

— STORE —  
**one**



**Store One Retail India Limited**

— Annual Report 2013-14 —



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# Company Information

## **Board of Directors**

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

## **Company Secretary**

Mr. Vikas Khandelwal

## **Chief Financial Officer**

Mr. Vijay Kumar Agrawal

## **Statutory Auditors**

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

## **Registrar and Transfer Agent**

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

## **Registered Office**

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

## **Corporate Offices**

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

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

## **Bankers**

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

# Management Discussion and Analysis

## **ECONOMIC OVERVIEW**

The Republic of India, is the seventh largest country in the world by area. The population of over 1.2 billion makes it the second most populous country in the world as well as the largest democracy. Today, India's economy is amongst the largest in the world on the basis of Purchasing Power Parity. It is one of the most attractive destinations for business and investment opportunities with the available large manpower base, diversified natural resources and strong macroeconomic fundamentals. Over the past decade, the Indian economy has passed through phases of growth and slowdown.

Though the last years have not been very encouraging one for Indian Economy, political uncertainty and policy paralysis have hurt investor sentiment, but the mood has turned optimistic towards the end of the year, with hope of a pro development government coming in to power. The markets have begun to respond to this favorable change, with the national indices hitting all time high. Foreign and domestic institutional investors have started pumping in money in the equity and debt markets. With the political stability, 2014 appears to be in a better shape than what it was in 2012 and 2013. Of course, the performance of the economy will also depend on the policies and preferences of that new government.

## **BUSINESS REVIEW**

The Company is primarily engaged into the business of providing property and facility management services, rental services of plant and machinery etc. Your directors believe that these businesses have huge potential & scope for further business development.

### **Property & Facility Management Services**

The Company is engaged in all avenues of the business of Property & facility management, which is a multi-discipline field involving maintenance and care of the buildings and properties, maintenance of all the common facilities including common area development and landscaping, security, pest control, waste disposal and recycling etc. The vast area of business operations & revenue generation in this field gives huge business opportunities to the Company.

### **Renting of Plant and Machinery**

The Company is aggressively involved in the rental business of plant and machinery. Our brand new asset base includes tower cranes, boom placers, hoists, transit mixers, dumpers, excavators, formwork for construction of building / structures. The renting of machinery is done on both terms, i.e. dry and wet lease basis.

## **OPPORTUNITIES**

### **Property & Facility Management Services**

Your Directors believe that due to increased demand from high-end service sectors like healthcare, banking, hospitality, education, infrastructure, aviation etc. and due to increased number of multistoried high-end residential, commercial & retail space, there is huge business opportunities and potential in the business of providing property & facility management services.

### **Renting of Plant and Machinery**

Your Directors believe that due to rapid growth & demand of infrastructural development in the country, the rental business of plant and machinery in the space of infrastructure development, which includes renting of tower cranes,

## Management Discussion and Analysis (contd.)

boom placers, hoists, transit mixers, dumpers, excavators, formwork etc, has huge business potential & scope for further business development in this stage.

### STRENGTHS

#### Leadership & strong management team

The Company has an experienced professional management team with the leaders, having vision & strong capabilities, which enables the Company to operate and integrate the front and backend operations efficiently. In the unorganised sectors, existence of strong professional leaders and management team is a key strength for the Company.

#### Diversified business portfolio

To capitalize existing potential, the Company has diversified in the business of facility management services, business support services, equipment/machinery rental services etc. Thus the diversified business portfolio of the Company is a real key strength for its business expansion and future growth.

#### 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.

### THREATS AND COMPETITIVE ADVANTAGES

The presence of small unorganised players in the market may be a threat in achieving the expected growth. Further the business sectors, in which your Company is engaged, requires major reforms and recognition, and the Government policies and reforms, if any, can adversely effect Company's business. However, your Directors firmly believe that organised structure, skilled professionally management team, strong systems and process provide competitive advantage for facing such regulatory reforms and managing its business efficiently.

### STRATEGY

Your Company is well positioned to gain from the high demand of facility management services in various service sectors, specifically, hospitality, education, aviation, tourism & travel, banking etc. Further, the infrastructure services industry is one of the highest growing industries in India, thereby having huge untapped business potential for sustenance and growth of the rental business of plant and machinery.

### 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.

## Management Discussion and Analysis (contd.)

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 Ninth Annual Report together with audited statement of accounts for the financial year ended March 31, 2014.

## FINANCIAL RESULTS

The highlights of the financial results of the Company for the financial year ended March 31, 2014 are as under:

Particulars	Amount in ₹	
	Year ended March 31, 2014	Year ended March 31, 2013
Profit/ (Loss) before Tax and Depreciation	429,931,534	435,832,981
Less: Depreciation/ Impairment of Fixed Assets	77,785,008	59,212,287
Profit/ (Loss) before Tax	352,146,526	376,620,694
Less: Provision for Taxation & Prior Period Tax Adjustments	438,109	—
Profit/ (Loss) after Tax and Prior Period Tax Adjustment	351,708,417	376,620,694
Profit/ (Loss) brought forward	(3,116,831,977)	(3,490,321,761)
Balance carried forward to Balance Sheet	(2,765,123,560)	(3,113,701,067)

## BUSINESS REVIEW

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## CHANGE IN THE CAPITAL OF THE COMPANY

Subsequent to the financial year ended March 31, 2014, the Company allotted 4,400,000 equity shares of face value ₹ 10 each to Indiabulls Wholesale Services Limited, the Promoter, against conversion of equivalent number of warrants, consequent to which the paid up equity share capital of the Company increased from ₹ 232,000,000 divided into 23,200,000 Equity Shares of face value ₹ 10 each to ₹ 276,000,000 divided into 27,600,000 Equity Shares of face value ₹ 10 each.

## DIVIDEND

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

## EMPLOYEES STOCK OPTIONS

The disclosures required to be made in the Directors' Report in respect of the stock options granted under 'Store One

## Directors' Report (contd.)

Retail India Limited Employees Stock Option Scheme-2009', 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 (Three Millions) stock options, for the benefit of the Eligible Employees. However, no options have yet been granted by the Board/Compensation Committee under this scheme.

### **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 152 of the Companies Act, 2013, Mr. Mehul Johnson (DIN: 00016075), Director, retire by rotation and, being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board of Directors of the Company (Board) recommend his re-appointment.

The Board has proposed the appointment of Mr. Shamsher Singh Ahlawat (DIN: 00017480), Mr. Aishwarya Katoch (DIN: 00557488) and Mr. Prem Prakash Mirdha (DIN: 01352748), as Independent Directors of the Company. Keeping in view their vast experience & knowledge, the Board is of the view that it will be in the interest of the Company that aforesaid persons are appointed as Independent Directors on its Board.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

During the year, your directors have constituted the Corporate Social Responsibility Committee comprising Mr. Shamsher Singh Ahlawat as the Chairman and Mr. Mehul Johnson and Mr. Abhimanyu Mehlawat, as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

### **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 2014-15 have been paid to both the Exchanges.

## Directors' Report (contd.)

### 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, 2014 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 Agarwal Prakash & Co., Chartered Accountants (Firm Registration Number: 005975N), are proposed to be appointed as Statutory Auditors of the Company, for a period of 5 years, to hold office as such from the conclusion of this AGM, in place of retiring auditors M/s Sharma Goel & Co. LLP, Chartered Accountants, who have completed their five year term.

The Company has received a special notice from a member proposing M/s Agarwal Prakash & Co., Chartered Accountants, as statutory auditors of the Company.

M/s Agarwal Prakash & Co., Chartered Accountants, has submitted their consent for appointment and also a requisite certificate, pursuant to the provisions of Section 139 & 141 of the Companies Act, 2013, confirming eligibility & satisfaction of criteria for their appointment as statutory auditors of the Company. The Board recommends their appointment.

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

### GREEN INITIATIVES

Electronic copies of the Annual Report for the FY 2013-14 and Notice of the 9<sup>th</sup> AGM are sent to all the members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report for the FY 2013-14 and Notice of the 9<sup>th</sup> AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting is provided in the Notice.

### 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.