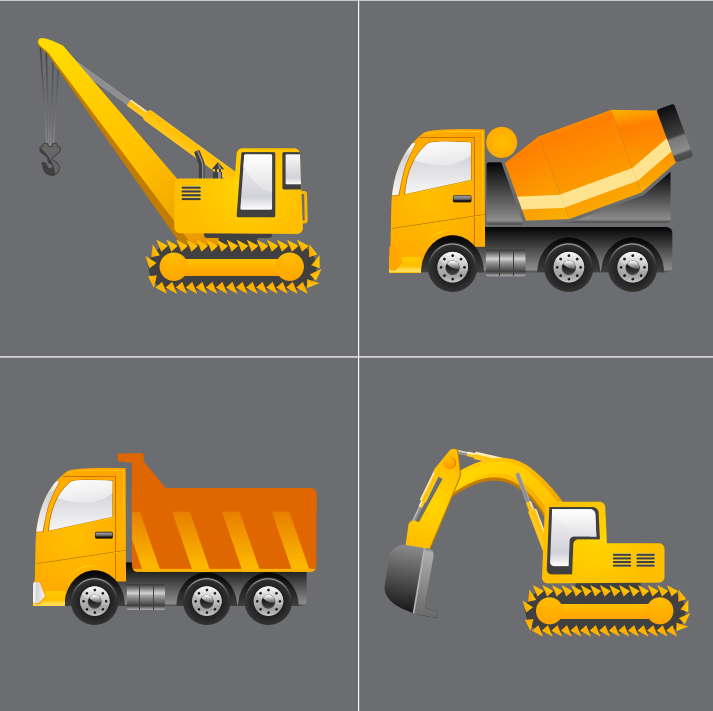


— STORE —
one

Store One Retail India Limited
— Annual Report 2011-12 —



Contents

Company Information 3

Management Discussion and Analysis 4

Directors' Report 7

Corporate Governance Report 11

Financials 28

Company Information

Board of Directors

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

Company Secretary

Mr. Vikas Khandelwal

Statutory Auditors

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

Registrar and Transfer Agent

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

Registered Office

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

Corporate Offices

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

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

Bankers

HDFC Bank
State Bank of India
ICICI Bank
Yes Bank
IDBI Bank

Management Discussion and Analysis

ECONOMIC OVERVIEW

India has emerged as a strong economy over the years. However the economic environment in India during the last year has not been very encouraging with subdued performance. The inclinatory situation and investment slowdown have necessitated a downward revision. RBI is giving full concentration on the inflation problem, which is undermining the fragile economic growth and stopped upward revision of the policy rates this time to contain the rising risk of inflation in the economy. The international context was also not entirely supportive of economic growth. Despite the rising risk of political and economic policies, the overall economic outlook of India in the long run is still intact. The government is expected to continue to create growth-enabling policies. India's growth would be driven by rapidly expanding services sector and therefore the opportunities are tremendous.

BUSINESS REVIEW

During the year 2011-12, to exploit new business opportunities, the Company has ventured into the business of providing property and facility management, plant and machinery management and its rental services, alongwith its ongoing business activities of wholesale trading business. With the thrust on infrastructural development in the country, the business of provision of Plant and Machinery in the construction industry has huge untapped business opportunities & large avenues for further business development. The Company also intends to commence the business of providing infrastructure resources and/or the travel agency business along with its ongoing businesses and have recently obtained the shareholders authorization for the same.

Property & Facility Management Services:

Property Management is multi discipline field devoted to the maintenance and care of the buildings and properties, which comprise of the following aspects:-

- a. Maintenance, care and running of all the common facilities of the complex to include technical systems (mechanical, electrical & civil).
- b. Soft services and housekeeping tasks.
- c. Common area development and landscaping.
- d. Security.
- e. Pest control, waste disposal and recycling etc.
- f. Leasing and marketing activities of the complex for rent and lease.

Renting of Plant and Machinery:

The Company is now aggressively involved in the rental business of Plant and Machinery in the infrastructure development field. Our brand new asset base from renowned manufacturers includes tower cranes, boom placers, hoists, transit mixers, dumpers, excavators etc. In additions, the Company will also engage in renting Formwork for construction of building / structures. We expect significant value addition through this new business line going forward.

Wholesale trading

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

OPPORTUNITIES

The facility management sector in India is a thriving US \$ 12.5 billion industry as reported in the media and growing at a rate of 25% per annum. Facility management demand spectrum in myriad sectors like Private, Government, Quasi-Government organizations, City councils, City Municipalities, City Corporations, Public sector organizations and undertakings, Healthcare, Banking, Hospitality, Construction, Infrastructure, Aviation etc. With the increased number of multistoried high-end residential, commercial & retail space, there is huge business opportunities and potential in the business of Property & Facility Management Services and Renting of Plant and Machinery. The renting of machinery is done on both terms, i.e. dry and wet lease basis.

In the wholesale trading business segment, India has yet to see the growth. Sky is the limit as this Sector is infant and has huge potential in years to come.

THREATS

There is intense competition & complexity in the business being conducted by the Company. Indian facility management industry is un-regulated requiring major reforms, recognition and organization. The Company believes that execution is the key risk in the business of Property & Facility Management Services and Renting of Plant and Machinery.

Product sourcing, warehouse management and inventory management along with shortage of quality real estate and infrastructure requirements in the country are some of the significant challenges which the Company may face in its wholesale trading business segment.

STRENGTHS

The Company believes that following are the key strengths that provide it competitive advantages in the business of facility management, renting of plant & machinery and wholesale trading.

Diversified business portfolio

To capitalize existing potential, the Company has diversified in the business of facility management services, business support services, security agency services and equipment/machinery rental services etc. alongwith its ongoing business of wholesale trading. Further, in its constant endeavor to enhance shareholder value, the Company has also decided to explore new opportunities in the business of providing infrastructure resources and/or the travel agency business along with its ongoing businesses.

Strong management team

The Company has an experienced professional management team possessing strong capabilities in the various aspects of wholesale trading business and the business of Property & Facility Management Services and Renting of Plant and Machinery. Its management team is complemented by a committed work force that enables to operate, synergies and integrate the front and backend operations efficiently. It now has an experienced team of managers and engineers to optimally maintain the assets and operate them in an efficient professional manner.

Strong Systems and Process

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

Strong bargaining strength

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

RISKS AND CONCERNS

Execution: The Company believes the key risk to its growth is execution risk. The Company has a strong management team and believes that it would be capable enough to execute varied business formats.

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

STRATEGY

The infrastructure industry is one of the largest economic activity contributing to India's economic development & growth story. The business of Infrastructure Resources Management to include Property Management Services, Office Administration and Renting of Plant and Machinery are the important tenets of this industry, thereby having huge untapped business potential for sustenance and growth. The asset base is being increased as the potential business opportunity increases with time. The intention is to cover the provision of machines on rent to the construction industry Pan India.

HUMAN RESOURCES

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

INTERNAL CONTROLS AND THEIR ADEQUACY

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

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

Cautionary Statement

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

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

Directors' Report

Dear Shareholders,

Your Directors present to you the Seventh Annual Report together with audited statement of accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2012 are as under:

Particulars	(Amount in Rs.)	
	Year ended March 31, 2012	Year ended March 31, 2011
Profit/ (Loss) before Tax and Depreciation	181,179,183	(290,129,832)
Less: Depreciation/ Impairment of Fixed Assets	62,786,644	61,582,392
Profit/ (Loss) before Tax	118,392,539	(351,712,224)
Less: Provision for Taxation & Prior Period Tax Adjustments	--	--
Profit/ (Loss) after Tax and Prior Period Tax Adjustment	118,392,539	(351,712,224)
Loss brought forward	(3,608,714,300)	(3,257,002,076)
Balance carried forward to Balance Sheet	(3,490,321,761)	(3,608,714,300)

BUSINESS REVIEW

During the year 2011-12, to exploit new business opportunities, the Company has ventured into the business of providing property and facility management, plant and machinery management and its rental services, alongwith its ongoing business activities of wholesale trading business. With the thrust on infrastructural development in the country, the business of provision of Plant and Machinery in the construction industry has huge untapped business opportunities & large avenues for further business development. The Company also intends to commence the business of providing infrastructure resources and/or the travel agency business along with its ongoing businesses and have recently obtained the shareholders authorization for the same.

DIVIDEND

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

EMPLOYEES STOCK OPTIONS

The disclosures required to be made in the Directors' Report in respect of the stock options granted under the employee stock option scheme in force in the Company, in terms of the format prescribed under SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999, are set out in the annexures forming a part of this report.

Shareholders of the Company in their Annual General Meeting held on September 30, 2009 have approved the launch of 'Store One Retail India Limited Employees Stock Option Scheme-2009 (II)' ('SORIL ESOS - 2009 (II)') covering 3,000,000 (Thirty Lacs) stock options, for the benefit of the Eligible Employees. The options under this Scheme are not yet granted by the Board/ Compensation Committee.

FIXED DEPOSITS

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

DIRECTORS

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and the Article 132 of the Articles of Association of the Company, Mr. Karan Singh Khera (DIN: 00017236) and Mr. Shamsheer Singh Ahlawat (DIN: 00017480), Directors, retire by rotation and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

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

LISTING WITH STOCK EXCHANGES

The Equity shares of the Company continue to remain listed with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The listing fees for the FY 2012-13 have been paid to both the exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the Annual Accounts of the Company on a going concern basis.

AUDITORS & AUDITORS' REPORT

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

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

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

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

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information, is being sent to all the Members of the Company and others entitled thereto. Any Member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENT

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

Date: August 30, 2012
Place : New Delhi

For and on behalf of the Board of Directors

Sd/-
Abhimanyu Singh Mehlawat
Whole-time Director

Sd/-
Mehul Johnson
Director

ANNEXURE FORMING PART OF THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

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

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

B. TECHNOLOGY ABSORPTION

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Capital expenditure	22,397,760	-

Annexure to the Directors' Report regarding the ESOP issue**Store One Retail India Limited Employees Stock Option Scheme – 2009 – As on March 31, 2012**

Particulars	
a. Options Granted	1,500,000
b. Exercise price	Rs. 30.45
c. Options vested	129,000
d. Options exercised	Nil
e. The total number of Shares arising as a result of exercise of option	Nil
f. Options lapsed	855,000
g. Variation in terms of options	Nil
h. Money realized by exercise of options	Nil
i. Total number of options in force	645,000
j. Employee wise details of options granted to:	
i. Senior Management personnel	Mr. Abhimanyu Singh Mehlawat - 150,000 Mr. Loveleen Sahni – 300,000
ii. any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company.	Mr. Loveleen Sahni – 300,000
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 [‘Earnings Per Share’]	Rs. 5.92
l. Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer to Note no. 27 of Financial Statements forming part of the Annual Report
m. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price: Rs. 30.45 per option Weighted-average fair value: Rs. 24.06 per option
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Refer to Note no. 27 of Financial Statements forming part of the Annual Report
i. risk free interest rate	
ii. expected life	
iii. expected volatility	
iv. expected dividends	
iv. the price of the underlying share in market at the time of option grant	

Corporate Governance Report

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS (BOARD)

(A) Composition and size of the Board

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

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

The details of Directors, number of directorships held by them in other companies as also the number of their memberships and chairmanships on various board Committees, as on March 31, 2012 are depicted in the table given below:

Sl. No.	Name of the Director*	Category of Directorship	No. of Directorships in other companies**	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)***	
				As Member [#]	As Chairman
1.	Mr. Abhimanyu Singh Mehlawat	Executive Director	12	2	0
2.	Mr. Mehul Johnson	Non-Executive Director	13	6	2
3.	Mr. Aishwarya Katoch	Non-Executive Independent Director	3	7	3
4.	Mr. Shamsher Singh Ahlawat	Non-Executive Independent Director	6	7	5
5.	Mr. Karan Singh Khara	Non-Executive Independent Director	6	6	2
6.	Mr. Prem Prakash Mirdha	Non-Executive Independent Director	4	4	Nil

*During FY 2011-12, Mr. Mukul Bansal resigned from the directorship of the Company. Accordingly, his directorships, memberships/ chairmanships on the board committees of the Company and those of other companies, are therefore not indicated in the above table.

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

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

[#]This includes the chairmanship in the Committees.

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

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

During the financial year 2011-12, the Board met 9 times. The dates of the meetings were April 11, 2011, May 4, 2011, June 3, 2011, July 5, 2011, August 5, 2011, September 3, 2011, October 14, 2011, November 11, 2011 and February 9, 2012.

The last Annual General Meeting (AGM) of the Company was held on September 30, 2011.

A table depicting the attendance of Directors at various Board Meetings and the Annual General Meeting held during FY 2011-12 is given below:

Sl. No.	Name of the Director	Meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
1.	Mr. Abhimanyu Singh Mehlawat (DIN: 02229285)	9	9	Yes
2.	Mr. Mehul Johnson (DIN: 00016075)	9	8	No
3.	Mr. Aishwarya Katoch (DIN: 00557488)	9	3	Yes

Sl. No.	Name of the Director	Meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	9	5	Yes
5.	Mr. Karan Singh Khera (DIN: 00017236)	9	6	Yes
6.	Mr. Prem Prakash Mirdha (DIN: 01352748)	9	3	No
7.	Mr. Mukul Bansal* (DIN: 00399080)	8	5	No

*During FY 2011-12, Mr. Mukul Bansal resigned from the directorship of the Company.

(C) Code of Conduct

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

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

3. COMMITTEES OF THE BOARD

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

(A) Audit Committee

Composition

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

Terms of reference

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

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

Meetings and Attendance thereat during the year

During the FY 2011-12, the Audit Committee met four times. The dates of the meetings being May 4, 2011, August 5, 2011, November 11, 2011 and February 9, 2012.

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

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

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

(B) Remuneration Committee

Composition

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

Terms of reference

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

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

Meetings and Attendance thereat during the year

No meeting of the Remuneration Committee was held during the financial year 2011-12.

Remuneration Policy

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

Remuneration of Directors

(i) Remuneration of Executive Directors

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

(ii) Remuneration of Non-Executive Directors

Non-Executive Directors have not been paid any remuneration/ sitting fees during the FY 2011-12.

(C) Shareholders'/ Investors' Grievance Committee

Composition

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

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

Terms of Reference

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

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

Meetings and Attendance thereat during the year

During the financial year 2011-12, the Shareholders'/ Investors' Grievance Committee met four times. The dates of the meetings were April 4, 2011, July 4, 2011, October 3, 2011 and January 2, 2012.

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	3
Mr. Mukul Bansal*	4	3
Mr. Abhimanyu Singh Mehlawat*	Nil	Nil

*During the FY 2011-12, Mr. Mukul Bansal resigned and Mr. Abhimanyu Singh Mehlawat was appointed as member of the Committee.

a) Name and designation of Compliance Officer

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

b) Details of queries / complaints received and resolved during the FY 2011-12

During the FY 2011-12, one complaint was received pertaining to non-receipt of dividend and the same was redressed to the satisfaction of the complainant.

4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2008-09	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2009	10.00 A.M.
2009-10	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2010	10.00 A.M.
2010-11	Centaur Hotel, IGI Airport, Delhi Gurgaon Road, New Delhi – 110 037	September 30, 2011	11.30 A.M.

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

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

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

thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.

- (iii) Special Resolution seeking member's approval to extend the benefits of "IBRSL ESOS-2009 (II)", to or for the benefit of Employees of the Company's subsidiary(ies) (existing or future) and those of its holding company and its ultimate holding company, including Directors (except Promoter Directors and any Director holding, directly or indirectly, more than 10% of the outstanding Equity shares of the Company) of such subsidiaries or holding companies, on such terms and conditions as may be decided by the Board under IBRSL ESOS-2009 (II) and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.
- (iv) Special Resolution seeking member's approval to create, issue, offer and allot the Stock Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options to certain eligible employees under the scheme titled "Indiabulls Retail Services Limited Employees Stock Option Scheme – 2009 (II)", at such price, in one or more tranches, and on such terms and conditions as may be decided by the Board under IBRSL ESOS-2009 (II) and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.
- (v) Special Resolution seeking member's approval for amendment/ alteration in the sub-clause (a) of Article 3 of the Articles of Association of the Company.
- (vi) Special Resolution seeking member's approval to the change in name of the Company from "Indiabulls Retail Services Limited" to "Store One Retail India Limited".

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

- (i) Special Resolution seeking member's approval to the amendment to the 'Store One Retail India Limited Employees Stock Option Scheme-2009' and 'Store One Retail India Limited Employees Stock Option Scheme-2009 (II)' ("Stock Option Schemes"), to empower the Board of Directors of the Company (which expression shall also include a Committee thereof) to entrust the holding of Securities for the benefit of the Eligible Employees and to manage the implementation of Stock Option Schemes, by the Employees Welfare Trust, in accordance with the terms of the respective Stock Option Schemes.

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

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

(C) (i) Special resolution passed during FY 2011-12 through postal ballot

During the FY 2011-12, the Company, in pursuance of Section 192A of the Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended, conducted a postal ballot for seeking approval of the shareholders. Mr. Gaurav Kohli, Practicing Company Secretary, New Delhi, as the Board-appointed Scrutinizer, conducted the Postal Ballot exercise. The summary of the result is given below:

Date of declaration of result: May 20, 2011

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

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

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

Date of declaration of result: August 18, 2012

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

(D) Procedure for postal ballot

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

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

5. DISCLOSURES**(i) Details on materially significant related party transactions**

Details of materially significant related party transactions made during the FY 2011-12, are contained in the notes to the annual accounts which form a part of the Annual Report.

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

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

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

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

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

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

Further, in order to enable the employees to easily communicate their concerns, the Company has joined the 'Corporate Whistleblower Initiative' (CWI) – an independent initiative, aimed at facilitating communication between the organization and its stakeholders. Employees can log on to www.cwiportal.com and lodge their concerns or complaints effectively through this portal. The CWI acts as an objective interface in such endeavour of Company, which aims at a totally unbiased evaluation and follow up of employee concerns.

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

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

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

6. MEANS OF COMMUNICATION

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

7. GENERAL SHAREHOLDERS' INFORMATION**(A) Date, Time and Venue of Annual General Meeting (AGM)**

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

(B) Profile of Directors seeking re-appointment

As per the Articles of Association of the Company, one-third of the Directors liable to retire by rotation every year, shall so retire by rotation at the Annual General Meeting and are eligible to be reappointed. Consequently, at the ensuing AGM, Mr. Karan Singh Khara and Mr. Shamsher Singh Ahlawat, Directors, shall retire by rotation and being eligible, offer themselves for reappointment, in accordance with the provisions of the Companies Act, 1956. Brief profiles of the said directors are given below:

Mr. Karan Singh Khera

Mr. Karan Singh Khera, aged about 66 years, is an Independent Director on the Board of Directors since January 2, 2008. He holds a postgraduate degree in English and is a retired professor. His excellent HR, administrative, academic and managerial skills will be to the benefit of the Company in the years to come, meriting his re-appointment as Director on the Board of the Company.

Mr. Khera is also on the Board of Indiabulls Financial Services Limited, Indiabulls Real Estate Limited, Indiabulls Securities Limited, Poena Power Solutions Limited, Indiabulls Commodities Limited, Indiabulls Wholesale Services Limited, Indiabulls Technology Solutions Limited, Indiabulls Housing Finance Limited, Lucina Land Development Limited and Hasta Infrastructure Private Limited. He is also Chairman of the Audit Committee and Shareholders'/Investors' Grievance Committee of Indiabulls Securities Limited and Indiabulls Wholesale Services Limited and of Compensation Committee of Indiabulls Securities Limited. He is also Member of Compensation Committee of Indiabulls Wholesale Services Limited, Remuneration Committee of Indiabulls Wholesale Services Limited and Indiabulls Securities Limited, Audit Committee and Shareholders'/Investors' Grievance Committee of Indiabulls Financial Services Limited.

Mr. Karan Singh Khera does not hold any shares in the Company.

Mr. Shamsher Singh Ahlawat

Mr. Shamsher Singh Ahlawat, aged 63 years is a Non-Executive Independent Director on the Board of Directors since January 2, 2008. He holds a post graduate degree in History from St. Stephens College, New Delhi. He started his career as a Probationary Officer with the State Bank of India in the year 1971 and retired as Chief Manager. During his tenure with the Bank, Mr. Ahlawat worked on various assignments at the Merchant Banking and Credit Division of the State Bank of India. Mr. Ahlawat is involved in social welfare activities including that of running a school providing free education in Jhajjar, Haryana. Having been associated with the banking sector for a long time, Mr. Ahlawat has an in depth understanding of the economy of the country and ability to visualize its impact on the Company's business etc. which can be to the benefit of Company's business in years to come, meriting his re-appointment as Director on the Board of the Company.

Mr. Ahlawat is also on the Board of Indiabulls Financial Services Limited, Indiabulls Constructions Limited, Indiabulls Wholesale Services Limited, Indiabulls Real Estate Limited, Elena Power and Infrastructure Limited, Indiabulls Realtech Limited and Indiabulls Power Limited. He is also Chairman of the Audit Committee of the Company, Indiabulls Real Estate Limited, Indiabulls Financial Services Limited and Indiabulls Power Limited., Chairman of Shareholders'/Investors' Grievance Committee, Remuneration Committee and Compensation Committee of Indiabulls Power Limited., Chairman of Remuneration Committee and Compensation Committee of Indiabulls Wholesale Services Limited and Chairman of Compensation Committee of Indiabulls Financial Services Limited. He is also member of Audit Committee and Shareholders'/Investors' Grievance Committee of Indiabulls Wholesale Services Limited, member of Remuneration Committee and Compensation Committee of the Company and Indiabulls Real Estate Limited and member of Remuneration Committee of Indiabulls Financial Services Limited.

Mr. Shamsher Singh Ahlawat does not hold any shares in the Company.

(C) Date of Book Closure

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

(D) Dividend Payment date

No dividend has been recommended by the Board for the financial year 2011-12.

(E) (i) Distribution of equity shareholding as on March 31, 2012

Sl. No.	Shareholding of nominal value (in Rs.)		No. of holders	% to total no. of holders	Value in Rs.	% to nominal value
	From	To				
1.	1	- 5,000	12907	89.14	14,076,120	7.04
2.	5,001	- 10,000	735	5.08	6,156,680	3.08
3.	10,001	- 20,000	378	2.61	5,842,160	2.92

4.	20,001 - 30,000	153	1.06	4,063,320	2.03
5.	30,001 - 40,000	70	0.48	2,581,520	1.29
6.	40,001 - 50,000	68	0.47	3,295,440	1.65
7.	50,001 - 1,00,000	82	0.57	6,230,810	3.11
8.	1,00,001 and above	86	0.59	157,753,950	78.88
	Total	14479	100.00	200,000,000	100.00

(ii) Equity Shareholding pattern as on March 31, 2012

Sl. No.	Category	No. of Shares	% holding
1.	Promoters	12,783,310	63.92
2.	Bodies Corporate	1,283,514	6.42
3.	Indian Public	5,799,432	28.99
4.	NRIs	1,31,535	0.66
5.	Clearing Members	2,209	0.01
	Total	20,000,000	100.00

(F) Dematerialisation of shares and liquidity

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

As on March 31, 2012, 99.99% Equity shares of the Company representing 19,998,509 out of a total of 20,000,000 Equity shares were held in dematerialised form and the balance 1,491 shares were held in physical form.

In addition, the Company issued 3,122,450 (Thirty One Lakh Twenty Two Thousand Four Hundred and Fifty) Preference shares of face value Rs. 10/- each, during the financial year 2011-12, in physical mode. Same are presently not listed on any Stock Exchange.

(G) Outstanding Stock Options

An aggregate of 645,000 stock options, out of the 1,500,000 stock options granted under the Company's 'Store One Retail India Limited Employees Stock Option Scheme-2009' ("the Scheme") were outstanding as on March 31, 2012, which are exercisable as per the vesting schedule of the Scheme. As and when these options get exercised, the equity share capital of the Company will stand increased accordingly.

(H) 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

(I) Stock Code

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

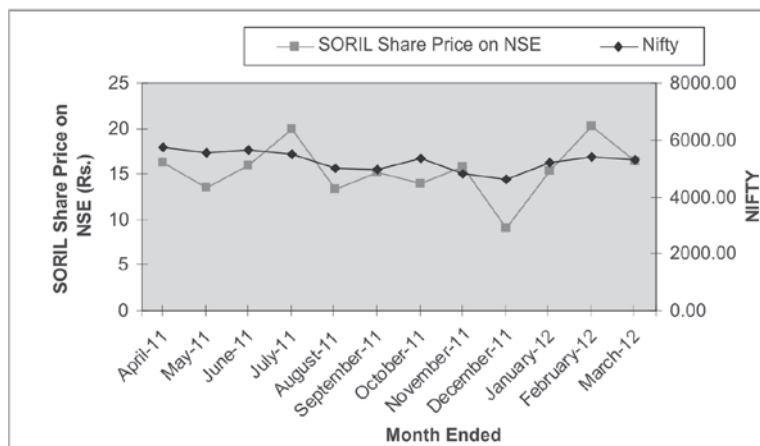
(J) Market Price Data

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, 2012 are as under:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2011	18.00	14.25	17.75	15.10
May 2011	16.75	13.05	16.95	13.00
June 2011	20.60	13.00	20.79	12.85
July 2011	22.35	16.30	22.95	16.15
August 2011	20.70	11.45	20.60	11.20
September 2011	15.50	12.35	16.00	12.40
October 2011	15.45	12.10	15.85	12.15
November 2011	17.80	12.70	18.49	12.50
December 2011	17.15	8.60	16.85	8.65
January 2012	16.95	8.75	17.00	8.90
February 2012	23.35	14.10	23.90	14.15
March 2012	20.75	15.65	20.40	16.00

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



(L) Registrar and Transfer Agents

Karvy Computershare Private Limited are acting as the Registrar and Transfer Agents (RTA) of the Company for

handling the share related matters, both in physical and the dematerialised mode.

The contact details are as under:

Karvy Computershare Private Limited

(Unit : Store One Retail India Limited)

Plot No.17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Phone : 040-44655000/23420815-23420825

Fax : 040-23420814

E-mail : einward.ris@karvy.com

for investors/ shareholders contact person:

Mr. K. Sreedhara Murthy

Assistant General Manager

E-mail : sreedharamurthy@karvy.com

(M) Share Transfer System

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

(N) Address for Correspondence

(i) Registered Office:

M-62 & 63, First Floor,

Connaught Place,

New Delhi – 110 001

(ii) Corporate Offices:

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

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

8. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

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

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

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

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

10. NON-MANDATORY REQUIREMENTS

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

(A) Remuneration Committee

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

(B) Unqualified Financial Statements

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

(C) Whistle Blower Policy

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

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

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

As Executive Director of Store One Retail India Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for FY 2011-12.

Sd/-

Abhimanyu Singh Mehlawat

Executive Director

Date : August 30, 2012

Place : New Delhi

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Store One Retail India Limited

We have examined the compliance of conditions of Corporate Governance by Store One Retail India Limited (“the Company”), for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

We state that there were no outstanding investor grievances as on March 31, 2012 as per the records maintained by the Company.

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

For **Gaurav Kohli & Associates**
Company Secretaries

Sd/-
Gaurav Kohli
Proprietor
Membership No.: FCS 5006
C.P. No. - 8206

Date: August 30, 2012
Place: New Delhi

Auditors' Report

To the Members of Store One Retail India Limited

1. We have audited the accompanying financial statements of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) ("the Company") which comprise the Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) 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;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - v) On the basis of written representations received from the directors, as at March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Act;
 - vi) In our opinion and according to the information and explanations given to us, the said financial statements read with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Amar Mittal
Partner
Membership No. 017755

Place: Gurgaon
Date: April 30, 2012

Annexure to the Auditors' Report of even date to the members of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited), on the financial statements for the year ended March 31, 2012 (Referred to in paragraph 3 of our report of even date)

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

- i) In respect of Fixed Assets of the Company and in our opinion:
 - a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a programme of physical verification of its fixed assets by which they are verified annually. In accordance with this programme, fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of the physical verification is reasonable having regards to the size of the company and nature of fixed assets.
 - c. The Company has not disposed off substantial part of any fixed assets during the year. Therefore the going concern assumption is not affected.
- ii) In respect of Inventories of the Company and in our opinion:
 - a. Inventories have been physically verified by management during the year and the frequency of verification is reasonable.
 - b. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- iii) In respect of loans, secured or unsecured, granted to or taken from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, in our opinion:
 - a. The Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b. The Company has taken loan from one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year aggregated to Rs. 3,155,695,951 (previous year Rs. 3,799,267,318) and the balance outstanding at year end is Rs. Nil (previous year Rs 3,092,767,318).
 - c. In our opinion rate of interest, where ever stipulated and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - d. The payments of principal amount and interest where ever stipulated in respect of such loans have been regular.
- iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and sale of goods & services.
- v) Based on the audit procedure applied by us, we are of the opinion that the transactions that are needed to be entered under section 301 have been so entered. In respect of transactions with parties with whom transactions exceeding value of Rupees Five Lakhs have been entered during the financial year are reasonable. For price justification reliance is placed on the information and explanation given by management.
- vi) In our opinion, the Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The maintenance of cost records prescribed under section 209(1)(d) of the Companies Act, 1956, is not applicable to the Company.

- ix) In respect of disputed and undisputed Statutory Dues of the Company and according to information and explanations given to us and on the basis of our examination of the records of the Company
- a. Amounts deducted / accrued in the books of accounts in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material Statutory Dues have generally been regularly deposited during the year by the Company with the appropriate authorities, to the extent applicable. There were no dues on account of Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government. According to the information and explanations given to us, no undisputed amounts payable in respect aforesaid dues were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable, wherever applicable.
 - b. There are no dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute, wherever applicable.
- x) The accumulated losses of the company at the end of the financial year are more than 50 % of the net worth of the company and it has not incurred cash losses in the current year. However the company has incurred cash losses in immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to financial institutions or banks or debenture holders. Based on our audit procedures and in our opinion, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit fund/society. Accordingly, the provisions of paragraph 4 clause (xiii) of the Order are not applicable.
- xiv) In our opinion the company is not dealing or trading in shares, debentures, securities and other investments. The investments in shares of subsidiary are held by the Company in its own name except to the extent exemption granted under section 49 of the Companies Act, 1956.
- xv) In our opinion, the Company has not given any guarantee in terms of paragraph 4 clause (xv).
- xvi) In our opinion and to the best of our knowledge and belief no term loans were obtained during the year.
- xvii) In our opinion and on an overall examination of the balance sheet of the Company, funds raised on short-term basis, prima facie, have not been used for the long-term investment by the Company.
- xviii) In our opinion, the Company has made preferential allotment of preference shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. Based on the valuation of preference share, which is in our opinion is prima facie not prejudicial to the interest of the Company.
- xix) In our opinion and according to the records examined by us, no debentures were issued during the year.
- xx) The Company has not raised any monies by way of public issue during the year.
- xxi) In our opinion, no material fraud on or by the Company has been noticed or reported during the year.

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

Amar Mittal
Partner
Membership No. 017755

Place: Gurgaon
Date: April 30, 2012

Balance Sheet as at March 31, 2012

Store One Retail India Limited,
(Formerly known as Indiabulls Retail Services Limited)



(Amount in Rs.)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	3	231,224,500	200,000,000
(b) Reserves and Surplus	4	288,243,434	(2,546,680,605)
		519,467,934	(2,346,680,605)
Non-Current Liabilities			
Long term provisions	5	1,256,967	171,324
		1,256,967	171,324
Current Liabilities			
(a) Short-term borrowings	6	-	3,719,600,000
(b) Trade payables	7	260,833,828	195,871,349
(c) Other current liabilities	8	9,892,395	251,385,637
(d) Short-term provisions	9	43,986,171	20,929,329
		314,712,394	4,187,786,315
	TOTAL	835,437,295	1,841,277,034
II. ASSETS			
Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		290,909,772	304,530,548
(ii) Intangible assets		13,489,614	34,302,432
(iii) Capital work-in-progress		15,057,852	-
		319,457,238	338,832,980
(b) Non-current investments	11	-	1,300,500,000
(c) Long term loans and advances	12	117,028,940	76,165,753
(d) Other non-current assets	13	4,350,500	4,350,500
		440,836,678	1,719,849,233
Current assets			
(a) Inventories	14	42,350,865	48,577,767
(b) Trade receivables	15	267,525,862	4,405,400
(c) Cash and bank balances	16	2,267,613	387,012
(d) Short-term loans and advances	17	82,294,266	67,999,558
(e) Other current assets	18	162,011	58,064
		394,600,617	121,427,801
	TOTAL	835,437,295	1,841,277,034

Significant accounting policies 2
The accompanying notes are an integral part of financial statements.

As per our report of even date For and on behalf of the Board of Directors

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

Amar Mittal
Partner
Membership No. : 017755

Gurgaon, April 30, 2012

Abhimanyu Singh Mehlawat
Whole Time Director

Gurgaon, April 30, 2012

Karan Singh Khera
Director

Vikas Khandelwal
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2012

Store One Retail India Limited

(Formerly known as Indiabulls Retail Services Limited)



(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
I. Revenue from operations	19	500,846,634	34,769,697
II. Other Income	20	13,354,771	24,758,977
III. Total Revenue (I+II)		514,201,405	59,528,674
IV. EXPENSES			
Purchases (Net of Returns) including Direct Costs	21	7,184,126	(45,373,565)
Decrease in Stock-in-Trade		6,226,903	70,645,194
Employee benefit expenses	22	28,140,853	10,336,722
Finance costs	23	71,266,262	266,489,567
Depreciation and amortization expense	10	62,786,644	61,582,392
Other expenses	24	220,204,078	47,560,588
Total Expenses		395,808,866	411,240,898
V. Profit / (Loss) before tax (III - IV)		118,392,539	(351,712,224)
VI. Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII. Profit / (Loss) for the year (V- VI)		118,392,539	(351,712,224)
Earnings per Equity Share	30		
[face value of share Rs. 10 (Previous Year Rs. 10)]			
(1) Basic		5.92	(17.59)
(2) Diluted		5.92	(17.59)
Significant accounting policies	2		
The accompanying notes are an integral part of financial statements.			

As per our report of even date

For and on behalf of the Board of Directors

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

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat
Whole Time Director

Karan Singh Kherra
Director

Vikas Khandelwal
Company Secretary

Gurgaon, April 30, 2012

Gurgaon, April 30, 2012

Cash Flow Statement for the year ended March 31, 2012

Store One Retail India Limited,
(Formerly known as Indiabulls Retail Services Limited)



(Amount in Rs.)

	Year ended March 31, 2012	Year ended March 31, 2011
A Cash flow from operating activities :		
Net Profit/(Loss) before tax	118,392,539	(351,712,224)
Adjustments for statement of Profit and Loss items:		
Provision for shrinkages and shortages	(2,030,411)	192,166
Provision for doubtful debts, advances and security deposits	3,620,130	10,117,840
Sundry Balances Written off	10,894,441	-
Liabilities written back	(10,402,319)	(23,699,493)
Provision for Gratuity / Compensated Absences	1,171,382	(1,088,633)
Loss on sale on fixed assets	1,633,162	11,356,088
Interest Income on fixed deposits	(975,021)	(290,607)
Dividend on units of mutual funds	(1,265,961)	-
Interest Expense	70,015,241	265,447,399
Depreciation and amortization expense	62,786,644	61,582,392
	<u>135,447,288</u>	<u>323,617,152</u>
Operating Profit / (Loss) before working capital changes	253,839,827	(28,095,072)
Adjustments for changes in working capital:		
Decrease / (Increase) in Trade and other receivables	(282,787,828)	(18,793,230)
Decrease / (Increase) Inventories	8,257,313	70,645,194
Increase / (Decrease) in Trade Payables and other liabilities & provisions	99,773,134	(58,116,777)
	<u>(174,757,381)</u>	<u>(6,264,813)</u>
Cash generated from / (used in) operations	79,082,446	(34,359,885)
Income tax (paid) / Refund received, net	(4,952,982)	(399,805)
	<u>(4,952,982)</u>	<u>(399,805)</u>
Net cash generated from / (used in) operating activities	74,129,464	(34,759,690)
B Cash flow from investing activities :		
Purchase of fixed assets (including Capital Work in Progress)	(45,611,066)	(72,490)
Capital Advances paid	(45,052,118)	-
Sale of Fixed Assets	567,002	9,057,332
Sale / (Purchase) of Investment in shares of Subsidiary	1,300,500,000	(1,300,500,000)
Proceeds from Fixed Deposits	-	6,700,000
Interest received on Fixed Deposits	871,074	232,543
Dividend received from Mutual funds	1,265,961	-
Net cash generated from / (used in) investing activities	1,212,540,853	(1,284,582,615)

Cash Flow Statement for the year ended March 31, 2012

Store One Retail India Limited,
(Formerly known as Indiabulls Retail Services Limited)(Contd.)



(Amount in Rs.)

	Year ended March 31, 2012	Year ended March 31, 2011
C Cash flow from financing activities :		
Net proceeds from Issue of Preference Shares (including Securities Premium)	2,747,756,000	-
Interest paid	(312,945,716)	(104,828,872)
(Repayment) / Proceeds from Intercompany Deposits (Net)	(3,719,600,000)	1,424,000,000
Net cash (used in)/ generated from financing activities	(1,284,789,716)	1,319,171,128
D Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	1,880,601	(171,177)
E Cash and cash equivalents at the beginning of the year	387,012	558,189
F Cash and cash equivalents at the close of the year (E + F)	2,267,613	387,012

Notes:

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

Cash on hand	25,603	4,722
Balances with banks in current accounts	2,242,010	382,290
Cash and cash equivalents	2,267,613	387,012
Other Bank Balances		
In fixed deposit accounts (Refer note 25)	4,350,500	4,350,500
Less: Non current bank balances in fixed deposit accounts (Refer Note 13)	4,350,500	4,350,500
	2,267,613	387,012
- Previous year figures have been regrouped and / or reclassified wherever necessary to conform to those of the current year grouping and / or classification.

As per our report of even date

For and on behalf of the Board of Directors

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

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat
Whole Time Director

Karan Singh Kherra
Director

Vikas Khandelwal
Company Secretary

Gurgaon, April 30, 2012

Gurgaon, April 30, 2012

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012



(1) Company Overview

- i) Store One Retail India Limited ("the Company") was incorporated as Pyramid Retail Limited on March 18, 2005 with an authorized capital of Rs. 210,000,000 divided into 21,000,000 equity shares of Rs.10 each. In April 2008, Indiabulls Wholesale Services Limited (IBWSL), erstwhile subsidiary of Indiabulls Real Estate Limited, completed the acquisition of 63.92% of the outstanding Equity Share Capital of the Company from the then existing promoters in terms of the Share Purchase Agreement dated December 08, 2007 and Public Announcement dated December 09, 2007 and in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Pursuant to this, IBWSL and Indiabulls Real Estate Limited had made an open offer to acquire up to 20% of the voting capital of the Company at an offer price of Rs 74.73 per share. In the open offer, which concluded on April 10, 2008, IBWSL purchased 310 shares from the general public. In accordance with the provisions of Section 21 and other applicable provisions of the Companies Act, 1956, the members of the Company passed a special resolution through Postal Ballot, on May 12, 2008, and accorded their approval to change the name of the Company. The Company received fresh certificate of incorporation consequent upon change of name, from the Registrar of Companies, Maharashtra, Mumbai dated May 22, 2008 in respect of the said change. Accordingly, the name of the Company was changed to 'Indiabulls Retail Services Limited'. Further and in accordance with the provisions of Section 21 and as per applicable provisions of the Companies Act, 1956, members of the company in their annual general meeting held on September 30, 2009, accorded their approval to change the name of the Company to 'Store One Retail India Limited'. The Company has since received fresh certificate of incorporation consequent upon change of name, from the Registrar of Companies, National Capital Territory of Delhi and Haryana on October 06, 2009. Accordingly, the name of the Company was changed to "Store One Retail India Limited" from "Indiabulls Retail Services Limited".
- ii) During the year, the Company has entered a new line of Business of Property Management Services, Business Support Services and Equipment Hiring Business. Further, the Company has discontinued its existing retail trading business and only focus on wholesale trading business alongwith the new line of business as aforesaid. Further, the Board of Directors of the Company at its meeting held on April 30, 2012, advised the management to discuss and evaluate various options to restructure the business carried on by the Company.
- iii) The address of the registered office of the Company has been changed from 1A, Hamilton House, 1st Floor, Connaught Place, New Delhi – 110 001 to M - 62 & 63, 1st Floor, Connaught Place, New Delhi – 110 001 with effect from March 4, 2012.
- iv) The Scheme of Arrangement ("IBWSL Scheme of Arrangement") between erstwhile Ultimate Holding Company, Indiabulls Real Estate Limited ("Demerged Company", "IBREL") and the Holding Company, ("IBWSL", "Resulting Company") and their respective shareholders and creditors under Sections 391 – 394 of the Companies Act, 1956, was sanctioned by the Hon'ble High Court of Delhi at New Delhi on March 31, 2011. Upon coming into effect of the Scheme of Arrangement on March 31, 2011 and with effect from the Appointed Date on April 01, 2010, the Wholesale trading business stand demerged from IBREL and transferred to and vested in IBWSL on a going concern basis. In terms of the Scheme, with effect from the appointed date on April 01, 2010:
 - a) Certain Assets comprising of Fixed Assets and Loans and Advances in the IBREL aggregating to Rs. 4,106,396,502 have been transferred to IBWSL, at their book values;
 - b) The Equity Share Capital of the Resulting Company amounting to Rs. 1,000,000,000 was cancelled;
 - c) The net adjustment for such transfer of assets, liabilities and cancellation and issue of Equity Share Capital amounting to Rs. 5,005,826,316 has been shown in the General Reserve Account of the Resulting Company;
 - d) In terms of the Scheme, all business activities of the IBREL carried out by IBREL in trust for IBWSL, carried out on or after the Appointed Date are deemed to have been carried out by the IBREL on behalf of the IBWSL on a going concern basis;

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



- e) The transfer of proportionate Share warrant has been made as per the net worth ratio between networth of the IBREL transferred to IBWSL pursuant to Scheme and the net worth of the IBREL immediately before demerger as on appointed date i.e. April 01, 2010. Proportionate liability in respect of Share Warrants representing 25% of the application money amounting to Rs. 94,248,700 has also been transferred to the Resulting Company;
- f) Pursuant to the Scheme being given effect to, by the Resulting Company, IBWSL has allotted one (1) Equity Share of face value of Rs. 2 each credited as fully paid-up for every eight (8) Equity share of Rs. 2 each held by such shareholders in the IBREL.

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

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

(2) Significant Accounting Policies

i) Basis of Accounting

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

ii) Use of Estimates

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

iii) Fixed Assets

(a) Tangible Assets:

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

(b) Intangible Assets:

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

iv) Depreciation / Amortisation

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

b) Intangible assets consisting of Computer Software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



v) Impairment of Assets

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

vi) Investments

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

vii) Revenue Recognition

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

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

viii) Inventories

Inventories are valued at cost or estimated net realizable value, whichever is lower. Cost of inventories is determined using the weighted average cost method and includes purchase price, and all direct costs incurred in bringing the inventories to their present location and condition.

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

ix) Provision for Shrinkages and Shortages

Provisions for Shrinkages and Shortages are charged to the statement of profit and loss based on historical data and management estimates. Actual shrinkages and shortages are adjusted against such provisions.

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



x) Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

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

c) Exchange Rate Differences

Exchange Rate differences arising on the settlement/conversion of monetary items or on reporting, the Company's monetary items at rates different from those at which they were initially recorded, are recognized as income or expense in the statement of profit and loss in the year in which they arise except those arising from investments in non-integral operations.

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

xi) Taxes on Income

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

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

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

xii) Deferred Employee Stock Compensation Cost

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

xiii) Leases

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

xiv) Employee benefits

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

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



Post employment and other long term employee benefits for its eligible employees are recognized as an expense in the statement of profit and loss, for the year in which the employee has rendered services. The Company has unfunded defined benefit plans, namely compensated absences and gratuity the liability for which is determined on the basis of actuarial valuation, conducted on half yearly basis, by an independent actuary, in accordance with Accounting Standard 15 (AS 15) – Employee Benefits, notified under the Companies (Accounting Standards) Rules, 2006, as amended. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains or losses are recognized in the statement of profit and loss as income or expenses.

xv) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liability is disclosed for:

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

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

xvi) Borrowing Cost

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

xvii) Earnings Per Equity Share

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

xviii) Segment Reporting

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

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
(3) Share Capital				
Authorised Equity Shares of face value Rs.10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of face value Rs.10 each	4,000,000	<u>40,000,000</u>	-	<u>-</u>
Issued, subscribed and fully paid up shares				
Equity Shares of face value of Rs. 10 each fully paid up	20,000,000	200,000,000	20,000,000	200,000,000
9% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of face value of Rs.10 each fully paid up	3,122,450	31,224,500	-	-
Total Issued, subscribed and fully paid up share Capital		<u>231,224,500</u>		<u>200,000,000</u>

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

Equity Shares

Particulars	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
At the beginning of the year	20,000,000	200,000,000	20,000,000	200,000,000
Issued during the year by exercise of ESOP's	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>

Preference Shares

Particulars	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
At the beginning of the year	-	-	-	-
Fresh Issue during the year	3,122,450	31,224,500	-	-
Redemption during the year	-	-	-	-
Outstanding at the end of the year	<u>3,122,450</u>	<u>31,224,500</u>	<u>-</u>	<u>-</u>

b. Authorised Share Capital

During the year ended March 31,2012, the authorized share capital of the Company has been increased from Rs. 250,000,000 (Rupees Twenty Five Crore) to Rs. 280,000,000 (Rupees Twenty Eight Crores) divided into 25,000,000 (Two Crore Fifty Lakh) equity shares of Rs. 10 (Rupees Ten) each and 3,000,000 (Thirty Lakh) Preference Shares of Rs. 10 (Rupees Ten) each at the Extra Ordinary General Meeting of the Company held on June 27, 2011. The authorized share capital of the Company has been further increased from Rs. 280,000,000 (Rupees Twenty Eight Crores) divided into 25,000,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10 (Rupees Ten) each and 3,000,000 (Thirty Lakhs) Preference Shares of Rs. 10 (Rupees Ten) each to Rs. 290,000,000 (Rupees Twenty Nine Crores) divided into 25,000,000 (Two Crore Fifty Lakh) Equity Shares of Rs. 10 (Rupees Ten) each and 4,000,000 (Forty Lakh) Preference Shares of Rs. 10 (Rupees Ten) each in the Annual General Meeting of the Company held on September 30, 2011.

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



c. Terms/rights attached to Equity Shares

The company has only one class of equity shares having a face value of Rs. 10 (Rupees Ten) per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Terms/rights attached to Preference Shares

During the year, the Company has allotted an aggregate of 3,122,450 (Thirty One Lakh Twenty Two Thousand Four Hundred and Fifty) 9% Redeemable Non-Cumulative, Non-Convertible Preference shares of face value Rs. 10 (Rupees Ten) each at an issue price of Rs. 880/- per share, including premium of Rs. 870/- per share. In the event of distributing dividends by the company and winding up, the preference shareholders will be preferred over the equity shareholders. They do not have any voting rights except for in the conditions mentioned in the Companies Act, 1956.

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

(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
(i) Indiabulls Wholesale Services Limited, the Holding Company		
12,783,310 (Previous Year 12,783,310) Equity Shares of face value Rs. 10 each	127,833,100	127,833,100
2,128,500 (Previous Year Nil) Preference Shares of face value Rs. 10 each	21,285,000	-
(ii) Albasta Wholesale Services Limited (formerly known as Albasta Power Limited), the Fellow Subsidiary Company		
993,950 (Previous Year Nil) Preference Shares of face value Rs. 10 each	9,939,500	-

f. Shareholders holding 5% or more shares

No. of Shareholders	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i) One shareholder (Previous Year - One Shareholder) is holding more than 5% of Equity share capital.				
Equity shares of Rs. 10 each fully paid-up.	12,783,310	63.92%	12,783,310	63.92%
(ii) Two shareholders (Previous Year - Nil) are holding more than 5% of Preference share capital				
Preference shares of Rs. 10 each fully paid-up.	3,122,450	100%	-	-

g. Shares reserved for issue under options

129,000 (One lakh twenty nine thousand) Equity shares (Previous Year - 150,000 Equity shares) of face value of Rs. 10 are reserved under the option scheme of the company. (Please refer note 27)

(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
(4) Reserves and Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	1,062,033,695	1,062,033,695
Add: Additions during the year	2,716,531,500	-
	<u>3,778,565,195</u>	<u>1,062,033,695</u>
Retained earnings		
Accumulated Losses	(3,608,714,300)	(3,257,002,076)
Add: Profit / (Loss) for the year	118,392,539	(351,712,224)
Net deficit in the statement of Profit and Loss	<u>(3,490,321,761)</u>	<u>(3,608,714,300)</u>
Total Reserves and Surplus	<u>288,243,434</u>	<u>(2,546,680,605)</u>
(5) Long term provisions		
Provision for Gratuity (Refer note - 26)	898,393	81,799
Provision for Compensated Absences (Refer note - 26)	358,574	89,525
Total Long term provisions	<u>1,256,967</u>	<u>171,324</u>
(6) Short-term borrowings		
Unsecured Loans and Advances from related parties		
- from holding company	-	2,899,600,000
- from fellow subsidiary company (erstwhile subsidiary company)	-	820,000,000
Total Short-term borrowings	<u>-</u>	<u>3,719,600,000</u>
(7) Trade payables		
Dues to Micro and Small Enterprises*	1,398,837	2,490,656
Dues to others	259,434,991	193,380,693
Total Trade payables	<u>260,833,828</u>	<u>195,871,349</u>

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



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

(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
i) The principal amount due, thereon remaining unpaid to any supplier as at the end of the accounting year;	1,398,837	2,490,656
ii) The interest amount due thereon remaining unpaid to any supplier as at the end of the accounting year;	2,563,333	1,598,272
iii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	NIL	NIL
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	965,061	918,962
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

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

(8) Other current liabilities

Interest Accrued on Loans from Related Parties	-	236,355,481
Advance from Customer	200,000	-
Payable to statutory authorities	2,662,903	7,656,487
Other liabilities	7,029,492	7,373,669
Total Other current liabilities	9,892,395	251,385,637

(9) Short-term provisions

Provision for Gratuity (Refer note - 26)	9,407	4,384
Provision for Compensated Absences (Refer note - 26)	84,875	4,159
Provision for expenses	43,891,889	20,920,786
Total Short-term provisions	43,986,171	20,929,329

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)

(10) Fixed Assets

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 1, 2011	Additions during the year	Adjustments/Sales during the Year	As at March 31, 2012	As at April 1, 2011	Provided during the year	Adjustments during the year	As at March 31, 2012	As at March 31, 2011
A. Tangible Assets									
Plant & Equipment	133,300,558	22,687,812	744,101	155,244,269	43,986,154	10,973,196	248,988	54,710,362	89,314,404
Computers	101,354,407	103,400	7,011,169	94,446,638	82,999,442	13,024,386	6,856,241	89,167,587	18,354,965
Office Equipment	28,990	229,269	-	258,259	1,109	48,922	-	50,031	27,881
Furniture & Fixtures	303,391,099	7,532,733	2,453,815	308,470,017	106,763,092	17,889,298	903,692	123,748,698	196,628,007
Vehicles	653,095	-	-	653,095	447,804	38,024	-	485,828	205,291
TOTAL (A)	538,728,149	30,553,214	10,209,085	559,072,278	234,197,601	41,973,826	8,008,921	268,162,506	304,530,548
B. Intangible Assets									
Computer Softwares	105,104,171	-	-	105,104,171	70,801,739	20,812,818	-	91,614,557	34,302,432
TOTAL (B)	105,104,171	-	-	105,104,171	70,801,739	20,812,818	-	91,614,557	34,302,432
TOTAL (A+B)	643,832,320	30,553,214	10,209,085	664,176,449	304,999,340	62,786,644	8,008,921	359,777,063	338,832,980
PREVIOUS YEAR	673,455,013	72,490	29,695,183	643,832,320	252,698,714	61,582,392	9,281,766	304,999,340	338,832,980
Add: Capital Work in progress and advances there against, at cost									-
									15,057,852
									319,457,238
									338,832,980

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
(11) Non-current investments		
Long Term - Non-Trade - Unquoted In Fellow Subsidiary Company (erstwhile subsidiary): (valued at cost unless stated otherwise)		
- Nil (Previous Year 100,050,000) Fully Paid up Equity Shares of Face Value Rs.10 each in Albasta Wholesale Services Limited (formerly known as Albasta Power Limited)	-	1,000,500,000
- Nil (Previous Year 30,000,000) Fully Paid up 0.0001%, Non Convertible, Cumulative, Redeemable Preference Shares of Rs.10 each in Albatsa Wholesale Services Limited (formerly known as Albasta Power Limited)	-	300,000,000
	<u>-</u>	<u>1,300,500,000</u>
Aggregate book value of Unquoted Investments	-	1,300,500,000
(12) Long term loans and advances		
(a) Capital Advances	45,052,118	-
(b) Security Deposits		
- Considered Good	71,976,822	76,165,753
- Considered Doubtful	89,886,328	88,971,750
	<u>161,863,150</u>	<u>165,137,503</u>
Less: Provision for Doubtful Deposits	89,886,328	88,971,750
	<u>71,976,822</u>	<u>76,165,753</u>
Total Long term loans and advances	<u>117,028,940</u>	<u>76,165,753</u>
(13) Other non-current assets		
Other Bank Balances		
- in Fixed Deposit accounts*	4,350,500	4,350,500
Total Other non-current assets	<u>4,350,500</u>	<u>4,350,500</u>
* Bank Guarantees of Rs. 100,000 (Previous Year Rs. 100,000) issued in favour of Assessing Authority- Gurgaon, Secured by way of pledge of Fixed Deposits for Rs. 100,000 (Previous Year Rs. 100,000).		
Bank Guarantees of Rs. 4,250,500 (Previous Year Rs. 4,250,500) issued in favour of High Court of Delhi, secured by way of pledge of Fixed Deposits for Rs. 4,250,500 (Previous Year Rs. 4,250,500).		
(14) Inventories		
Stock-in-trade	60,131,826	68,389,139
Less: Provision for shrinkages and shortages	17,780,961	19,811,372
Total Inventories	<u>42,350,865</u>	<u>48,577,767</u>

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



Details of Inventory (As taken, valued and certified by the management)

(Amount in Rs.)

Particulars	Apparels and Household items	Others (includes scrap)	Total
Opening Stock	55,111,424	13,277,715	68,389,139
	<i>127,511,605</i>	<i>11,522,728</i>	<i>139,034,333</i>
Closing Stock	49,197,565	10,934,261	60,131,826
	<i>55,111,424</i>	<i>13,277,715</i>	<i>68,389,139</i>
Sales	2,457,845	24,414,170	26,872,015
	<i>16,930,608</i>	<i>15,131,254</i>	<i>32,061,862</i>
Purchases (net of returns and applicable taxes)	-	2,443,208	2,443,208
	<i>(60,551,242)</i>	<i>13,523,902</i>	<i>(47,027,340)</i>
Written off	4,143,492	2,343,455	6,486,947
	<i>41,252</i>	<i>15,384</i>	<i>56,636</i>

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

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

Provision for Shrinkages/Shortages

(Amount in Rs.)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Opening Balance	19,811,372	19,619,206
Addition during the year	-	192,166
Utilised during the year	2,030,411	-
Closing Balance	17,780,961	19,811,372

(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
(15) Trade receivables		
Outstanding for a period exceeding six months		
Unsecured, Considered Doubtful	6,400,413	6,311,163
Less : Provision for doubtful debts	<u>6,400,413</u>	<u>6,311,163</u>
	-	-
Others		
Unsecured, Considered Good	267,525,862	4,405,400
Total Trade receivables	<u>267,525,862</u>	<u>4,405,400</u>

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
(16) Cash and Bank Balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	2,242,010	382,290
Cash on hand	25,603	4,722
Other Bank Balances		
In fixed deposit accounts (Refer note 25)	4,350,500	4,350,500
Less: Non current bank balances in fixed deposit accounts	4,350,500	4,350,500
	-	-
Total Cash and Bank Balances	2,267,613	387,012
(17) Short-term loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, Considered Good	76,941,479	67,599,753
Considered Doubtful	132,406,291	131,772,387
	209,347,770	199,372,140
Less: Provision for Doubtful Advances	132,406,291	131,772,387
	76,941,479	67,599,753
Advance income tax/ tax deducted at source, net of provision for tax	5,352,787	399,805
Total Short-term loans and advances	82,294,266	67,999,558
(18) Other current assets		
Interest Accrued on Fixed Deposits with banks	162,011	58,064
Total Other current assets	162,011	58,064

Notes Forming Part of Financial Statements
of Store One Retail India Limited (Formerly known as Indiabulls
Retail Services Limited) for the year ended March 31, 2012 (Contd.)

(Amount in Rs.)

	Year ended March 31, 2012	Year ended March 31, 2011
(19) Revenue from Operations		
Sale of Products		
Sales of goods	2,457,845	21,739,299
Sales of Consignment Merchandise	-	10,322,563
Sale of scrap	24,414,170	-
Sale of Services		
Income from Property Maintenance Services	471,660,196	-
Income from Equipment Hiring Services	1,594,423	-
Other Operating Revenue		
Concessionaire Income	720,000	2,707,835
Total Revenue from Operations	500,846,634	34,769,697
(20) Other Income		
Interest Income on fixed deposits	975,021	290,607
Dividend on units of mutual funds	1,265,961	-
Liabilities written back	10,402,319	23,699,493
Miscellaneous income	699,213	768,877
Interest on Income Tax Refund	12,257	-
Total Other Income	13,354,771	24,758,977
(21) Purchases (Net of Returns) including Direct Costs		
Purchases (net of purchase returns)		
Purchase of Stock-in-Trade	2,443,208	(55,504,736)
Purchase of Consignment merchandise	-	8,477,397
Direct Costs		
Consumables	1,857,235	-
Octroi Charges	-	704,283
Barcoding and Soft Tags	-	91,764
Transportation Charges	2,112,933	763,837
Labour Charges	770,750	93,890
Total Purchases (Net of Returns) including Direct Costs	7,184,126	(45,373,565)
(22) Employee benefit expenses		
Salaries and Wages	27,468,738	10,095,712
Contribution to Provident Funds and Other Funds	42,361	235,349
Staff Welfare Expenses	629,754	5,661
Total Employee benefit expenses	28,140,853	10,336,722

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



(Amount in Rs.)

	Year ended March 31, 2012	Year ended March 31, 2011
(23) Finance costs		
Interest on Inter-corporate Deposit	70,015,241	265,447,399
Interest on Taxes	107,202	-
Interest Others	965,331	918,962
Bank Charges	178,488	123,206
Total Finance costs	71,266,262	266,489,567

(Amount in Rs.)

	Year ended March 31, 2012	Year ended March 31, 2011
(24) Other Expenses		
Repairs and maintenance		
- Buildings	25,768,121	9,086
- Plant and machinery	20,393,911	1,348,891
- Others	4,937,830	33,563
House Keeping Charges	31,009,376	550,292
Facade cleaning	6,946,229	-
Lift Operating & Management charges	17,768,131	-
Property Maintenance Expenses	11,365,545	-
Gardening and Maintenance	4,354,269	-
Common Area HVAC & Electricity	16,318,369	2,920,447
Water Charges	6,633,859	-
Security Charges	34,270,146	783,411
Rent Expenses*	554,892	11,844,950
Rates and Taxes	705,380	138,249
Credit Card Charges	-	157,075
Insurance	1,807	630,332
Legal and Professional Charges	12,299,855	2,206,783
Communication Expenses	946,352	432,016
Travelling and Conveyance	2,097,697	1,846,094
Auditors' remuneration		
As Auditor	2,000,000	1,500,000
Printing and Stationery	1,120,145	583,366
Sundry Balances Written off	10,894,441	-
Advertisement and Sales Promotion	448,263	282,977
Loss on Sale/Disposal of Fixed Assets	1,633,162	11,356,088
Provision for Doubtful Debts and Advances	3,620,130	10,117,840
Office Expenses	4,094,026	48,403
Miscellaneous Expenses	22,142	770,725
Total Other Expenses	220,204,078	47,560,588

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

The Company has taken various premises on operating leases and lease rent of Rs.554,892 (Previous year Rs.11,844,950) in respect of the same has been charged to statement of profit and loss account for the year ended March 31, 2012. The underlying agreements are executed for a period generally ranging from one year to seven years, renewable at the option of the Company and the lessor and are cancellable in some cases. The minimum lease rentals payable in respect of such operating leases are as under:

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



(Amount in Rs.)

Minimum Lease Rentals	As At March 31, 2012	As At March 31, 2011
Within one year	-	864,000
Later than one year but not later than five years	-	684,000
Later than five years	-	-

(25) Contingent liabilities and Commitments:

Contingent liabilities:

a) Bank Guarantees:

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

b) Claims against the Company not acknowledged as debts: Rs.18,270,114 (Previous Year: Rs. 9,709,503).

Commitments:

Estimated amount of Contracts remaining to be executed on capital account (net of advances) Rs. 25,196,947 (Previous Year Rs. Nil).

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

(26) Employee benefits

Gratuity

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded. The Company had charged Rs. 821,617 (previous year credit Rs. 711,186) during the year ended March 31, 2012 and the amount outstanding as at March 31, 2012 is Rs. 907,800 (previous year Rs. 86,183).

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 Rs.349,765 (previous year credit Rs.377,447) during the year ended March 31, 2012 and the amount outstanding as at March 31, 2012 is Rs. 443,449 (previous year Rs.93,684).

The components of gratuity & compensated absences cost recognized, in accordance with AS-15 (Revised) on "Employee benefits", for the years ended March 31, 2012 and March 31, 2011 are enumerated as below:

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



(Amount in Rs.)

	Gratuity		Compensated Absences	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Service cost	380,112	49,758	202,769	30,234
Interest cost	23,647	37,483	11,269	22,006
Actuarial (gain)/loss, net	417,858	(798,427)	135,727	(429,687)
Cost recognized during the year	821,617	(711,186)	349,765	(377,447)

Details of the employee benefits obligation are provided below:

(Amount in Rs.)

	Gratuity		Compensated Absences	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Obligation at the beginning of the year	86,183	797,369	93,684	471,131
Cost recognized during the year	821,617	(711,186)	349,765	(377,447)
Benefits paid during the year	-	-	-	-
Obligation at the end of the year	907,800	86,183	443,449	93,684

The assumptions used to determine cost include:

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Discount rate	8.50%	8.00%
Salary escalation rate	5.50%	5.00%
Mortality	LIC (1994-96)	LIC (1994-96)

27. Employees Stock Options Schemes(ESOS):

Employees' Stock Option Schemes of the Holding Company:

During the year ended March 31, 2012, the Board of Directors and Shareholders of the Holding Company have given their consent to create, issue, offer and allot, to the eligible employees of the Holding Company and its Subsidiary Companies, stock options not exceeding 5,000,000 in number, representing 5,000,000 Equity shares of face value of Rs. 2 each of the Company, accordingly the Indiabulls Wholesale Services Limited Employee Stock Option Scheme - 2011 ("IBWSL ESOP - 2011") has been formed. As per the scheme Exercise Price will be the market price of the equity shares of the Holding Company, being the latest available closing price, prior to the date of grant or as may be decided by the Board or Compensation Committee. These options vest uniformly over a period of 10 years, commencing one year after the date of grant. The stock option under each of the slabs, are exercisable by the option holder within a period of five years from the relevant vesting date

The Compensation Committee of the Board has in its meeting held on February 28, 2012, granted 1,257,000 (Twelve Lac Fifty Seven Thousand only) stock options at an exercise price of Rs 8.28 per option in terms of the IBWSL ESOP-2011. These options shall vest within ten years beginning from March 1, 2013 the first vesting date.

The Compensation Committee of the Board has in its meeting held on March 29, 2012, granted 650,000 (Six Lac Fifty Thousand only) stock options at an exercise price of Rs 7.80 per option in terms of the IBWSL ESOP-2011. These options shall vest within ten years beginning from March 30, 2013 the first vesting date.

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



IBWSL Employees' Welfare Trust has been formed on September 08, 2011 with an initial corpus of Rs.50,000, to administer and implement current ungranted options under Employee Stock Option Scheme ("ESOP Schemes") and any further ESOP/Employee Stock Purchase Schemes to all eligible employees of the company.

Employees' Stock Option Schemes of the Company:

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

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

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

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

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

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

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

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

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 (Thirty lacs) equity settled options for eligible employees of the Company, its subsidiaries, its fellow subsidiaries and Holding Company.

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



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

28. Segment Reporting:

Segment information for the Year ended March 31, 2012 as per Accounting Standard AS-17, Segment Reporting, as notified by the Companies (Accounting Standards) Rules, 2006, as amended.

(a) Primary segment information (by business segments)

(Amount in Rs.)

Particulars	Wholesale Trading and other related activities	Facility Maintenance and other related activities	Other	Total
(i) Segment Revenue				
External Revenue	3,177,845	496,074,366	1,594,423	500,846,634
Inter-Segment Revenue	-	-	-	-
Total Revenue	3,177,845	496,074,366	1,594,423	500,846,634
(ii) Segment Result				
(Loss) / Profit before Tax and Interest	(36,079,478)	238,897,154	1,489,597	204,307,273
Add: Unallocated expenditure net of other unallocated income				(14,826,960)
Less: Interest expenditure				71,087,774
Less: Income taxes and Deferred tax (credit)				-
Total Profit after tax				118,392,539
(iii) Segment Assets	340,419,176	403,443,754	81,693,544	825,556,474
Unallocated Corporate Assets				9,880,821
Total Assets				<u>835,437,295</u>
Segment Liabilities	195,431,224	116,215,048	-	311,646,272
Unallocated Corporate Liabilities				4,323,089
Total Liabilities				<u>315,969,361</u>
(iv) Capital Expenditure including capital advances	-	8,864,812	81,798,372	90,663,184
Unallocated Capital Expenditure including capital advances				-
Total Capital Expenditure including capital advances				90,663,184
(v) Depreciation and amortization expense	28,853,591	33,828,227	104,826	62,786,644
(vi) Non-Cash expenditure other than depreciation	3,620,130	45,063,271		48,683,401
Unallocated Non-Cash expenditure other than depreciation				10,894,441
Total Non-Cash Expenditure other than depreciation				59,577,842

b) The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



- c) The group's primary business segments are reflected based on principal business activities carried on by the Company. The Company operates in two reportable business segments i.e. Wholesale Trading and Facility Maintenance Services and other related ancillary services.
Others business segment constitutes equipment hiring business.
- d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- e) During the current year, the Company has entered into a new line of business. Since this is the first year of operation for the same, corresponding previous year figures have not been disclosed.

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

Nature of relationship

Holding Company
Fellow Subsidiary Company (erstwhile Subsidiary)*
Fellow Subsidiary Company*
* With whom transactions entered during the year

Related party

Indiabulls Wholesale Services Limited
Albatsa Wholesale Services Limited (formerly known as Albasta Power Limited)
Indiabulls Technology Solutions Limited

- a) Other related parties:
Key Management Personnel

Mr. Abhimanyu Singh Mehlawat, Whole- Time Director
Mr. Mehul Johnson, Director
Mr. Rajiv Rattan, Promoter of Holding Company
Mr. Sameer Gehlaut, Promoter of Holding Company
Mr. Saurabh K. Mittal, Promoter of Holding Company

- (b) The following transactions were carried out during the year :

Nature of Transaction	(Amount in Rs.)		
	Holding Company	Fellow Subsidiary Company	Total
Issue of Preference Shares			
Issue of Preference Shares (includes securities premium)	1,873,080,000	874,676,000	2,747,756,000
	-	-	-
Finance			
Inter-corporate Deposit taken (maximum balance outstanding at any time during the year)	3,125,800,000	820,000,000	3,945,800,000
	<i>3,606,100,000</i>	<i>820,000,000</i>	<i>4,426,100,000</i>
Interest Expense	57,218,258	12,796,983	70,015,241
	<i>214,630,356</i>	<i>47,986,849</i>	<i>262,617,205</i>
Sale of Investment in Subsidiary			
Equity Shares	1,000,500,000	-	1,000,500,000
	-	-	-
Preference Shares	300,000,000	-	300,000,000
	-	-	-
Expenses			
Reimbursement of expenses	195,000	-	195,000
	-	-	-
I.T. Support Expense	-	8,333,327	8,333,327
	-	-	-

Previous year figures are stated in italics

(c) **Statement of Material Transactions:-**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Issue of Preference Shares		
Indiabulls Wholesale Services Limited	1,873,080,000	-
Albatsa Wholesale Services Limited (formerly known as Albasta Power Limited)	874,676,000	-
Intercorporate Deposit taken (maximum balance outstanding at any time during the year)		
Indiabulls Wholesale Services Limited	3,125,800,000	3,606,100,000
Albatsa Wholesale Services Limited (formerly known as Albasta Power Limited)	820,000,000	820,000,000
Interest Expense		
Indiabulls Wholesale Services Limited	57,218,258	214,630,356
Albatsa Wholesale Services Limited (formerly known as Albasta Power Limited)	12,796,983	47,986,849
Sale of Investment in Subsidiary		
in Equity shares to Indiabulls Wholesale Services Limited	1,000,500,000	-
in Preference shares to Indiabulls Wholesale Services Limited	300,000,000	-
Expenses		
Reimbursement of expenses to Indiabulls Wholesale Services Limited	195,000	-
I.T. Support Expenses		
Indiabulls Technology Solutions Limited	8,333,327	-

(d) **Outstanding balances as on March 31, 2012:**

(Amount in Rs.)

Nature of Transaction	Holding Company	Fellow Subsidiary Company	Total
Intercorporate Deposit taken	-	-	-
	2,899,600,000	820,000,000	3,719,600,000
Interest Payable on Inter Corporate Deposit	-	-	-
	193,167,318	43,188,163	236,355,481

Previous year figures are stated in italics

30. Earnings Per Equity Share (EPS):

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

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

Notes Forming Part of Financial Statements

of Store One Retail India Limited (Formerly known as Indiabulls Retail Services Limited) for the year ended March 31, 2012 (Contd.)



Employee Stock Option Plan as appropriate.

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Profit/ (Loss) After Tax available for Equity Shareholders (Rs.)	118,392,539	(351,712,224)
Weighted average number of Shares used in computing Basic earnings per Equity share	20,000,000	20,000,000
Weighted average number of Shares used in computing Diluted earnings per Equity share	20,000,000	20,000,000
Face Value of Equity Shares (Rs.)	10.00	10.00
Basic Earnings Per Equity Share (Rs.)	5.92	(17.59)
Diluted Earnings Per Equity Share (Rs.)	5.92	(17.59)

31. Deferred Tax Asset

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

32. Value of Import of fixed assets during the year ended March 31, 2012 is Rs.22,397,760 (Previous Year Rs. Nil).

33. In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2012 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.

34. In respect of amounts as mentioned under Section 205C of the Companies Act, 1956, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2012.

35. 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, 2012.

36. 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 and on behalf of the Board of Directors

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

Amar Mittal
Partner
Membership No. : 017755

Abhimanyu Singh Mehlawat
Whole Time Director

Karan Singh Khara
Director

Vikas Khandelwal
Company Secretary

Gurgaon, April 30, 2012

Gurgaon, April 30, 2012

Registered Office

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

— STORE —
one

Corporate Offices

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

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