017, 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.

### **(N) Outstanding Convertible Instruments**

There are no outstanding convertible instruments as on date in the Company.

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

During the FY 2016-17, the Company had no foreign currency borrowings. 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**

The Company does not have any plant and thus there is no plant location.

### **(Q) Address for Correspondence**

#### **(i) Registered Office:**

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

#### **(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) Profile of Director retiring by rotation and seeking re-appointment, in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

**Mr. Mehul Johnson, Non-executive Director (DIN: 00016075)**

Mr. Mehul Johnson has over 17 years of leadership experience in construction, real estate & hospitality industry. During his long association with Indiabulls Group, he has provided leadership & guidance in the areas of strategic planning, resource management, regulatory, hospitality & projects' execution etc. Prior to his joining Indiabulls, he had set up, owned and managed an infrastructure construction business, where he successfully executed several prestigious projects by leading institutions, including the National Highway Authority of India and the Prime Minister's Rural Road Development Scheme.

He has deep operational knowledge and has rich and varied experience in various fields. With about two decades of experience, he brings on the Board his unique vision, planning, management and administration capabilities. He has extensive expertise on the process, operations and management, required by the Board for running a company in professional manner. Mr. Johnson's continuity on the Board of the Company, would lend stability to its overall operations and business growth.

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

Mr. Johnson does not hold any shares in the Company. Being spouse, he is related to Ms. Pia Johnson, Executive Director.

Mr. Johnson is also on the Board of SORIL Holdings & Ventures Limited (formerly Indiabulls Wholesale Services Limited), Indiabulls Buildcon Limited, Indiabulls Lands Limited, Indiabulls Estate Limited, Indiabulls Constructions Limited, Makala Infrastructure Limited, Indiabulls Industrial Infrastructure Limited and Airmid Aviation Services Limited. He is the member of the Audit Committee, Stakeholders Relationship Committee, Compensation Committee and Corporate Social Responsibility Committee of the Company, member of the Audit Committee, Stakeholders Relationship Committee, Compensation Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of SORIL Holdings & Ventures Limited. He is also a Chairman of Audit Committee and Nomination & Remuneration Committee of Makala Infrastructure Limited.

**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: [www.sorilinfraresources.com](http://www.sorilinfraresources.com)

**(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. Details of all related party transactions are disclosed in the Annual report and/or financials statements of the Company. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company: [www.sorilinfraresources.com](http://www.sorilinfraresources.com).

## Corporate Governance Report (contd.)

### (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 FY 2014-15, NSE & BSE levied fine of ₹ 8,000/- and ₹ 8,989/- respectively, on the Company, alleging delayed compliance of clause 31 of the erstwhile Listing Agreement. The Company though clarified to Exchanges regarding due compliance of relevant clause, however, deposited fines with Exchanges under protest. Except as aforesaid, there has not been any other 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.

## Corporate Governance Report (contd.)

### (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 website.

### (C) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO/Group CFO and has direct access to the Audit Committee.

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.

***This Corporate Governance Report of the Company for the financial year ended 31<sup>st</sup> March, 2017 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.***

## 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**

**Pia Johnson**  
Executive Director  
DIN: 00722403

Date: August 28, 2017  
Place: Gurugram

## Corporate Governance Report (contd.)

### CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
SORIL Infra Resources Limited  
(formerly Store One Retail India Limited)

I have examined the compliance of conditions of Corporate Governance by SORIL Infra Resources Limited (formerly Store One Retail India Limited) (“the Company”), for the year ended March 31, 2017, 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, 2017.

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 there of, 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 18, 2017

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) (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## 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 requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which 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. While 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 there under.

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 judgment, 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 in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, we give in the Annexure a

## Independent Auditor's Report (contd.)

statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, is disqualified as on 31st March, 2017 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 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 Auditor's) 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 25 to the consolidated financial statements, the company has disclosed the impact of pending litigations on its financial position;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
  - iv. The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 32 of the aforesaid consolidated financial statements.

**For Agarwal Prakash & Co.**

Chartered Accountants  
Firm's Registration No : 005975N

**Vikas Aggarwal**

Partner  
Membership No.: 097848

Gurugram  
May 26, 2017

## Annexure A to the Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, 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, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the of the Holding company and its subsidiary company, which are companies incorporated in India, are 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 (ICAI). 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, including adherence to the respective company's policies, 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.

#### Auditor's 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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.

#### Inherent 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, the Holding Company and its subsidiary company, which are companies 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, 2017, 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 No : 005975N

Gurugram  
May 26, 2017

**Vikas Aggarwal**  
Partner  
Membership No.: 097848

# Consolidated Balance Sheet

as at March 31, 2017

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

Particulars	Note	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share capital	4	305,734,500	305,734,500
(b) Reserves and surplus	5	2,125,363,094	1,810,563,095
		<b>2,431,097,594</b>	<b>2,116,297,595</b>
<b>Minority interests</b>			
		—	—
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	6A	338,364,473	507,320,208
(b) Other Long term liabilities	7A	14,453,812	—
(c) Long- term provisions	8A	13,147,159	9,644,230
		<b>365,965,444</b>	<b>516,964,438</b>
<b>Current Liabilities</b>			
(a) Short-term borrowings	6B	199,608,692	—
(b) Trade payables	9	—	—
(i) Dues to micro and small enterprises		—	—
(ii) Dues to others		158,536,587	384,749,749
(c) Other current liabilities	7B	345,438,228	5,854,090,655
(d) Short-term provisions	8B	1,042,546	3,557,286
		<b>704,626,053</b>	<b>6,242,397,690</b>
<b>Total of Equity and Liabilities</b>		<b>3,501,689,091</b>	<b>8,875,659,723</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		1,437,269,561	1,538,649,498
(ii) Intangible assets		9,757,119	8,702,287
(iii) Capital work-in-progress		—	—
(b) Long term loans and advances	11A	239,698,261	222,195,192
(c) Other non-current assets	12	100,000	100,000
		<b>1,686,824,941</b>	<b>1,769,646,977</b>
<b>Current assets</b>			
(a) Inventories	13	8,247,451	5,409,785
(b) Trade receivables	14	292,609,487	343,404,535
(c) Cash and bank balances	15	208,850,615	43,363,468
(d) Short-term loans and advances	11B	1,305,154,283	6,713,775,013
(e) Other current assets	16	2,314	59,945
		<b>1,814,864,150</b>	<b>7,106,012,746</b>
<b>Total of Assets</b>		<b>3,501,689,091</b>	<b>8,875,659,723</b>

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.**

For and on behalf of Board of Directors

Chartered Accountants

FRN - 005975N

**Vikas Aggarwal**

Partner

**Pia Johnson**

Whole Time Director

DIN: 00722403

**Mehul Johnson**

Director

DIN: 00016075

**Vijay Kumar Agrawal**

Chief Financial Officer

**Vikas Khandelwal**

Company Secretary

Place: Gurugram

Date: May 26, 2017

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2017



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

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I. REVENUE</b>			
(a) Revenue from operations (net of taxes)	17	1,971,015,408	2,599,026,761
(b) Other Income	18	194,074,392	10,022,088
<b>Total of Revenue</b>		<b>2,165,089,800</b>	<b>2,609,048,849</b>
<b>II. EXPENSES</b>			
(a) Cost of Material and Services	19	1,394,804,984	1,624,862,688
(b) Employee benefits expense	20	162,786,608	122,471,213
(c) Finance costs	21	66,810,168	110,643,653
(d) Depreciation and amortization expenses	10	144,714,600	141,116,960
(e) Other expenses	22	81,173,441	58,258,520
<b>Total of Expenses</b>		<b>1,850,289,801</b>	<b>2,057,353,034</b>
<b>III. Profit before tax and minority interests (I - II)</b>		<b>314,799,999</b>	<b>551,695,815</b>
<b>IV. Tax expenses</b>			
(a) Current tax	23	—	—
(b) Deferred tax		—	—
<b>V. Profit before minority interest (III- IV)</b>		<b>314,799,999</b>	<b>551,695,815</b>
<b>VI. Minority interests</b>		—	—
<b>VII. Profit for the year (V- VI)</b>		<b>314,799,999</b>	<b>551,695,815</b>
<b>Earnings per Equity Share</b>	24		
(a) Basic		11.41	19.87
(b) Diluted		11.41	19.87
Face value per Equity Share		10.00	10.00
<b>Significant accounting policies</b>	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

FRN - 005975N

**Vikas Aggarwal**  
Partner

**Pia Johnson**  
Whole Time Director  
DIN: 00722403

**Mehul Johnson**  
Director  
DIN: 00016075

**Vijay Kumar Agrawal**  
Chief Financial Officer

**Vikas Khandelwal**  
Company Secretary

Place: Gurugram  
Date: May 26, 2017

# Consolidated Cash Flow Statement

for the year ended March 31, 2017

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash flow from operating activities:</b>		
<b>Net profit before tax</b>	<b>314,799,999</b>	<b>551,695,815</b>
<i>Adjustments for statement of Profit and Loss items:</i>		
Liabilities written back	(140,460,364)	(8,107,629)
Provision for gratuity/compensated absences	5,861,552	3,211,646
Loss on sale on fixed assets	—	5,020,088
Interest on Income tax refunds	(10,722,692)	—
Interest Income on fixed deposits	(27,967)	(349,375)
Dividend on units of mutual funds	(1,636,082)	(1,376,136)
Interest expenses on borrowings	66,489,543	110,341,524
Interest income on inter-corporate deposits	(40,959,874)	—
Unrealised foreign exchange loss/ (gain)	167,792	(49,341)
Obligation under operating lease	14,453,812	—
Depreciation and amortization expenses	144,714,600	141,116,960
	<u>37,880,320</u>	<u>249,807,737</u>
<b>Operating profit before working capital changes and other adjustments:</b>	<b>352,680,319</b>	<b>801,503,552</b>
<i>Working capital changes and other adjustments:</i>		
Decrease in trade receivables	50,795,050	242,646,840
Decrease/(Increase) in loan and advances	6,661,544,208	(6,229,765,638)
Increase in inventories	(2,837,666)	(1,544,674)
(Decrease)/Increase in trade payables	(226,380,954)	124,638,278
(Decrease)/Increase in other liabilities and provisions	(5,356,018,770)	5,558,444,041
	<u>1,127,101,868</u>	<u>(305,581,153)</u>
<b>Cash flow from/(used in) operating activities</b>	<b>1,479,782,187</b>	<b>495,922,399</b>
Income taxes paid (net)	(7,961,251)	(147,732,262)
<b>Net cash flow from/(used in) operating activities</b>	<b>1,471,820,936</b>	<b>348,190,137</b>
<b>B Cash flow from investing activities :</b>		
Purchase of fixed assets (including capital advances)	(44,699,099)	(55,643,764)
Interest received on fixed deposits	85,598	352,097
Inter-corporate loans and advances given to fellow subsidiary companies	(355,933,000)	—
Inter-corporate loans and advances received back from fellow subsidiary companies	54,500,000	—
Inter-corporate loans and advances given to others	(1,000,000,000)	—
Inter-corporate loans and advances received back from others	50,000,000	—
Interest received on Inter-corporate loans and advances given	40,959,874	—
Investment in mutual funds	5,418,000,000	5,888,200,000
Redemption of mutual funds	(5,418,000,000)	(5,888,200,000)
Dividend received from mutual funds	1,636,082	1,376,136
Maturity of/(Investments in) Fixed Deposits	4,350,000	(2,811,680)
<b>Net cash used in investing activities</b>	<b>(1,249,100,545)</b>	<b>(56,727,212)</b>

## Consolidated Cash Flow Statement

for the year ended March 31, 2017 (contd.)

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C Cash flow from financing activities</b>		
Payment of Share issue expenses on equity capital	—	(2,908,236)
Proceeds from borrowing (secured)	373,736,292	146,315,000
Repayment of borrowing (secured)	(277,823,526)	(380,761,372)
Proceeds from borrowing (unsecured)	730,000,000	976,500,000
Repayment of borrowing (unsecured)	(808,000,000)	(898,500,000)
Interest paid on borrowings	(67,575,111)	(119,110,361)
Dividend paid on preference share capital (including corporate dividend tax)	(3,220,897)	(3,211,169)
<b>Net cash (used in)/flow from financing activities</b>	<b>(52,883,242)</b>	<b>(281,676,138)</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>169,837,147</b>	<b>9,786,788</b>
E Cash and cash equivalents at the beginning of the year	39,013,468	29,226,680
<b>F Cash and cash equivalents at the end of the year (D+E)</b>	<b>208,850,615</b>	<b>39,013,468</b>

### Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

	As at March 31, 2017	As at March 31, 2016
<b>2. Cash and cash equivalents includes:</b>		
(a) Cash on hand	422,609	22,116
(b) Balances with banks		
- in Current Accounts	208,228,006	38,504,132
- in Fixed Deposit Accounts (Refer note-15)	200,000	4,837,220
<b>Total (a+b)</b>	<b>208,850,615</b>	<b>43,363,468</b>
Less: balance with banks in fixed deposit accounts with original maturities of more than 3 months	—	(4,350,000)
	<b>208,850,615</b>	<b>39,013,468</b>

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

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

FRN - 005975N

**Vikas Aggarwal**

Partner

**Pia Johnson**

Whole Time Director

DIN: 00722403

**Mehul Johnson**

Director

DIN: 00016075

**Vijay Kumar Agrawal**

Chief Financial Officer

**Vikas Khandelwal**

Company Secretary

Place: Gurugram

Date: May 26, 2017

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2017

## (1) Company Overview

SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) ("the Holding Company") was incorporated as Pyramid Retail Limited on March 18, 2005. The name of the company was subsequently changed to Indiabulls Retail Services Limited on 22nd May, 2008 and then changed to Store One Retail India Limited on 30th September, 2009 and now further changed to SORIL Infra Resources Limited on 21st December, 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 and Construction, advisory and other related activities.

Indiabulls Wholesale Services Limited (IBWSL) Holding Company of the Store One Retail India Limited, erstwhile Subsidiary of Indiabulls Real Estate Limited, completed the acquisition of 63.92% of the outstanding Equity Share Capital of the IBWSL 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.

Store One Retail India Limited ('the Holding Company'), its subsidiary (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

### (i) Basis of accounting

The consolidated financial statements have been prepared on a going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Companies Act 2013.

### (ii) Basis of preparation

The consolidated financial statements are prepared in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements' and Accounting Standard 23 (AS 23) on 'Accounting for Investment in Associates in Consolidated Financial Statements' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in India ('Indian GAAP')

### (iii) Basis of consolidation

The consolidated financial statements comprise of the financial statements of Holding Company, its subsidiary company. The accounting policies have been consistently applied by the Group.

The consolidated financial statements are combined on a line-by-line basis by adding together the book values of items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

### (iv) Minority interests

Minority interest represents the amount of net assets attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in net assets since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of net assets attributable to the minority shareholders on the date of investment is reflected under reserves and surplus.

### (v) 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	100.00%	April 1, 2016 to March 31, 2017 (Previous Period November 20, 2015 to March 31, 2016)

### Notes to the Consolidated Financial Statements (contd.)

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its standalone financial statements.

**vi) 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 in rupees	As percentage of consolidated net assets	Amount in rupees
<b>Holding Company</b>				
Store One Retail India Limited	100.14%	2,434,470,264	100.90%	317,628,086
<b>Indian subsidiary</b>				
Store One Infra Resources Limited	-0.14%	(3,372,670)	-0.90%	(2,828,087)

**(3) Summary of significant accounting policies:**

**i) Fixed Assets Recognition and measurement**

**(a) Tangible Assets:**

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

**(b) Intangible Assets:**

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

**(c) Capital work in progress**

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

**ii) Depreciation and Amortisation**

**(a)** Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

**(b)** 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 softwares	4 years
Land -Leasehold	11 years ( as per terms of agreement )

**iii) Impairment of Assets**

At each reporting date, the group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

## Notes to the Consolidated Financial Statements (contd.)

### iv) Investments

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost less provision for diminution in their value, other than temporary, if made in the financial statements.

### v) Revenue Recognition

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

- a) Revenue from sale of goods/value added construction material is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The Group collects all relevant applicable taxes etc. on behalf of the Statutory Authorities and, therefore, these are not economic benefits flowing to the group. Hence, they are excluded from revenue.
- b) Revenue from equipment renting services ( including relevant manpower and supervision ) is recognised when services is 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.
- c) Revenue from management and maintenance services are recognised pro-rata 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.
- d) Revenue from construction, advisory and other related services are recognised pro-rata 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.
- e) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- f) Dividend income is recognized when the right to receive payment is unconditionally established.
- g) Profit on sale of investments is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

### vi) 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.

### vii) Foreign Currency Transactions

#### a) Initial Recognition

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

#### b) Conversion

Foreign currency monetary items are converted to reporting currency using the closing rate. Non monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

## Notes to the Consolidated Financial Statements (contd.)

**c) Exchange Rate Differences**

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

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

**viii) Income Taxes***Current tax*

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

*Deferred tax*

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

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

**ix) Stock Based Compensation**

Stock based compensation expense are recognized in accordance with the guidance note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

**x) Leases**

Lease payments under operating leases are recognised as expense in the statement of profit and loss over the lease term.

**xi) Employee benefits**

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

Post employment and other long term employee benefits for its eligible employees are recognized as an expense in the Statement of Profit and Loss, for the year in which the employee has rendered services. The Group has unfunded defined benefit plans, namely compensated absences and gratuity the liability for which is determined on the basis of actuarial valuation, conducted on annual basis, by an independent actuary, in accordance with Accounting Standard 15 (Revised 2005) – "Employee Benefits" the expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains or losses are recognized in the Statement of Profit and Loss as income or expenses.

**xii) Provisions, Contingent Liabilities and Contingent Assets**

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

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

## Notes to the Consolidated Financial Statements (contd.)

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

### xiii) 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 in accordance with notified Accounting Standard 16 "Borrowing costs". 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.

### xiv) 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.

### xv) 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.

### xvi) Segment Reporting

#### Identification of Segments:

The Group's operating businesses are organised and managed separately with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

#### Segments policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparation and presenting the financial statements of the Group as a whole. The following additional policies are adopted for segment reporting:

- (a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (b) Assets and liabilities of the respective segments are separately identified.

### xvii) Preliminary expenses

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent of balance available and thereafter, the balance portion is charged off to the statement of profit and loss, as incurred.

### Notes to the Consolidated Financial Statements (contd.)

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

(4) Share Capital	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Authorised</b>				
Equity shares of face value ₹ 10 each	28,000,000	280,000,000	28,000,000	280,000,000
Preference shares of face value ₹ 10 each	4,000,000	40,000,000	4,000,000	40,000,000
		<b>320,000,000</b>		<b>320,000,000</b>
<b>Issued, subscribed and fully paid up shares</b>				
Equity Shares of face value of ₹ 10 each fully paid up	27,600,000	276,000,000	27,600,000	276,000,000
9% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of face value of ₹10 each fully paid up	2,973,450	29,734,500	2,973,450	29,734,500
<b>Total Issued, subscribed and fully paid up share Capital</b>		<b>305,734,500</b>		<b>305,734,500</b>

**a. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year**

**Equity Shares**

Particulars	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
At the beginning of the year	27,600,000	276,000,000	27,600,000	276,000,000
Add:- Issued during the year	—	—	—	—
Balance at the end of the year	<b>27,600,000</b>	<b>276,000,000</b>	<b>27,600,000</b>	<b>276,000,000</b>

**Preference Shares**

Particulars	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
At the beginning of the year	2,973,450	29,734,500	2,973,450	29,734,500
Add:- Issued during the year	—	—	—	—
Balance at the end of the year	<b>2,973,450</b>	<b>29,734,500</b>	<b>2,973,450</b>	<b>29,734,500</b>

**b. Rights, preferences and restrictions attached to equity shares**

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 Holding Company. In the event of liquidation of the Holding Company, all preferential amounts, if any, shall be discharged by the Holding Company. The remaining assets of the Holding 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. In the event of distributing dividends by the holding company and winding up, the preference shareholders will be preferred over the equity shareholders. The holders of preference shares are entitled to receive dividends, but they do not have any voting rights except for in the conditions mentioned in the Companies Act, 2013. All shares rank equally with regard to the holding company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

## Notes to the Consolidated Financial Statements (contd.)

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

### c. Details of shareholder holding more than 5% share capital in the Holding Company

Name the of Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	Amount (₹)	No. of Shares held	Amount (₹)
<b>(i) SORIL Holding and Ventures Limited (Formerly Known as Indiabulls Wholesale Services Limited), Holding Company</b>				
Equity shares of face value ₹ 10 each	20,383,310	203,833,100	20,383,310	203,833,100
Preference shares of face value ₹ 10 each	1,979,500	19,795,000	1,979,500	19,795,000
<b>(ii) Albasta Wholesale Services Limited, Fellow Subsidiary Company</b>				
Preference shares of face value ₹ 10 each	993,950	9,939,500	993,950	9,939,500

#### (iii) Shares reserved for issue under options

There were no shares reserved under options as at March 31, 2017 and March 31, 2016 (Refer note-27)

	As at March 31, 2017 Amount (₹)		As at March 31, 2016 Amount (₹)	
<b>(5) Reserves and Surplus</b>				
<b>Securities premium</b>				
Balance at the beginning of the year	3,801,826,959		3,804,735,195	
Less: Share issue expenses - equity capital	–	3,801,826,959	2,908,236	3,801,826,959
<b>Surplus/(Deficit) as per statement of profit and loss</b>				
Balance as at the beginning of the year	(1,991,263,864)		(2,539,738,782)	
Add: Profit for the year	314,799,999	(1,676,463,865)	551,695,815	(1,988,042,967)
Less: Appropriations				
Proposed dividend on preference shares	–		(2,676,105)	
Corporate dividend tax thereon	–	–	(544,792)	(3,220,897)
<b>Balance as at the end of the year</b>		<b>(1,676,463,865)</b>		<b>(1,991,263,864)</b>
<b>Total of Reserves and Surplus</b>		<b>2,125,363,094</b>		<b>1,810,563,095</b>

### Notes to the Consolidated Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)		As at March 31, 2016 Amount (₹)	
<b>(6) Borrowings</b>				
<b>A Long -Term Borrowings</b>				
<b>Secured loans</b>				
Term loans				
From banks	284,096,001		387,791,927	
Less- current maturities of long term borrowings	(215,731,528)	68,364,473	(228,471,719)	159,320,208
<b>Unsecured loans</b>				
Loans from related parties (Refer note-28)		-		228,000,000
Loans from others		270,000,000		120,000,000
<b>Total of Long-term borrowings</b>		<b>338,364,473</b>		<b>507,320,208</b>
<b>B Short -Term Borrowings</b>				
<b>Secured loans</b>				
Working capital loan from bank		199,608,692		-
<b>Total of short-term borrowings</b>		<b>199,608,692</b>		-

#### Repayment terms (including current maturities) and security details of secured term loans:

Name of the lending Institution	Loan outstanding	Rate of interest (PA)	Repayment terms	Nature of security provided
Kotak Mahindra Bank Limited	51,520,678 29,103,020	12% to 12.91%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
ICICI Bank Limited	6,132,565 9,957,387	11.00%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
	18,565,727 38,856,498	10.60%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
	11,569,840 Nil	9.36%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
	12,178,108 43,651,449	10.92% to 12.23%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed and corporate guarantee given by holding company SORIL Holding and Ventures Limited
HDFC Bank Limited	25,543,581 94,078,807	11.50%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed

## Notes to the Consolidated Financial Statements (contd.)

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

Name of the lending Institution	Loan outstanding	Rate of interest (PA)	Repayment terms	Nature of security provided
HDFC Bank Limited	112,683,610 <i>101,636,527</i>	9.65% to 10.65%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed and corporate guarantee given by holding company SORIL Holding and Ventures Limited
Axis Bank Limited	45,901,892 <i>70,508,239</i>	11.50%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed and corporate guarantee given by holding company SORIL Holding and Ventures Limited
<b>TOTAL</b>	<b>284,096,001</b> <b>387,791,927</b>			

### Working Capital Loan:

Working capital term loans from bank amounting to ₹ 199,608,692 (Previous year - ₹ Nil) having an interest rate of 10% per annum and repayable on demand. The above loan 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)

### Repayment terms of unsecured loans:

Name of the lending company	Loan outstanding	Rate of interest (PA)	Repayment terms
SORIL Holding and Ventures Limited , (Formerly Known as Indiabulls Wholesale Services Limited)	- <i>171,100,000</i>	9%	4 years from the date of first disbursement
Albasta Wholesale Services Limited	- <i>35,400,000</i>	9%	8 years from the date of first disbursement
IVL Finance Limited (Formerly Known as Shivshakti Financial Services Limited)	270,000,000 -	9%	2 years from the date of first disbursement
Indiabulls Distributions Services Limited	- <i>120,000,000</i>	9%	2 years from the date of first disbursement
<b>TOTAL</b>	<b>270,000,000</b> <b>32,6500,000</b>		

Figures in respect of previous year are stated in Italics.

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>(7) Other Liabilities</b>		
<b>A Other Long term liabilities</b>		
Obligation under operating lease	14,453,812	-
<b>Total of Other Long term liabilities</b>	<b>14,453,812</b>	<b>-</b>

### Notes to the Consolidated Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>B Other Current Liabilities</b>		
Current maturities of long-term borrowings from banks	215,731,528	228,471,719
Interest accrued but not due on borrowings	1,477,816	2,563,384
Deposits payable	14,329,100	5,269,000,000
Advance from customers	42,762,251	221,413,565
Payable to statutory authorities	6,815,872	66,600,378
Expenses payable	47,971,114	51,870,744
Other liabilities (Refer note -28)	16,350,547	14,170,865
<b>Total of Other current liabilities</b>	<b>345,438,228</b>	<b>5,854,090,655</b>
<b>(8) Provisions</b>		
<b>A Long- Term Provisions</b>		
Provision for gratuity (Refer note - 26)	9,194,330	6,423,238
Provision for compensated absences (Refer note - 26)	3,952,829	3,220,992
<b>Total of Long-term provisions</b>	<b>13,147,159</b>	<b>9,644,230</b>
<b>B Short- Term Provisions</b>		
Provision for gratuity (Refer note - 26)	432,229	178,630
Provision for compensated absences (Refer note - 26)	610,317	157,759
Proposed dividend on preference shares	-	2,676,105
Corporate dividend tax on proposed dividend on preference shares	-	544,792
<b>Total of Short-term provisions</b>	<b>1,042,546</b>	<b>3,557,286</b>
<b>(9) Trade Payables</b>		
(i) Dues to micro and small enterprises*	-	-
(ii) Dues to others (Refer note-28)	158,536,587	384,749,749
<b>Total of Trade payables</b>	<b>158,536,587</b>	<b>384,749,749</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2017 and March 31, 2016:

Particulars	Amount (₹)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	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
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
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	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

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.

## Notes to the Consolidated Financial Statements (contd.)

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

### (10) Fixed Assets

Particulars	A. Tangible assets						B. Intangible assets			Total of Fixed Assets [A+B]	
	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Office equipment	Temporary building	Total of tangible assets	Land-leasehold	Computer softwares		Total of intangible assets
<b>Gross block (at cost)</b>											
As at March 31, 2015	1,719,362,424	204,678,119	53,108,840	68,626,447	2,772,668	251,483	2,048,799,981	6,176,000	96,201,721	102,377,721	2,151,177,702
Additions during the year	49,437,396	—	2,848,589	1,091,714	363,944	—	53,741,642	3,401,766	—	3,401,766	57,143,408
Deletion/Adjustment during the year	5,020,088	—	—	—	—	—	5,020,088	—	—	—	5,020,088
As at March 31, 2016	1,763,779,731	204,678,119	55,957,429	69,718,161	3,136,612	251,483	2,097,521,535	9,577,766	96,201,721	105,779,487	2,203,301,022
Additions during the year	37,798,867	137,307	1,749,368	2,119,599	472,714	—	42,277,855	2,094,735	16,905	2,111,640	44,389,495
Deletion/Adjustment during the year#	—	—	—	—	—	—	—	—	—	—	—
As at March 31, 2017	1,801,578,598	204,815,426	57,706,797	71,837,760	3,609,326	251,483	2,139,799,390	11,672,501	96,218,626	107,891,127	2,247,690,517
<b>Accumulated depreciation/amortisation</b>											
As at March 31, 2015	217,537,910	111,302,937	21,127,871	67,811,637	628,002	167,656	418,576,013	129,211	96,127,053	96,256,264	514,832,277
Depreciation/amortisation for the year	113,106,073	20,172,668	5,887,776	403,972	641,708	83,827	140,296,024	798,886	22,050	820,936	141,116,960
Deletion/Adjustment during the year	—	—	—	—	—	—	—	—	—	—	—
As at March 31, 2016	330,643,983	131,475,605	27,015,647	68,215,609	1,269,710	251,483	558,872,037	928,097	96,149,103	97,077,200	655,949,237
Depreciation/amortisation for the year	115,734,571	20,174,526	6,353,092	725,803	669,800	—	143,657,792	1,031,967	24,841	1,056,808	144,714,600
Deletion/Adjustment during the year	—	—	—	—	—	—	—	—	—	—	—
As at March 31, 2017	446,378,554	151,650,131	33,368,739	68,941,412	1,939,510	251,483	702,529,829	1,960,064	96,173,944	98,134,008	800,663,837
<b>Net block</b>											
As at March 31, 2017	1,355,200,044	53,165,295	24,338,058	2,896,348	1,669,816	—	1,437,269,561	9,712,437	44,682	9,757,119	1,447,026,680
As at March 31, 2016	1,433,135,748	73,202,514	28,941,782	1,502,552	1,866,902	—	1,538,649,498	8,649,669	52,618	8,702,287	1,547,351,785

As at  
March 31, 2017  
Amount (₹)

As at  
March 31, 2016  
Amount (₹)

### (11) Loans and Advances

(Unsecured considered good, unless otherwise stated)

#### A Long- Term Loans and Advances

Capital advances	1,196,508	886,904
Security deposits	1,958,850	5,371,373
Prepaid expenses	3,150,790	1,228,745
Advance income tax/ tax deducted at source, net of provision for tax	233,392,113	214,708,170
<b>Total of Long- term loans and advances</b>	<b>239,698,261</b>	<b>222,195,192</b>

#### B Short- Term Loans and Advances

Inter-corporate deposits given to related parties (Refer note-28)	301,433,000	—
Inter-corporate deposits given to Others	950,000,000	—
Security deposits	1,010,808	6,685,800,000
Prepaid expenses	5,314,746	2,611,521
Balances with statutory and government authorities	15,801,311	4,553,127
Advances recoverable in cash or in kind or for value to be received	31,594,418	20,810,365
<b>Total of Short-term loans and advances</b>	<b>1,305,154,283</b>	<b>6,713,775,013</b>

### Notes to the Consolidated Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>(12) Other Non-Current Assets</b>		
Other bank balances		
In fixed deposit accounts with original maturity of more than 12 months (Refer note -15)	100,000	100,000
<b>Total of Other non-current assets</b>	<b>100,000</b>	<b>100,000</b>
<b>(13) Inventories</b>		
(Valued at cost or net realised value, which ever is lower)		
Store and spares	8,247,451	5,409,785
<b>Total of Inventories</b>	<b>8,247,451</b>	<b>5,409,785</b>

#### Details of Inventory (net of provisions)

(Amount in ₹)

Particulars	Store and spares	Others	Total
<b>Opening Stock</b>	5,409,785	-	5,409,785
	<i>3,865,111</i>	-	<i>3,865,111</i>
Purchases of stock in trade/ issued to consumption (net of returns and applicable taxes)	61,435,546	5,384,579	61,435,546
	<i>16,667,600</i>	<i>4,233,737</i>	<i>16,667,600</i>
Cost of goods sold/ consumption	58,597,880	5,384,579	58,597,880
	<i>15,122,926</i>	<i>4,233,737</i>	<i>15,122,926</i>
<b>Closing Stock</b>	8,247,451	-	8,247,451
	<i>5,409,785</i>	-	<i>5,409,785</i>

The Group purchased various types of consumables and materials. Inventory has been furnished only in respect of major items namely Store & Spares and Raw materials and scrap sales.

Figures in respect of previous year are stated in Italics.

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>(14) Trade Receivables</b>		
(Considered good, unsecured)		
Outstanding for a period exceeding six months	51,451,702	48,127,689
Others	241,157,785	295,276,846
<b>Total of Trade receivables</b>	<b>292,609,487</b>	<b>343,404,535</b>
<b>(15) Cash and Bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand (including foreign currency balances)	422,609	22,116
Balances with banks		
In current accounts	208,228,006	38,504,132
In fixed deposit accounts*		
With original maturity upto three months	-	4,350,000
	<b>208,650,615</b>	<b>42,876,248</b>

## Notes to the Consolidated Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>Other bank balances</b>		
In fixed deposit accounts (Refer note-25)		
With maturity upto twelve months	200,000	487,220
With maturity of more than twelve months	100,000	100,000
	<u>300,000</u>	<u>587,220</u>
Less: non-current bank balances in fixed deposit accounts (Refer note-12)	(100,000)	(100,000)
<b>Total of Cash and bank balances</b>	<b><u>208,850,615</u></b>	<b><u>43,363,468</u></b>

\*Fixed deposits of ₹ 100,000 (Previous Year ₹ 4,737,220) have been pledged against bank guarantees, letter of credit.

\*Fixed deposits of ₹ 200,000 (Previous Year ₹ 200,000) have been lien marked as a security for valued added tax registration with various states.

### (16) Other Current Assets

Interest accrued on fixed deposits with banks	2,314	59,945
<b>Total of Other current assets</b>	<b><u>2,314</u></b>	<b><u>59,945</u></b>

For the year ended  
March 31, 2017  
Amount (₹)

For the year ended  
March 31, 2016  
Amount (₹)

### (17) Revenue from Operations

Income from management and maintenance services	803,710,505	730,862,112
Income from equipment renting services	672,773,069	702,553,393
Income from construction, advisory and other related activities	423,500,000	1,125,800,000
Sale of trading goods	71,031,834	30,551,192
Income from job works	-	9,260,064
<b>Total of Revenue from operations</b>	<b><u>1,971,015,408</u></b>	<b><u>2,599,026,761</u></b>

### (18) Other Income

Interest on inter-corporate deposits (Refer note -28)	40,959,874	1,376,136
Dividend on units of mutual funds	1,636,082	8,107,629
Liabilities written back	140,460,364	
Interest income		
- From fixed deposits	27,967	349,375
- Income Tax Refund	10,722,692	-
- Others	-	-
	<u>10,750,659</u>	<u>349,375</u>
Foreign exchange gain - unrealized	-	49,341
Miscellaneous income	267,413	139,607
<b>Total of Other income</b>	<b><u>194,074,392</u></b>	<b><u>10,022,088</u></b>

### Notes to the Consolidated Financial Statements (contd.)

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

	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
<b>(19) Cost of Material and Services</b>		
Purchase of trading goods (Refer note 13)	5,384,579	4,233,737
Consumables	58,653,385	37,403,432
Rent expenses	44,482,259	—
Transportation charges	17,890,335	18,399,882
Labour charges	180,984,337	166,092,926
Repairs and maintenance		
- Plant and machinery	23,087,264	36,911,370
- Others for building under maintenance	18,762,691	17,330,445
Lift operating and management charges	58,912,179	59,261,564
Gardening and maintenance	4,287,696	3,915,693
Common area electricity and water charges	49,542,937	35,925,213
Security charges	96,601,260	48,711,738
Management and construction advisory services	381,900,000	749,036,730
Property management and assets maintenance services	286,161,011	315,785,610
Travelling and conveyance	168,155,052	131,854,347
<b>Total of Cost of Material and Services</b>	<b>1,394,804,984</b>	<b>1,624,862,687</b>
<b>(20) Employee Benefit Expenses</b>		
Salaries and wages	150,366,437	117,967,500
Contribution to provident funds and other funds	507,775	273,221
Gratuity expenses	4,562,209	1,971,090
Compensated absences benefits	1,299,343	1,240,556
Staff welfare expenses	6,050,844	1,018,846
<b>Total of Employee benefit expenses</b>	<b>162,786,608</b>	<b>122,471,213</b>
<b>(21) Finance Costs</b>		
Interest on borrowings	66,489,543	110,341,524
Bank charges	16,649	105,276
Interest on taxes	303,976	196,853
<b>Total of Finance costs</b>	<b>66,810,168</b>	<b>110,643,653</b>
<b>(22) Other Expenses</b>		
Donations and Contributions	25,000,000	—
Rent expenses (Refer note -30)	12,604,733	12,282,714
Rates and taxes	3,323,332	1,456,561
Insurance	5,002,821	4,608,725
Legal and professional charges	13,853,671	14,372,124
Travelling and conveyance	4,219,578	5,601,841
Communication expenses	1,781,014	1,288,677
Auditors' remuneration*	2,021,500	2,012,550
Printing and stationery	1,694,556	1,289,831
Advertisement and sales promotion	810,286	1,610,232
Loss on sale/disposal of fixed assets	—	5,020,088
Office expenses	2,433,105	1,577,735
Corporate social responsibility expenses (Refer note -31)	7,936,203	6,764,170
Miscellaneous expenses	492,641	373,272
<b>Total of Other expenses</b>	<b>81,173,441</b>	<b>58,258,520</b>

\*including non-deductible taxes

## Notes to the Consolidated Financial Statements (contd.)

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

### (23) Income Tax

#### Current Tax

The current tax for the year ended March 31, 2017 includes current year tax charge of ₹ Nil (Previous year ₹ Nil).

#### Deferred Tax Asset

In compliance with Accounting Standard 22 (AS 22) – ‘Accounting for taxes on income’, as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the Deferred Tax Assets on brought forward losses and unabsorbed depreciation has not been recognized as there is no virtual certainty supported by convincing evidence of the subsequent realization of such deferred tax assets in future.

### (24) Earnings Per Equity Share

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

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	314,799,999	551,695,815
Less:- Preference dividend including dividend tax paid	–	3,220,897
Profit after tax available for equity shareholders (₹)	314,799,999	548,474,918
Weighted average number of shares used in computing basic earnings per equity share	27,600,000	27,600,000
Weighted average number of shares used in computing diluted earnings per equity share	27,600,000	27,600,000
Face value of equity shares (₹)	10	10
Basic earnings per equity share (₹)	11.41	19.87
Diluted earnings per equity share (₹)	11.41	19.87

### (25) Contingent Liabilities and Commitments

#### Contingent liabilities:

- Bank Guarantees:
  - \*Bank Guarantees of ₹ 125,000 (Previous Year ₹ 125,000) issued in favour of VAT Authorities.
- Claims (Excluding interest) against the Group not acknowledged as debts: ₹ 14,06,02,793 (Previous Year: ₹ 14,802,793).
- Contingent liabilities in respect of income-tax demands for which appeals have been filed ₹ 16,88,785 (previous year : ₹ 1,65,14,989) and VAT for which appeals have been filed ₹ Nil (previous year : ₹ 1,11,64,268)
- 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:

- Estimated amount of Contracts remaining to be executed on capital account (net of advances) ₹ 10,768,581 (Previous Year ₹ 7,982,136).

### Notes to the Consolidated Financial Statements (contd.)

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

#### (26) Employee Benefits (Non Funded)

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

Particulars	Gratuity		Compensated Absences	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Service cost	2,063,658	2,023,472	1,057,590	919,686
Interest cost	528,149	387,749	270,300	167,393
Benefits paid	–	–	–	–
Actuarial (gain)/loss, net	1,970,401	(440,131)	(143,495)	153,477
Cost recognized during the year	4,562,208	1,971,090	1,184,395	1,240,556

Movement in the liability recognised in the balance sheet is as under:

Particulars	Gratuity		Compensated Absences	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
obligation at the beginning of the year	6,601,869	5,003,216	3,378,751	2,159,911
Cost recognized during the year	4,562,208	1,971,090	1,184,395	1,240,556
Benefits paid during the year	(1,537,518)	(372,437)	–	(21,716)
Obligation at the end of the year	9,626,559	6,601,869	4,563,146	3,378,751

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount rate	7.51%	8.00%
Salary escalation rate	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

#### (27) Employees Stock Options Schemes (ESOS)

##### Employees' Stock Option Schemes of the Company:

##### i. Store One Retail India Limited Employees Stock Option Scheme - 2009

The Shareholders vide postal ballot passed a special resolution on February 9, 2009 for issue of 1,500,000 (One Million five hundred thousands) 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 June 05, 2009, granted, under the "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009", 1,500,000 (One Million five hundred thousands ) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Company, to the eligible employees, at an exercise price of ₹ 30.45 per option, being the latest available closing market price on the National Stock Exchange of India Limited, as on June 04, 2009. The stock options so granted, shall vest in the eligible employees within 10 years beginning from June 06, 2010, the first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

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

## Notes to the Consolidated Financial Statements (contd.)

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

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

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

S. No	Particulars	ESOP – 2009
1	Expected volatility	206%
2	Expected forfeiture percentage on each vesting date	Nil
3	Option life (weighted average)	10.5 Years
4	Expected dividends yield	Nil
5	Risk free Interest rate	6.50%

Had the company followed the fair value method, there would not have been any impact on profit after tax and on basic and diluted earning per share of the company.

Employee stock options details as on the balance sheet date are as follows:

Particulars	2016-17 No. of shares	2015-16 No. of shares
Total number of option under Scheme	1,500,000	1,500,000
Number of options outstanding as at beginning of the year	Nil	Nil
Number of options granted during the year	Nil	Nil
Number of options vested during the year	Nil	Nil
Number of options exercised during the year	Nil	Nil
Number of options forfeited/cancelled during the year	Nil	Nil
Number of options lapsed during the year	Nil	Nil
Number of options outstanding as at end of the year	–	–
Out of the outstanding option number of options exercisable as at end of the year	–	–
Number of options available for grant as at end of the year	1,500,000	1,500,000
Exercise Price (₹ per option)	30.45	30.45
Remaining Contractual Life for options outstanding as at end of the year (months)	–	–

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

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

The options to be granted, under the above scheme representing an equal number of Equity shares of face value ₹ 10 each in the Company, to the eligible employees, will be granted at an exercise price which will be equal to 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 10 years beginning from their respective dates of grants . The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Pursuant to the shareholders' authorization dated September 30, 2009 and receipt of fresh certificate of incorporation dated October 6, 2009, the name of the Company has been changed from Indiabulls Retail Services

### Notes to the Consolidated Financial Statements (contd.)

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

Limited to Store One Retail India Limited. Accordingly, the title of the Scheme stands changed from Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009(II) to 'Store One Retail India Limited Employees Stock Option Scheme - 2009(II).

The Company follows the intrinsic value method of accounting as prescribed in the Guidance Note on Accounting for Employees Share based Payments ("Guidance Note") issued by the Institute of Chartered Accountants of India. Since no options have been granted therefore there is no compensation expense which need to be recognised by the Company.

Other disclosures as to proforma effect had the fair value method been followed and other related disclosure is not applicable as no options have been granted

#### (28) Disclosures in respect of Accounting Standard (AS) – 18 'Related party'

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

Relationship	Name of Related parties
<b>i) Related Party where control exist</b>	
Holding Company	SORIL Holding and Ventures Limited (Formerly Known as Indiabulls Wholesale Services Limited)
<b>ii) Other related parties:</b>	
Fellow Subsidiary Company*	Albasta Wholesale Services Limited
Key Management Personnel	Airmid Aviation Services Limited 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

##### (b) Summary of significant transactions with related parties

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Proposed dividend on preference shares</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	–	1,781,550
<b>Fellow Subsidiary Company:</b>		
– Albasta Wholesale Services Limited	–	894,555
<b>Total</b>	<b>–</b>	<b>2,676,105</b>
<b>Inter corporate deposit taken /(repaid), net</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	(192,600,000)	18,000,000
<b>Fellow Subsidiary Company:</b>		
– Albasta Wholesale Services Limited	(35,400,000)	(60,000,000)
<b>Total</b>	<b>(228,000,000)</b>	<b>(42,000,000)</b>
<b>Inter corporate deposit given /(received back), net</b>		
<b>Fellow Subsidiary Company:</b>		
– Airmid Aviation Services Limited	95,500,000	–
– Albasta Wholesale Services Limited	205,933,000	–
<b>Total</b>	<b>301,433,000</b>	<b>–</b>

## Notes to the Consolidated Financial Statements (contd.)

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Other Income:-</b>		
<b>Fellow Subsidiary Company:</b>		
– Airmid Aviation Services Limited	5,341,068	–
– Albasta Wholesale Services Limited	1,591,409	–
<b>Total</b>	<b>6,932,477</b>	<b>–</b>
<b>Employee benefit expenses:-</b>		
<b>Staff welfare expenses</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	–	124,128
<b>Total</b>	<b>–</b>	<b>124,128</b>
<b>Operating expenses:-</b>		
<b>Travelling expenses</b>		
<b>Fellow Subsidiary Company:</b>		
– Airmid Aviation Services Limited	137,238,946	133,030,625
<b>Total</b>	<b>137,238,946</b>	<b>133,030,625</b>
<b>Other expenses:-</b>		
<b>Legal and professional charges</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	980,352	–
<b>Total</b>	<b>980,352</b>	<b>–</b>
<b>Finance costs:-</b>		
<b>Interest on term loan</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	2,221,200	33,817,555
<b>Fellow Subsidiary Company:</b>		
– Albasta Wholesale Services Limited	410,252	7,184,361
<b>Total</b>	<b>2,631,452</b>	<b>41,001,916</b>

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Inter corporate deposit taken</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	192,600,000	661,100,000
<b>Fellow Subsidiary Company:</b>		
– Albasta Wholesale Services Limited	35,400,000	115,400,000
<b>Total</b>	<b>228,000,000</b>	<b>776,500,000</b>
<b>Inter corporate deposit given</b>		
<b>Fellow Subsidiary Company:</b>		
– Airmid Aviation Services Limited	95,500,000	–
– Albasta Wholesale Services Limited	205,933,000	–
<b>Total</b>	<b>301,433,000</b>	<b>–</b>

### Notes to the Consolidated Financial Statements (contd.)

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

(d) Outstanding balances :

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Inter corporate deposit taken</b>		
<i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	–	192,600,000
<i>Fellow Subsidiary Company:</i>		
– Albasta Wholesale Services Limited	–	35,400,000
<b>Total</b>	<b>–</b>	<b>228,000,000</b>
<b>Inter corporate deposit Given</b>		
<i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	95,500,000	–
– Albasta Wholesale Services Limited	205,933,000	–
<b>Total</b>	<b>301,433,000</b>	<b>–</b>
<b>Trade payable</b>		
<i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	–	25,762,500
<b>Total</b>	<b>–</b>	<b>25,762,500</b>
<b>Other current liabilities</b>		
<i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	–	124,128
<b>Total</b>	<b>–</b>	<b>124,128</b>

(e) Corporate guarantee

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Corporate Guarantee given by Holding Company for Secured borrowings</b>		
– SORIL Holding and Ventures Limited	370,372,302	215,796,215

(29) Expenditure in Foreign Currency

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of fixed assets and spares and services	7,054,285	35,959,320
Legal and professional charges	642,030	–
Travelling and conveyance	23,401,400	–

## Notes to the Consolidated Financial Statements (contd.)

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

### (30) Operating Lease

The Group has taken premises on operating leases and lease rent of ₹ 41,930,043 (Previous year ₹ 12,218,833) in respect of the same has been charged to statement of profit and loss for the year ended March 31, 2017. The minimum lease rentals payable in respect of such operating leases, are as under:

Minimum lease rentals payable	As at March 31, 2017	As at March 31, 2016
Within one year	60,706,678	11,052,108
Later than one year but not later than five years	190,320,195	35,019,351
<b>Total</b>	<b>251,026,873</b>	<b>46,071,459</b>

### (31) Corporate Social Responsibility Expenses

- (i) Gross amount required to be spent by the Group during the year of ₹ 7,936,203 (Previous years ₹ 6,764,170).  
(ii) Amount spent during the year on:

Description	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	Nil <i>Nil*</i>	– –	Nil <i>Nil*</i>
(ii) On purposes other than (i) above	7,936,203 <i>6,764,170*</i>	– –	7,936,203 <i>6,764,170*</i>

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

### (32) Disclosure of Specified Bank Notes

Disclosure on Specified Bank Notes (SBNs) as required by MCA notification G.S.R. 308 (E) dated March 30, 2017 is as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,159,000	29,519	1,188,519
(+) Permitted receipts	–	944,634	944,634
(-) Permitted payments	–	223,836	223,836
(+) Amount withdrawn from Banks	–	750,000	750,000
(-) Amount deposited in Banks	1,159,000	958,861	2,117,861
Closing cash in hand as on 30.12.2016	–	541,456	541,456

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

### Notes to the Consolidated Financial Statements (contd.)

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

#### (33) Segment Reporting

Segment information for the Year ended March 31, 2017 and March 31, 2016, as per Accounting Standard 17 (AS 17) – 'Segment Reporting', as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended).

(a) Primary segment information (by business segments)

Particulars	Management and Maintenance Services		Equipment Renting Services		Construction, advisory and other related activities		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
<b>(i) Segment Revenue</b>								
External Revenue	773,710,505	730,862,112	683,286,690	713,160,851	514,018,213	1,155,003,798	1,971,015,408	2,599,026,761
Inter-Segment Revenue	–	–	–	–	–	–	–	–
<b>Total Revenue</b>	<b>773,710,505</b>	<b>730,862,112</b>	<b>683,286,690</b>	<b>713,160,851</b>	<b>514,018,213</b>	<b>1,155,003,798</b>	<b>1,971,015,408</b>	<b>2,599,026,761</b>
<b>(ii) Segment Result</b>								
Profit/( Loss) before Tax and Interest	82,600,813	216,156,354	101,503,198	195,161,381	42,604,001	218,902,535	226,708,012	630,220,270
Add: Unallocated expenditure net of other unallocated income							107,958,684	(32,432,065)
<b>Operating Profit</b>							<b>334,666,696</b>	<b>597,788,205</b>
Less: Interest expense							19,866,697	46,092,390
Less: Income taxes and Deferred tax							–	–
<b>Total Profit from operating activities before tax</b>							<b>314,799,999</b>	<b>551,695,815</b>
<b>(iii) Segment Assets</b>	<b>58,862,830</b>	<b>38,729,861</b>	<b>1,615,391,761</b>	<b>1,751,073,301</b>	<b>806,083</b>	<b>6,685,800,000</b>	<b>1,675,060,674</b>	<b>8,475,603,162</b>
Unallocated Corporate Assets							1,826,628,417	400,056,561
<b>Total Assets</b>							<b>3,501,689,091</b>	<b>8,875,659,723</b>
<b>Segment Liabilities</b>	<b>227,471,998</b>	<b>432,490,274</b>	<b>348,558,539</b>	<b>479,437,160</b>	<b>1,989,451</b>	<b>5,294,762,500</b>	<b>578,019,988</b>	<b>6,206,689,934</b>
Unallocated Corporate Liabilities							492,571,509	552,672,194
<b>Total Liabilities</b>							<b>1,070,591,497</b>	<b>6,759,362,128</b>
<b>Capital Employed (Segment Assets- Segment Liabilities)</b>							<b>2,434,970,264</b>	<b>2,116,297,595</b>
<b>(iv) Capital Expenditure including capital advances</b>	<b>3,923,740</b>	<b>3,591,142</b>	<b>39,603,012</b>	<b>54,431,421</b>	<b>–</b>	<b>–</b>	<b>43,526,752</b>	<b>58,022,563</b>
Unallocated Capital Expenditure including capital advances							2,059,251	7,750
<b>Total Capital Expenditure including capital advances</b>							<b>45,586,003</b>	<b>58,030,313</b>
<b>(v) Depreciation and amortization expense</b>	<b>2,517,000</b>	<b>9,989,901</b>	<b>116,977,918</b>	<b>108,969,926</b>	<b>–</b>	<b>–</b>	<b>119,494,918</b>	<b>118,959,827</b>
Unallocated Revenue							25,219,682	22,157,133
<b>Total Depreciation and amortization expense</b>							<b>144,714,600</b>	<b>141,116,960</b>

## Notes to the Consolidated Financial Statements (contd.)

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

Particulars	Management and Maintenance Services		Equipment Renting Services		Construction, advisory and other related activities		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
(vi) Non-Cash expenditure other than depreciation	14,453,812	–	–	5,020,088	–	–	14,453,812	5,020,088
Unallocated Non-Cash expenditure other than depreciation							5,861,552	3,211,646
<b>Total Non-Cash Expenditure other than depreciation</b>							<b>20,315,364</b>	<b>8,231,734</b>

- b) The group's primary business segments are reflected based on principal business activities carried on by the Company. The group operates in three reportable business segments i.e. Facility Maintenance Services, Equipment Hiring Services and Construction, advisory and other related activities.3 - SORIL Consol 2017 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.

### (34) 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 1, 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 ₹ 26,76,105 which are declared and approved on 26 May 2017 and dividend distribution tax of ₹ 5,44,792, have not been recognised in current year.

- (35) In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2017 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 balance sheet after appropriate provision. Certain balances shown under loans and advances, sundry creditors and balances with banks are subject to confirmation/reconciliation. In the opinion of the Board of Directors, no provision is required to be made against the recoverability of such balances, other than as already provided in the financial statements.
- (36) In respect of the amounts as mentioned under section 125 of the Companies Act, 2013, there were no dues required as at 31 March 2017.
- (37) The Group has not entered into any foreign exchange derivative instruments during the year. There are no outstanding foreign currency exposures as at March 31, 2017.
- (38) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For **Agarwal Prakash & Co.**

Chartered Accountants

FRN - 005975N

**Vikas Aggarwal**  
Partner

**Pia Johnson**  
Whole Time Director  
DIN: 00722403

**Mehul Johnson**  
Director  
DIN: 00016075

**Vijay Kumar Agrawal**  
Chief Financial Officer

**Vikas Khandelwal**  
Company Secretary

Place: Gurugram  
Date: May 26, 2017

# 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, 2017, the Statement of Profit and Loss, the Cash Flow Statement 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding of the assets of the Company; 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 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.

We have taken into account the provisions of the Act, the accounting standards and standards on auditing 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 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 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 state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the '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, 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

## Independent Auditor's Report (contd.)

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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'.
- 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 –26 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.
- iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 33 of the aforesaid standalone financial statements.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number : 005975N

**Vikas Aggarwal**

Partner

Membership No.: 097848

Gurugram

May 26, 2017

## Annexure to the Independent Auditor's Report

### Annexure A referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date on the standalone financial statements for the year ended March 31, 2017

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.
  - b. 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.
  - c. 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, 2017 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 except for the amounts mentioned below:
- viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.

Name of the Statute	Demand Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	18,525/-	Assessment Year 2012-13	Assessing Officer
Income Tax Act, 1961	16,70,260/-	Assessment Year 2012-13	DCIT(TDS)

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

- ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- 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.
- 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

**Vikas Aggarwal**

Partner

Membership No.: 097848

Gurugram

May 26, 2017

# Annexure B to the Auditor's Report

## Report on the Internal Financial Controls 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, 2017 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 Company's management 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 ("ICAI"). 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, including adherence to Company's policies, 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 were 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.

### Inherent 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, the Company has, 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, 2017, 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 : 005975N

Gurugram  
May 26, 2017

**Vikas Aggarwal**  
Partner  
Membership No.: 097848

# Balance Sheet

as at March 31, 2017

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

Particulars	Note	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share capital	4	305,734,500	305,734,500
(b) Reserves and surplus	5	2,129,235,764	1,811,607,678
		<b>2,434,970,264</b>	<b>2,117,342,178</b>
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	6A	338,364,473	485,820,208
(b) Other Long term liabilities	7A	14,453,812	—
(c) Long- term provisions	8A	12,643,316	8,725,942
		<b>365,461,601</b>	<b>494,546,150</b>
<b>Current Liabilities</b>			
(a) Short-term borrowings	6B	199,608,692	—
(b) Trade payables	9	—	—
(i) Dues to micro and small enterprises		—	—
(ii) Dues to others		158,536,587	384,749,749
(c) Other current liabilities	7B	342,334,334	5,852,721,779
(d) Short-term provisions	8B	1,019,037	3,450,643
		<b>701,498,650</b>	<b>6,240,922,171</b>
<b>Total of Equity and Liabilities</b>		<b>3,501,930,515</b>	<b>8,852,810,499</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		1,421,135,551	1,520,365,936
(ii) Intangible assets		9,757,119	8,702,287
(iii) Capital work-in-progress		—	—
(b) Non-current investments	11	500,000	500,000
(c) Long term loans and advances	12A	261,106,289	222,170,192
(d) Other non-current assets	13	100,000	100,000
		<b>1,692,598,959</b>	<b>1,751,838,415</b>
<b>Current assets</b>			
(a) Inventories	14	8,247,451	5,409,785
(b) Trade receivables	15	290,066,717	340,001,116
(c) Cash and bank balances	16	208,809,525	42,073,735
(d) Short-term loans and advances	12B	1,301,184,505	6,713,427,503
(e) Other current assets	17	1,023,358	59,945
		<b>1,809,331,556</b>	<b>7,100,972,084</b>
<b>Total of Assets</b>		<b>3,501,930,515</b>	<b>8,852,810,499</b>

Significant accounting policies 3

The accompanying notes are an integral part of financial statements.

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

For **Agarwal Prakash & Co.**

For and on behalf of Board of Directors

Chartered Accountants

FRN - 005975N

**Vikas Aggarwal**  
Partner

**Pia Johnson**  
Whole Time Director  
DIN: 00722403

**Mehul Johnson**  
Director  
DIN: 00016075

**Vijay Kumar Agrawal**  
Chief Financial Officer

**Vikas Khandelwal**  
Company Secretary

Place: Gurugram  
Date: May 26, 2017

# Statement of Profit and Loss

for the year ended March 31, 2017

# SORIL

INFRA RESOURCES

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

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I. REVENUE</b>			
(a) Revenue from operations (net of taxes)	18	1,956,456,838	2,595,250,152
(b) Other Income	19	195,091,207	10,022,088
<b>Total of Revenue</b>		<b>2,151,548,045</b>	<b>2,605,272,240</b>
<b>II. EXPENSES</b>			
(a) Cost of Material and Services	20	1,394,804,984	1,627,663,608
(b) Employee benefits expense	21	149,406,619	118,468,485
(c) Finance costs	22	66,009,661	110,585,497
(d) Depreciation and amortization expenses	10	142,565,048	140,400,524
(e) Other expenses	23	81,133,647	55,413,728
<b>Total of Expenses</b>		<b>1,833,919,959</b>	<b>2,052,531,842</b>
<b>III. Profit before tax (I - II)</b>		<b>317,628,086</b>	<b>552,740,398</b>
<b>IV. Tax expenses</b>			
(a) Current tax	24	-	-
(b) Deferred tax		-	-
<b>V. Profit for the year (III- IV)</b>		<b>317,628,086</b>	<b>552,740,398</b>
<b>Earnings per Equity Share</b>	25		
(a) Basic		11.51	19.91
(b) Diluted		11.51	19.91
Face value per Equity Share		10.00	10.00

Significant accounting policies 3

The accompanying notes are an integral part of financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For **Agarwal Prakash & Co.**

Chartered Accountants

FRN - 005975N

**Vikas Aggarwal**  
Partner

**Pia Johnson**  
Whole Time Director  
DIN: 00722403

**Mehul Johnson**  
Director  
DIN: 00016075

**Vijay Kumar Agrawal**  
Chief Financial Officer

**Vikas Khandelwal**  
Company Secretary

Place: Gurugram

Date: May 26, 2017

# Cash Flow Statement

for the year ended March 31, 2017

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash flow from operating activities:</b>		
<b>Net profit before tax</b>	<b>317,628,086</b>	<b>552,740,398</b>
<i>Adjustments for statement of Profit and Loss items:</i>		
Liabilities written back	(140,345,416)	(8,107,629)
Provision for gratuity/compensated absences	5,011,110	2,186,715
Loss on sale on fixed assets	—	5,020,088
Interest on Income tax refunds	(10,719,962)	—
Interest Income on fixed deposits	(27,967)	(349,375)
Dividend on units of mutual funds	(1,636,082)	(1,376,136)
Interest expenses on borrowings	65,689,036	110,283,368
Interest income on inter-corporate deposits	(42,094,367)	—
Unrealised foreign exchange loss/ (gain)	167,792	(49,341)
Obligation under operating lease	14,453,812	—
Depreciation and amortization expenses	142,565,048	140,400,524
	<u>33,063,004</u>	<u>248,008,214</u>
<b>Operating profit before working capital changes and other adjustments:</b>	<b>350,691,090</b>	<b>800,748,612</b>
<i>Working capital changes and other adjustments:</i>		
Decrease in trade receivables	49,934,399	246,050,259
Decrease/(Increase) in loan and advances	6,665,166,476	(6,230,997,884)
Increase in inventories	(2,837,666)	(1,544,674)
(Decrease)/Increase in trade payables	(226,380,954)	124,638,278
(Decrease)/Increase in other liabilities and provisions	(5,356,520,715)	5,558,679,918
	<u>1,129,361,540</u>	<u>(303,174,103)</u>
<b>Cash flow from/(used in) operating activities</b>	<b>1,480,052,630</b>	<b>497,574,509</b>
Income taxes paid (net)	(7,897,009)	(147,732,262)
<b>Net cash flow from/(used in) operating activities</b>	<b>1,472,155,621</b>	<b>349,842,247</b>
<b>B Cash flow from investing activities :</b>		
Investment in wholly owned subsidiary	—	(500,000)
Purchase of fixed assets (including capital advances)	(44,699,099)	(55,643,764)
Proceeds from sale of fixed assets	—	19,000,000
Interest received on fixed deposits	85,598	352,097
Inter-corporate loans and advances given to subsidiary company	(21,500,000)	—
Inter-corporate loans and advances given to fellow subsidiary companies	(355,933,000)	—
Inter-corporate loans and advances received back from fellow subsidiary companies	54,500,000	—
Inter-corporate loans and advances given to others	(1,000,000,000)	—
Inter-corporate loans and advances received back from others	50,000,000	—
Interest received on Inter-corporate loans and advances given	41,073,323	—
Investment in mutual funds	5,418,000,000	5,888,200,000
Redemption of mutual funds	(5,418,000,000)	(5,888,200,000)

### Cash Flow Statement

for the year ended March 31, 2017 (contd.)

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Dividend received from mutual funds	1,636,082	1,376,136
Maturity of/(Investments in) Fixed Deposits	4,350,000	(2,811,680)
<b>Net cash used in investing activities</b>	<b>(1,270,487,096)</b>	<b>(38,227,211)</b>
<b>C Cash flow from financing activities</b>		
Payment of Share issue expenses on equity capital		(2,908,236)
Proceeds from borrowing (secured)	373,736,292	146,315,000
Repayment of borrowing (secured)	(277,823,526)	(380,761,372)
Proceeds from borrowing (unsecured)	730,000,000	955,000,000
Repayment of borrowing (unsecured)	(786,500,000)	(898,500,000)
Interest paid on borrowings	(66,774,604)	(119,052,205)
Dividend paid on preference share capital (including corporate dividend tax)	(3,220,897)	(3,211,169)
<b>Net cash (used in)/flow from financing activities</b>	<b>(30,582,735)</b>	<b>(303,117,982)</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>171,085,790</b>	<b>8,497,054</b>
E Cash and cash equivalents at the beginning of the year	37,723,735	29,226,680
<b>F Cash and cash equivalents at the end of the year (D+E)</b>	<b>208,809,525</b>	<b>37,723,735</b>

#### Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

	As at March 31, 2017	As at March 31, 2016
<b>2. Cash and cash equivalents includes:</b>		
(a) Cash on hand	422,609	22,116
(b) Balances with banks		
- in Current Accounts	208,186,916	37,214,399
- in Fixed Deposit Accounts (Refer note-16)	200,000	4,837,220
<b>Total (a+b)</b>	<b>208,809,525</b>	<b>42,073,735</b>
Less: balance with banks in fixed deposit accounts with original maturities of more than 3 months	—	(4,350,000)
	<b>208,809,525</b>	<b>37,723,735</b>

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

The accompanying notes are an integral part of financial statements.

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

For **Agarwal Prakash & Co.**

Chartered Accountants

FRN - 005975N

**Vikas Aggarwal**

Partner

**Pia Johnson**

Whole Time Director

DIN: 00722403

For and on behalf of Board of Directors

**Mehul Johnson**

Director

DIN: 00016075

**Vijay Kumar Agrawal**

Chief Financial Officer

**Vikas Khandelwal**

Company Secretary

Place: Gurugram

Date: May 26, 2017

# Notes to the Financial Statements

for the year ended March 31, 2017

## (1) Company Overview

SORIL Infra Resources Limited (formerly known as Store One Retail India Limited) ("the Company") was incorporated as Pyramid Retail Limited on March 18, 2005. The name of the company was subsequently changed to Indiabulls Retail Services Limited on 22nd May, 2008 and then changed to Store One Retail India Limited on 30th September, 2009 and now further changed to SORIL Infra Resources Limited on 21st December, 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 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.

During the previous year, the Company had invested into a wholly owned subsidiary "Store One Infra Resources limited" of Rs 5 Lacs dated November 20, 2015.

## (2) Basis of Preparation of financial statement

### (i) Statement of compliance

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Companies Act 2013.

### (ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

## (3) Summary of significant accounting policies:

### (i) Fixed Assets Recognition and measurement

#### (a) Tangible Assets:

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

#### (b) Intangible Assets:

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

#### (c) Capital work in progress

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

### (ii) Depreciation and Amortisation

a) Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

## Notes to the Financial Statements (contd.)

- b) 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 softwares	4 years
Land -Leasehold	11 years ( as per terms of agreement )

### (iii) Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

### (iv) Investments

Investments are classified as non-current or current investments, based on management's intention. Investments that are readily realizable and intended to be held not more than a year are classified as current investments. All other investments are classified as non-current investments.

### (v) 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.

### (v) Revenue Recognition

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

- 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.
- Revenue from equipment renting services ( including relevant manpower and supervision ) is recognised when services is 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.
- Revenue from management and maintenance services are recognised pro-rata 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.
- Revenue from construction, advisory and other related services are recognised pro-rata 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.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- Dividend income is recognized when the right to receive payment is unconditionally established.
- Profit on sale of investments is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

## Notes to the Financial Statements (contd.)

### vii) Foreign Currency Transactions

#### a) Initial Recognition

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

#### b) Conversion

Foreign currency monetary items are converted to reporting currency using the closing rate. Non monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### c) Exchange Rate Differences

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

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

### (viii) Income Taxes

#### *Current tax*

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

#### *Deferred tax*

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

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

### (ix) Stock Based Compensation

Stock based compensation expense are recognized in accordance with the guidance note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), which establishes financial accounting and reporting principles for employee share based payment plans. Employee stock compensation costs are measured based on intrinsic value of the stock options on the grant date. The compensation expense is amortized over the vesting period of the options.

### (x) Leases

Lease payments under operating leases are recognised as expense in the statement of profit and loss over the lease term.

### (xi) Employee benefits

Post employment and other long term employee benefits for its eligible employees are recognized as an expense in the Statement of Profit and Loss, for the year in which the employee has rendered services. The Company has unfunded defined benefit plans, namely compensated absences and gratuity the liability for which is determined on the basis of actuarial valuation, conducted on annual basis, by an independent actuary, in accordance with Accounting Standard 15 (Revised 2005) – "Employee Benefits" the expense is recognized at

## Notes to the Financial Statements (contd.)

the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains or losses are recognized in the Statement of Profit and Loss as income or expenses.

### **xii) Provisions, Contingent Liabilities and Contingent Assets**

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

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

### **(xiii) 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 in accordance with notified Accounting Standard 16 "Borrowing costs". 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.

### **(xiv) 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.

### **(xv) 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.

### **(xvi) Segment Reporting**

#### **Identification of Segments:**

The company's operating businesses are organised and managed separately with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

#### **Segments policies:**

The company prepares its segment information in conformity with the accounting policies adopted for preparation and presenting the financial statements of the company as a whole. The following additional policies are adopted for segment reporting:

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Assets and liabilities of the respective segments are separately identified.

### **xvii) Preliminary expenses**

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent of balance available and thereafter, the balance portion is charged off to the statement of profit and loss, as incurred.

## Notes to the Financial Statements (contd.)

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

(4) Share Capital	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Authorised</b>				
Equity shares of face value ₹ 10 each	28,000,000	280,000,000	28,000,000	280,000,000
Preference shares of face value ₹ 10 each	4,000,000	40,000,000	4,000,000	40,000,000
		<b>320,000,000</b>		<b>320,000,000</b>
<b>Issued, subscribed and fully paid up shares</b>				
Equity Shares of face value of ₹ 10 each fully paid up	27,600,000	276,000,000	27,600,000	276,000,000
9% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of face value of ₹10 each fully paid up	2,973,450	29,734,500	2,973,450	29,734,500
<b>Total Issued, subscribed and fully paid up share Capital</b>		<b>305,734,500</b>		<b>305,734,500</b>

### a. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year

#### Equity Shares

Particulars	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
At the beginning of the year	27,600,000	276,000,000	27,600,000	276,000,000
Add:- Issued during the year	—	—	—	—
Balance at the end of the year	<b>27,600,000</b>	<b>276,000,000</b>	<b>27,600,000</b>	<b>276,000,000</b>

#### Preference Shares

Particulars	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
At the beginning of the year	2,973,450	29,734,500	2,973,450	29,734,500
Add:- Issued during the year	—	—	—	—
Balance at the end of the year	<b>2,973,450</b>	<b>29,734,500</b>	<b>2,973,450</b>	<b>29,734,500</b>

### b. Rights, preferences and restrictions attached to equity shares

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 Holding Company. In the event of liquidation of the Holding Company, all preferential amounts, if any, shall be discharged by the Holding Company. The remaining assets of the Holding 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. In the event of distributing dividends by the holding company and winding up, the preference shareholders will be preferred over the equity shareholders. The holders of preference shares are entitled to receive dividends, but they do not have any voting rights except for in the conditions mentioned in the Companies Act, 2013. All shares rank equally with regard to the holding company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

### Notes to the Financial Statements (contd.)

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

**c. Details of shareholder holding more than 5% share capital in the Holding Company**

Name the of Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	Amount (₹)	No. of Shares held	Amount (₹)
<b>(i) SORIL Holding and Ventures Limited (Formerly Known as Indiabulls Wholesale Services Limited), Holding Company</b>				
Equity shares of face value ₹ 10 each	20,383,310	203,833,100	20,383,310	203,833,100
Preference shares of face value ₹ 10 each	1,979,500	19,795,000	1,979,500	19,795,000
<b>(ii) Albasta Wholesale Services Limited, Fellow Subsidiary Company</b>				
Preference shares of face value ₹ 10 each	993,950	9,939,500	993,950	9,939,500
<b>(iii) Shares reserved for issue under options</b>				

There were no shares reserved under options as at 31st March,2017 and 31st March, 2016 (Refer note-28)

	As at March 31, 2017 Amount (₹)		As at March 31, 2016 Amount (₹)	
<b>(5) Reserves and Surplus</b>				
<b>Securities premium</b>				
Balance at the beginning of the year	3,801,826,959		3,804,735,195	
Less: Share issue expenses - equity capital	-	3,801,826,959	2,908,236	3,801,826,959
<b>Surplus/(Deficit) as per statement of profit and loss</b>				
Balance as at the beginning of the year	(1,990,219,281)		(2,539,738,782)	
Add: Profit for the year	317,628,086	(1,672,591,195)	552,740,398	(1,986,998,384)
Less: Appropriations				
Proposed dividend on preference shares	-		(2,676,105)	
Corporate dividend tax thereon	-	-	(544,792)	(3,220,897)
<b>Balance as at the end of the year</b>		<b>(1,672,591,195)</b>		<b>(1,990,219,281)</b>
<b>Total of Reserves and Surplus</b>		<b>2,129,235,764</b>		<b>1,811,607,678</b>

## Notes to the Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)		As at March 31, 2016 Amount (₹)	
<b>(6) Borrowings</b>				
<b>A Long -Term Borrowings</b>				
<b>Secured loans</b>				
Term loans				
From banks	284,096,001		387,791,927	
Less- current maturities of long term borrowings	(215,731,528)	68,364,473	(228,471,719)	159,320,208
<b>Unsecured loans</b>				
Loans from related parties (Refer note-29)		-		206,500,000
Loans from others		270,000,000		120,000,000
<b>Total of Long-term borrowings</b>		<b>338,364,473</b>		<b>485,820,208</b>
<b>B Short -Term Borrowings</b>				
<b>Secured loans</b>				
Working capital loan from bank		199,608,692		-
<b>Total of short-term borrowings</b>		<b>199,608,692</b>		-

### Repayment terms (including current maturities) and security details of secured loans:

Name of the lending Institution	Loan outstanding	Rate of interest (PA)	Repayment terms	Nature of security provided
Kotak Mahindra Bank Limited	51,520,678 29,103,020	10.25% to 12.91%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
ICICI Bank Limited	6,132,565 9,957,387	11.00%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
	18,565,727 38,856,498	10.60%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
	11,569,840 Nil	9.36%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed
	12,178,108 43,651,449	10.92% to 12.23%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed and corporate guarantee given by holding company SORIL Holding and Ventures Limited
HDFC Bank Limited	25,543,581 94,078,807	11.50%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed

## Notes to the Financial Statements (contd.)

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

Name of the lending Institution	Loan outstanding	Rate of interest (PA)	Repayment terms	Nature of security provided
HDFC Bank Limited	112,683,610 <i>101,636,527</i>	9.65% to 10.65%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed and corporate guarantee given by holding company SORIL Holding and Ventures Limited
Axis Bank Limited	45,901,892 <i>70,508,239</i>	11.50%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets financed and corporate guarantee given by holding company SORIL Holding and Ventures Limited
<b>TOTAL</b>	<b>284,096,001</b> <b>387,791,927</b>			

### Working Capital Loan:

Working capital term loans from bank amounting to Rs 199,608,692 (Previous year - Rs Nil) having an interest rate of 10% per annum and repayable on demand. The above loan 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)

### Repayment terms of unsecured loans:

Name of the lending company	Loan outstanding	Rate of interest(PA)	Repayment terms
SORIL Holding and Ventures Limited , (Formerly Known as Indiabulls Wholesale Services Limited)	- <i>171,100,000</i>	9%	4 years from the date of first disbursement
Albasta Wholesale Services Limited	- <i>35,400,000</i>	9%	8 years from the date of first disbursement
IVL Finance Limited (Formerly Known as Shivshakti Financial Services Limited)	270,000,000 -	9%	2 years from the date of first disbursement
Indiabulls Distributions Services Limited	- <i>120,000,000</i>	9%	2 years from the date of first disbursement
<b>TOTAL</b>	<b>270,000,000</b> <b>32,6500,000</b>		

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>(7) Other Liabilities</b>		
<b>A Other Long term liabilities</b>		
Obligation under operating lease	14,453,812	-
<b>Total of Other Long term liabilities</b>	<b>14,453,812</b>	-

## Notes to the Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>B Other Current Liabilities</b>		
Current maturities of long -term borrowings from banks	215,731,528	228,471,719
Interest accrued but not due on borrowings	1,477,816	2,563,384
Deposits payable	14,329,100	5,269,000,000
Advance from customers	42,762,251	221,413,565
Payable to statutory authorities	6,508,102	66,122,207
Expenses payable	47,950,989	51,860,694
Other liabilities (Refer note -29)	13,574,548	13,290,210
<b>Total of Other current liabilities</b>	<b>342,334,334</b>	<b>5,852,721,779</b>
<b>(8) Provisions</b>		
<b>A Long- Term Provisions</b>		
Provision for gratuity (Refer note - 27)	8,748,548	5,618,431
Provision for compensated absences (Refer note - 27)	3,894,768	3,107,511
<b>Total of Long-term provisions</b>	<b>12,643,316</b>	<b>8,725,942</b>
<b>B Short- Term Provisions</b>		
Provision for gratuity (Refer note - 27)	430,240	153,035
Provision for compensated absences (Refer note - 27)	588,797	76,711
Proposed dividend on preference shares	-	2,676,105
Corporate dividend tax on proposed dividend on preference shares	-	544,792
<b>Total of Short-term provisions</b>	<b>1,019,037</b>	<b>3,450,643</b>
<b>(9) Trade Payables</b>		
(i) Dues to micro and small enterprises*	-	-
(ii) Dues to others (Refer note-29)	158,536,587	384,749,749
<b>Total of Trade payables</b>	<b>158,536,587</b>	<b>384,749,749</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2017 and 2016:

Particulars	Amount (₹)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	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
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
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	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

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.

## Notes to the Financial Statements (contd.)

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

### (10) Fixed Assets

Particulars	A. Tangible assets							B. Intangible assets			Total of Fixed Assets [A+B]
	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Office equipment	Temporary building	Total of tangible assets	Land-leasehold	Computer softwares	Total of intangible assets	
<b>Gross block (at cost)</b>											
As at April 1, 2015	1,719,362,424	204,678,119	53,108,840	68,626,447	2,772,668	251,483	2,048,799,981	6,176,000	96,201,721	102,377,721	2,151,177,702
Additions during the year	49,437,396	-	2,848,589	1,091,714	363,944	-	53,741,643	3,401,766	-	3,401,766	57,143,409
Deletion/Adjustment during the year	31,287,329	-	-	-	-	-	31,287,329	-	-	-	31,287,329
As at March 31, 2016	1,737,512,491	204,678,119	55,957,429	69,718,161	3,136,612	251,483	2,071,254,295	9,577,766	96,201,721	105,779,487	2,177,033,782
Additions during the year	37,798,867	137,307	1,749,368	2,119,599	472,714	-	42,277,855	2,094,735	16,905	2,111,640	44,389,495
Deletion/Adjustment during the year#	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	1,775,311,358	204,815,426	57,706,797	71,837,760	3,609,326	251,483	2,113,532,150	11,672,501	96,218,626	107,891,127	2,221,423,277
<b>Accumulated depreciation/amortisation</b>											
As at April 1, 2015	217,537,910	111,302,937	21,127,871	67,811,637	628,002	167,656	418,576,013	129,211	96,127,053	96,256,264	514,832,277
Depreciation/amortisation for the year	112,389,637	20,172,668	5,887,776	403,972	641,708	83,827	139,579,588	798,886	22,050	820,936	140,400,524
Deletion/Adjustment during the year	7,267,242	-	-	-	-	-	7,267,242	-	-	-	7,267,242
As at March 31, 2016	322,660,305	131,475,605	27,015,647	68,215,609	1,269,710	251,483	550,888,359	928,097	96,149,103	97,077,200	647,965,559
Depreciation/amortisation for the year	113,585,019	20,174,526	6,353,092	725,803	669,800	-	141,508,240	1,031,967	24,841	1,056,808	142,565,048
Deletion/Adjustment during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	436,245,324	151,650,131	33,368,739	68,941,412	1,939,510	251,483	692,396,599	1,960,064	96,173,944	98,134,008	790,530,607
<b>Net block</b>											
As at March 31, 2017	1,339,066,034	53,165,295	24,338,058	2,896,348	1,669,816	-	1,421,135,551	9,712,437	44,682	9,757,119	1,430,892,670
As at March 31, 2016	1,414,852,186	73,202,514	28,941,782	1,502,552	1,866,902	-	1,520,365,936	8,649,669	52,618	8,702,287	1,529,068,223

**As at  
March 31, 2017  
Amount (₹)**

**As at  
March 31, 2016  
Amount (₹)**

### (11) Non-Current Investments

(Trade, un-quoted, at Cost)

Investment in 50,000 (Previous Year 50,000) equity shares of Rs.10 each fully paid up in Store One Infra Resources Limited, Wholly owned subsidiary

500,000

500,000

**Total of Non-Current investments**

**500,000**

**500,000**

### (12) Loans and Advances

(Unsecured considered good, unless otherwise stated))

#### A Long- Term Loans and Advances

Capital advances	1,196,508	886,904
Security deposits	1,933,850	5,346,373
Loans and advances to related parties (Refer note-29)	21,500,000	-
Prepaid expenses	3,150,790	1,228,745
Advance income tax/ tax deducted at source, net of provision for tax	233,325,141	214,708,170
<b>Total of Long- term loans and advances</b>	<b>261,106,289</b>	<b>222,170,192</b>

## Notes to the Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>B Short- Term Loans and Advances</b>		
Inter-corporate deposits given to related parties (Refer note-29)	301,433,000	–
Inter-corporate deposits given to Others	950,000,000	–
Security deposits	1,010,808	6,685,800,000
Prepaid expenses	5,314,746	2,611,521
Balances with statutory and government authorities	13,868,643	2,650,203
Advances recoverable in cash or in kind or for value to be received	29,557,308	22,365,779
<b>Total of Short-term loans and advances</b>	<b>1,301,184,505</b>	<b>6,713,427,503</b>
<b>(13) Other Non-Current Assets</b>		
Other bank balances		
In fixed deposit accounts with original maturity of more than 12 months (Refer note -16)	100,000	100,000
<b>Total of Other non-current assets</b>	<b>100,000</b>	<b>100,000</b>
<b>(14) Inventories</b>		
(Valued at cost or net realised value, which ever is lower)		
Store and spares	8,247,451	5,409,785
<b>Total of Inventories</b>	<b>8,247,451</b>	<b>5,409,785</b>

### Details of Inventory(net of provisions)

(Amount in ₹)

Particulars	Store and spares	Others	Total
<b>Opening Stock</b>	5,409,785	–	5,409,785
	<i>3,865,111</i>	-	<i>3,865,111</i>
Purchases of stock in trade/ issued to consumption (net of returns and applicable taxes)	61,435,546 <i>16,667,600</i>	5,384,579 <i>4,233,737</i>	61,435,546 <i>16,667,600</i>
Cost of goods sold/ consumption	58,597,880 <i>15,122,926</i>	5,384,579 <i>4,233,737</i>	58,597,880 <i>15,122,926</i>
<b>Closing Stock</b>	8,247,451 <i>5,409,785</i>	- -	8,247,451 <i>5,409,785</i>

The Company purchased various types of consumables and materials. Inventory has been furnished only in respect of major items namely Store & Spares and Raw materials and scrap sales.

Figures in respect of previous year are stated in Italics.

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>(15) Trade Receivables</b>		
(Considered good, unsecured)		
Outstanding for a period exceeding six months	51,451,702	48,127,689
Others	238,615,015	291,873,427
<b>Total of Trade receivables</b>	<b>290,066,717</b>	<b>340,001,116</b>

### Notes to the Financial Statements (contd.)

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

	As at March 31, 2017 Amount (₹)	As at March 31, 2016 Amount (₹)
<b>(16) Cash and Bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand (including foreign currency balances)	422,609	22,116
Balances with banks		
In current accounts	208,186,916	37,214,399
In fixed deposit accounts*		
With original maturity upto three months	—	4,350,000
	<u>208,609,525</u>	<u>41,586,515</u>
<b>Other bank balances</b>		
In fixed deposit accounts (Refer note-26)		
With maturity upto twelve months	200,000	487,220
With maturity of more than twelve months	100,000	100,000
	<u>300,000</u>	<u>587,220</u>
Less: non-current bank balances in fixed deposit accounts (Refer note-13)	(100,000)	(100,000)
<b>Total of Cash and bank balances</b>	<u>208,809,525</u>	<u>42,073,735</u>

\*Fixed deposits of ₹ 100,000 (Previous Year ₹ 4,737,220) have been pledged against bank guarantees, letter of credit.

\*Fixed deposits of ₹ 200,000 (Previous Year ₹ 200,000) have been lien marked as a security for valued added tax registration with various states.

#### (17) Other Current Assets

Interest accrued on fixed deposits with banks	2,314	59,945
Interest accrued on inter-corporate deposits given		
	<u>1,021,044</u>	<u>—</u>
<b>Total of Other current assets</b>	<u>1,023,358</u>	<u>59,945</u>

	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
<b>(18) Revenue from Operations</b>		
Income from management and maintenance services	803,710,505	730,862,112
Income from equipment renting services	661,039,949	698,776,784
Income from construction, advisory and other related activities	423,500,000	1,125,800,000
Sale of trading goods	68,206,384	30,551,192
Income from job works	—	9,260,064
<b>Total of Revenue from operations</b>	<u>1,956,456,838</u>	<u>2,595,250,152</u>

## Notes to the Financial Statements (contd.)

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

	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
<b>(19) Other Income</b>		
Interest on inter-corporate deposits (Refer note -29)	42,094,367	1,376,136
Dividend on units of mutual funds	1,636,082	8,107,629
Liabilities written back	140,345,416	
Interest income		
- From fixed deposits	27,967	349,375
- Income Tax Refund	10,719,962	-
- Others	-	-
Foreign exchange gain - unrealized	-	49,341
Miscellaneous income	267,413	139,607
<b>Total of Other income</b>	<b>195,091,207</b>	<b>10,022,088</b>
<b>(20) Cost of Material and Services</b>		
Purchase of trading goods (Refer note 14)	5,384,579	4,233,737
Consumables	58,653,385	37,403,432
Rent expenses	44,482,259	-
Transportation charges	17,890,335	18,399,882
Labour charges	180,984,336	166,092,926
Repairs and maintenance		
- Plant and machinery	23,087,264	36,911,370
- Others for building under maintenance	18,762,691	17,330,445
Lift operating and management charges	58,912,179	59,261,564
Gardening and maintenance	4,287,696	3,915,693
Common area electricity and water charges	49,542,937	35,925,213
Security charges	96,601,260	48,711,738
Management and construction advisory services	381,900,000	749,036,730
Property management and assets maintenance services	286,161,011	315,785,610
Travelling and conveyance	168,155,052	134,655,268
<b>Total of Cost of Material and Services</b>	<b>1,394,804,984</b>	<b>1,627,663,608</b>
<b>(21) Employee Benefit Expenses</b>		
Salaries and wages	137,925,917	114,996,544
Contribution to provident funds and other funds	418,748	266,380
Gratuity expenses	3,711,767	1,140,688
Compensated absences benefits	1,299,343	1,046,027
Staff welfare expenses	6,050,844	1,018,846
<b>Total of Employee benefit expenses</b>	<b>149,406,619</b>	<b>118,468,485</b>

## Notes to the Financial Statements (contd.)

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

	For the year ended March 31, 2017 Amount (₹)	For the year ended March 31, 2016 Amount (₹)
<b>(22) Finance Costs</b>		
Interest on borrowings	65,689,036	110,283,368
Bank charges	16,649	105,276
Interest on taxes	303,976	196,853
<b>Total of Finance costs</b>	<b>66,009,661</b>	<b>110,585,497</b>
<b>(23) Other Expenses</b>		
Donations and Contributions	25,000,000	–
Rent expenses (Refer note -31)	12,604,733	12,282,714
Rates and taxes	3,318,800	1,425,873
Insurance	5,002,821	4,608,725
Legal and professional charges	13,831,858	14,371,524
Travelling and conveyance	4,219,578	2,800,921
Communication expenses	1,781,014	1,288,677
Auditors' remuneration*	2,010,000	2,002,500
Printing and stationery	1,693,512	1,287,477
Advertisement and sales promotion	810,286	1,610,232
Loss on sale/disposal of fixed assets	–	5,020,088
Office expenses	2,433,105	1,577,735
Corporate social responsibility expenses (Refer note -32)	7,936,203	6,764,170
Miscellaneous expenses	491,737	373,092
<b>Total of Other expenses</b>	<b>81,133,647</b>	<b>55,413,728</b>

\*including non-deductible taxes

### (24) Income Tax

#### Current Tax

The current tax for the year ended March 31, 2017 includes current year tax charge of ₹ Nil (Previous year ₹ Nil).

#### Deferred Tax Asset

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the Deferred Tax Assets on brought forward losses and unabsorbed depreciation has not been recognized as there is no virtual certainty supported by convincing evidence of the subsequent realization of such deferred tax assets in future.

### (25) Earnings Per Equity Share

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

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

## Notes to the Financial Statements (contd.)

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	317,628,086	552,740,398
Less:- Preference dividend including dividend tax paid	–	3,220,897
Profit after tax available for equity shareholders (₹)	317,628,086	549,519,501
Weighted average number of shares used in computing basic earnings per equity share	27,600,000	27,600,000
Weighted average number of shares used in computing diluted earnings per equity share	27,600,000	27,600,000
Face value of equity shares (₹)	10	10
Basic earnings per equity share (₹)	11.51	19.91
Diluted earnings per equity share (₹)	11.51	19.91

### (26) Contingent Liabilities and Commitments

#### Contingent liabilities:

##### a) Bank Guarantees:

\*Bank Guarantees of ₹ 125,000 (Previous Year ₹ 125,000) issued in favour of VAT Authorities.

##### b) Claims (Excluding interest) against the Company not acknowledged as debts: ₹ 140,602,793 (Previous Year: ₹ 14,802,793).

##### c) Contingent liabilities in respect of income-tax demands for which appeals have been filed ₹ 1,688,785 (previous year ₹ 1,65,14,989) and VAT for which appeals have been filed ₹ Nil (previous year : ₹ 11,164,268)

##### d) There are 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, adequate amounts have been provided in respect of the claims made against the Company under these cases. Company 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 Company.

#### Commitments:

##### e) Estimated amount of Contracts remaining to be executed on capital account (net of advances) ₹ 10,768,581 (Previous Year ₹ 7,982,136).

### (27) Employee Benefits (Non Funded)

#### Gratuity

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Company had charged ₹ 3,711,767 (previous year Charge ₹ 1,140,688) during the year ended March 31, 2017 and the amount outstanding as at March 31, 2017 is ₹ 9,178,788 (previous year ₹ 5,771,467).

#### Compensated Absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary. The Company had charged ₹ 1,299,343 (previous year charge ₹10,46,027) during the year ended March 31, 2017 and the amount outstanding as at March 31, 2017 is ₹ 4,483,565 (previous year ₹ 31,84,222 ).

### Notes to the Financial Statements (contd.)

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

The components of gratuity & compensated absences cost recognized, in accordance with AS-15 (Revised) on "Employee benefits", for the years ended March 31, 2017 and March 31, 2016 are enumerated as below:

Particulars	Gratuity		Compensated Absences	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Service cost	1,908,346	1,193,070	1,015,752	725,157
Interest cost	461,717	387,749	254,738	167,393
Benefits paid	–	–	–	–
Actuarial (gain)/loss, net	1,341,704	(440,131)	28,853	153,477
Cost recognized during the year	3,711,767	1,140,688	1,299,343	1,046,027

Details of the employee benefits obligation are provided below:

Particulars	Gratuity		Compensated Absences	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Obligation at the beginning of the year	5,771,467	5,003,216	3,184,222	2,159,911
Cost recognized during the year	3,711,767	1,140,688	1,299,343	1,046,027
Benefits paid during the year	(304,446)	(372,437)	–	(21,716)
Obligation at the end of the year	9,178,788	5,771,467	4,483,565	3,184,222

The assumptions used to determine cost include:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount rate	7.51%	8.00%
Salary escalation rate	5.00%	5.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

#### (28) Employees Stock Options Schemes(ESOS)

##### Employees' Stock Option Schemes of the Company:

##### i. Store One Retail India Limited Employees Stock Option Scheme - 2009

The Shareholders vide postal ballot passed a special resolution on February 9,2009 for issue of 1,500,000(One Million five hundred thousands) 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 June 05, 2009, granted, under the "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009", 1,500,000 (One Million five hundred thousands ) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Company, to the eligible employees, at an exercise price of ₹ 30.45 per option, being the latest available closing market price on the National Stock Exchange of India Limited, as on June 04, 2009. The stock options so granted, shall vest in the eligible employees within 10 years beginning from June 06, 2010, the first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

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

## Notes to the Financial Statements (contd.)

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

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

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

S. No	Particulars	ESOP – 2009
1	Expected volatility	206%
2	Expected forfeiture percentage on each vesting date	Nil
3	Option life (weighted average)	10.5 Years
4	Expected dividends yield	Nil
5	Risk free Interest rate	6.50%

Had the company followed the fair value method, there would not have been any impact on profit after tax and on basic and diluted earning per share of the company.

Employee stock options details as on the balance sheet date are as follows:

Particulars	2016-17 No. of shares	2015-16 No. of shares
Total number of option under Scheme	1,500,000	1,500,000
Number of options outstanding as at beginning of the year	Nil	Nil
Number of options granted during the year	Nil	Nil
Number of options vested during the year	Nil	Nil
Number of options exercised during the year	Nil	Nil
Number of options forfeited/cancelled during the year	Nil	Nil
Number of options lapsed during the year	Nil	Nil
Number of options outstanding as at end of the year	–	–
Out of the outstanding option number of options exercisable as at end of the year	–	–
Number of options available for grant as at end of the year	1,500,000	1,500,000
Exercise Price (₹ per option)	30.45	30.45
Remaining Contractual Life for options outstanding as at end of the year (months)	–	–

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

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

The options to be granted, under the above scheme representing an equal number of Equity shares of face value Rs. 10 each in the Company, to the eligible employees, will be granted at an exercise price which will be equal to 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 10 years beginning from their respective dates of grants . The stock options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Pursuant to the shareholders' authorization dated September 30, 2009 and receipt of fresh certificate of incorporation dated October 6, 2009, the name of the Company has been changed from Indiabulls Retail Services

## Notes to the Financial Statements (contd.)

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

Limited to Store One Retail India Limited. Accordingly, the title of the Scheme stands changed from Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009(II) to 'Store One Retail India Limited Employees Stock Option Scheme - 2009(II).

The Company follows the intrinsic value method of accounting as prescribed in the Guidance Note on Accounting for Employees Share based Payments ("Guidance Note") issued by the Institute of Chartered Accountants of India. Since no options have been granted therefore there is no compensation expense which need to be recognised by the Company.

Other disclosures as to proforma effect had the fair value method been followed and other related disclosure is not applicable as no options have been granted.

### (29) Disclosures in respect of Accounting Standard (AS) – 18 'Related party'

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

Relationship	Name of Related parties
<b>i) Related Party where control exist</b>	
Holding Company	SORIL Holding and Ventures Limited (Formerly Known as Indiabulls Wholesale Services Limited)
<b>ii) Other related parties:</b>	
Wholly Owned Subsidiary	Store One Infra Resources Limited (from November 20, 2015)
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

#### (b) Summary of significant transactions with related parties

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Proposed dividend on preference shares</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	–	1,781,550
<b>Fellow Subsidiary Company:</b>		
– Albasta Wholesale Services Limited	–	894,555
<b>Total</b>	–	2,676,105
<b>Inter corporate deposit taken/(repaid), net</b>		
<b>Holding Company:</b>		
– SORIL Holding and Ventures Limited	(171,100,000)	(3,500,000)
<b>Fellow Subsidiary Company:</b>		
– Albasta Wholesale Services Limited	(35,400,000)	(60,000,000)
<b>Total</b>	<b>(206,500,000)</b>	<b>(63,500,000)</b>
<b>Inter corporate deposit given/(received back), net</b>		
<b>Fellow Subsidiary Company:</b>		
– Airmid Aviation Services Limited	95,500,000	–

## Notes to the Financial Statements (contd.)

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
– Albasta Wholesale Services Limited <i>wholly owned Subsidiary:-</i>	205,933,000	–
– Store One Infra Resources Limited	21,500,000	–
<b>Total</b>	<b>322,933,000</b>	<b>–</b>
<b>Non current investments:-</b> <i>wholly owned Subsidiary:-</i>		
Investment in equity shares -fully paid up (at Cost)	–	500,000
<b>Total</b>	<b>–</b>	<b>500,000</b>
<b>Fixed assets</b> <i>wholly owned Subsidiary:-</i>		
Sale of fixed assets (Written down value : 24,020,086)	–	19,000,000
<b>Total</b>	<b>–</b>	<b>19,000,000</b>
<b>Other Income:-</b> <i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	5,341,068	–
– Albasta Wholesale Services Limited <i>wholly owned Subsidiary:-</i>	1,591,409	
– Store One Infra Resources Limited	1,134,493	
<b>Total</b>	<b>8,066,970</b>	<b>–</b>
<b>Employee benefit expenses:-</b> <b>Staff welfare expenses</b> <i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	–	124,128
<b>Total</b>	<b>–</b>	<b>124,128</b>
<b>Operating expenses:-</b> <b>Travelling expenses</b> <i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	137,238,946	133,030,625
<b>Total</b>	<b>137,238,946</b>	<b>133,030,625</b>
<b>Other expenses:-</b> <b>Legal and professional charges</b> <i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	980,352	–
<b>Total</b>	<b>980,352</b>	<b>–</b>
<b>Finance costs:-</b> <b>Interest on term loan</b> <i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	1,420,693	33,759,369
<i>Fellow Subsidiary Company:</i>		
– Albasta Wholesale Services Limited	410,252	7,184,361
<b>Total</b>	<b>1,830,945</b>	<b>40,943,730</b>

### Notes to the Financial Statements (contd.)

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

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Inter corporate deposit taken</b>		
<i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	171,100,000	639,600,000
<i>Fellow Subsidiary Company:</i>		
– Albasta Wholesale Services Limited	35,400,000	115,400,000
<b>Total</b>	<b>206,500,000</b>	<b>755,000,000</b>
<b>Inter corporate deposit given</b>		
<i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	95,500,000	–
– Albasta Wholesale Services Limited	205,933,000	–
<i>wholly owned Subsidiary:-</i>		
– Store One Infra Resources Limited	21,500,000	–
<b>Total</b>	<b>322,933,000</b>	<b>–</b>

(d) Outstanding balances :

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Inter corporate deposit taken</b>		
<i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	–	171,100,000
<i>Fellow Subsidiary Company:</i>		
– Albasta Wholesale Services Limited	–	35,400,000
<b>Total</b>	<b>–</b>	<b>206,500,000</b>
<b>Inter corporate deposit Given</b>		
<i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	95,500,000	–
– Albasta Wholesale Services Limited	205,933,000	–
<i>wholly owned Subsidiary:-</i>		
– Store One Infra Resources Limited	21,500,000	–
<b>Total</b>	<b>322,933,000</b>	<b>–</b>
<b>Trade payable</b>		
<i>Fellow Subsidiary Company:</i>		
– Airmid Aviation Services Limited	–	25,762,500
<b>Total</b>	<b>–</b>	<b>25,762,500</b>
<b>Other current liabilities</b>		
<i>Holding Company:</i>		
– SORIL Holding and Ventures Limited	–	124,128
<i>wholly owned Subsidiary:-</i>		
– Store One Infra Resources Limited	1,018,555	1,555,414
<b>Total</b>	<b>1,018,555</b>	<b>1,679,542</b>
<b>Short-term loans and advances</b>		
<i>wholly owned Subsidiary:-</i>		
– Store One Infra Resources Limited	1,021,044	–
<b>Total</b>	<b>1,021,044</b>	<b>–</b>

## Notes to the Financial Statements (contd.)

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

### (e) Corporate guarantee

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Corporate Guarantee given by Holding Company for Secured borrowings</b>		
– SORIL Holding and Ventures Limited	370,372,302	215,796,215

### (30) Expenditure in Foreign Currency

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of fixed assets and spares and services	7,054,285	35,959,320
Legal and professional charges	642,030	–
Travelling and conveyance	23,401,400	–

### (31) Operating Lease

The Company has taken premises on operating leases and lease rent of ₹ 41,930,043 (Previous year ₹ 12,218,833) in respect of the same has been charged to statement of profit and loss for the year ended March 31, 2017. The minimum lease rentals payable in respect of such operating leases, are as under:

Minimum lease rentals payable	As at March 31, 2017	As at March 31, 2016
Within one year	60,706,678	11,052,108
Later than one year but not later than five years	190,320,195	35,019,351
<b>Total</b>	<b>251,026,873</b>	<b>46,071,459</b>

### (32) Corporate Social Responsibility Expenses

(i) Gross amount required to be spent by the company during the year of ₹ 7,936,203 (Previous year ₹ 6,764,170).

(ii) Amount spent during the year on:

Description	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	Nil	–	Nil
	<i>Nil*</i>	–	<i>Nil*</i>
(ii) On purposes other than (i) above	7,936,203	–	7,936,203
	<i>6,764,170*</i>	–	<i>6,764,170*</i>

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

### (33) Disclosure of Specified Bank Notes

Disclosure on Specified Bank Notes (SBNs) as required by MCA notification G.S.R. 308 (E) dated March 30, 2017 is as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,159,000	29,519	1,188,519
(+) Permitted receipts	–	944,634	944,634
(-) Permitted payments	–	223,836	223,836
(+) Amount withdrawn from Banks	–	750,000	750,000
(-) Amount deposited in Banks	1,159,000	958,861	2,117,861
Closing cash in hand as on 30.12.2016	–	541,456	541,456

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

### Notes to the Financial Statements (contd.)

#### (34) Segment Reporting

Segment information for the Year ended March 31, 2017 and March 31, 2016; as per Accounting Standard 17 (AS 17) – ‘Segment Reporting’, as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended). *(All Amounts in Indian ₹, except share data and where otherwise stated)*

Particulars	Management and Maintenance Services		Equipment Renting Services		Construction, advisory and other related activities		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
<b>(i) Segment Revenue</b>								
External Revenue	773,710,505	730,862,112	668,728,120	709,384,242	514,018,213	1,155,003,798	1,956,456,838	2,595,250,152
Inter-Segment Revenue	–	–	–	–	–	–	–	–
<b>Total Revenue</b>	<b>773,710,505</b>	<b>730,862,112</b>	<b>668,728,120</b>	<b>709,384,242</b>	<b>514,018,213</b>	<b>1,155,003,798</b>	<b>1,956,456,838</b>	<b>2,595,250,152</b>
<b>(ii) Segment Result</b>								
Profit/( Loss) before Tax and Interest	82,600,813	216,156,354	104,331,285	196,205,963	42,604,001	218,902,535	229,536,099	631,264,852
Add: Unallocated expenditure net of other unallocated income							107,958,685	(32,432,064)
Operating Profit							337,494,784	598,832,788
Less: Interest expense							19,866,697	46,092,390
Less: Income taxes and Deferred tax							–	–
Total Profit from operating activities before tax							317,628,086	552,740,398
<b>(iii) Segment Assets</b>	58,862,830	38,729,861	1,615,633,185	1,728,224,077	806,083	6,685,800,000	1,675,302,098	8,452,753,938
Unallocated Corporate Assets							1,826,628,417	400,056,561
Total Assets							3,501,930,515	8,852,810,499
<b>Segment Liabilities</b>	227,471,998	432,490,274	344,927,293	455,543,353	1,989,451	5,294,762,500	574,388,742	6,182,796,127
Unallocated Corporate Liabilities							492,571,509	552,672,194
Total Liabilities							1,066,960,251	6,735,468,321
<b>Capital Employed (Segment Assets- Segment Liabilities)</b>							<b>2,434,970,264</b>	<b>2,117,342,178</b>
<b>(iv) Capital Expenditure including capital advances</b>	3,923,740	3,591,142	39,603,012	54,431,421	–	–	43,526,752	58,022,563
Unallocated Capital Expenditure including capital advances							2,059,251	7,750
Total Capital Expenditure including capital advances							45,586,003	58,030,313
<b>(v) Depreciation and amortization expense</b>	2,517,000	9,989,901	114,828,366	108,253,490	–	–	117,345,366	118,243,391
Unallocated Revenue							25,219,682	22,157,133
<b>Total Depreciation and amortization expense</b>							<b>142,565,048</b>	<b>140,400,524</b>

## Notes to the Financial Statements (contd.)

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

Particulars	Management and Maintenance Services		Equipment Renting Services		Construction, advisory and other related activities		Total	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
(vi) Non-Cash expenditure other than depreciation	14,453,812	–	–	5,020,088	–	–	14,453,812	5,020,088
Unallocated Non-Cash expenditure other than depreciation							5,011,110	2,186,715
Total Non-Cash Expenditure other than depreciation							19,464,922	7,206,803

- b) The Company's primary business segments are reflected based on principal business activities carried on by the Company. The Company operates in three reportable business segments i.e. Facility Maintenance Services, Equipment Hiring Services 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.

### (35) 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 1, 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 Rs. 26,76,105 which are declared and approved on 26 May 2017 and dividend distribution tax of ₹ 5,44,792, have not been recognised in current year.

- (36) In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2017 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet after appropriate provision. Certain balances shown under loans and advances, sundry creditors and balances with banks are subject to confirmation/reconciliation. In the opinion of the Board of Directors, no provision is required to be made against the recoverability of such balances, other than as already provided in the financial statements.
- (37) In respect of the amounts as mentioned under section 125 of the Companies Act, 2013, there were no dues required as at 31 March 2017.
- (38) The company has not entered into any foreign exchange derivative instruments during the year. There are no outstanding foreign currency exposures as at March 31, 2017.
- (39) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For **Agarwal Prakash & Co.**

Chartered Accountants

FRN - 005975N

**Vikas Aggarwal**  
Partner

**Pia Johnson**  
Whole Time Director  
DIN: 00722403

**Mehul Johnson**  
Director  
DIN: 00016075

**Vijay Kumar Agrawal**  
Chief Financial Officer

**Vikas Khandelwal**  
Company Secretary

Place: Gurgram

Date: May 26, 2017

## Notes to the Financial Statements (contd.)

**Annexure: Statement containing salient features of the financial statement of subsidiaries**  
**[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	Reserve & 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	2016-17	INR	500,000	(3,872,670)	21,761,065	21,761,065	-	14,558,570	(2,828,087)	-	(2,828,087)	-	100.00%

For and on behalf of the Board of Directors

**Pia Johnson**  
 Whole Time Director  
 DIN: 00722403

**Mehul Johnson**  
 Director  
 DIN: 00016075

Place: Gurugram  
 Date: May 26, 2017

**Vijay Kumar Agrawal**  
 Chief Financial Officer

**Vikas Khandelwal**  
 Company Secretary



**SORIL**

**INFRA RESOURCES**

**SORIL INFRA RESOURCES LIMITED**  
(Formerly Store One Retail India Limited)

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**Registered Office**

M-62 & 63, First Floor,  
Connaught Place,  
New Delhi – 110001

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**Corporate Offices**

Indiabulls House,  
448-451, Udyog Vihar,  
Phase-V, Gurugram – 122016

Indiabulls House,  
Indiabulls Finance Center,  
Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai – 400013

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