

SORIL

INFRA RESOURCES



ANNUAL REPORT

2016-17

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Company Information

Board of Directors

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

Company Secretary

Mr. Vikas Khandelwal

Chief Financial Officer

Mr. Vijay Kumar Agrawal

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

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

Registrar and Transfer Agent

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

Registered Office

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

Corporate Offices

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

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

Bankers

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

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report together with audited statement of accounts for the financial year ended March 31, 2017.

FINANCIAL RESULTS

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

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

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

BUSINESS OVERVIEW

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

Management and maintenance services

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

Equipment renting services

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

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

Construction advisory and other related activities

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

LED Lighting business

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

Directors' Report (contd.)

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

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

CHANGE IN NAME OF THE COMPANY

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

DIVIDEND

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

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

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

EMPLOYEE STOCK OPTIONS

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

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

PUBLIC DEPOSITS

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

LISTING WITH STOCK EXCHANGES

The Equity Shares (ISIN:INE034H01016) of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2017-18 have been paid.

AUDITORS

(a) Statutory Auditors

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were appointed by the members in their ninth Annual General Meeting, held on September 26, 2014, for a period of five years i.e. until the conclusion of the fourteenth Annual General Meeting of the Company. The Company has received a certificate from the Auditors to the effect that their continuation as such from the conclusion of this Annual General Meeting until the conclusion of thirteenth Annual General Meeting is in accordance with the

Directors' Report (contd.)

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

(b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the rules made thereunder, the Company has appointed M/s NP Gupta & Associates, Practicing Company Secretaries, as its Secretarial Auditors to conduct the secretarial audit of the Company for the Financial Year 2016-17. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2016-17, is annexed as Annexure 2, forming part of this Report. The Report is self-explanatory and therefore do not call for any further explanation.

CORPORATE SOCIAL RESPONSIBILITY

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 24 of the SEBI (LODR) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from a Practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

Directors' Report (contd.)

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

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

GREEN INITIATIVES

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

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Date: August 28, 2017
Place: Gurugram

Pia Johnson
Executive Director
DIN: 00722403

Mehul Johnson
Director
DIN: 00016075

Annexure to the Directors' Report

ANNEXURE A

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

During the FY 2016-17, 7 (Seven) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part A of the SEBI (LODR) Regulations, 2015 were circulated to all directors, well within the prescribed time, before the meeting or were placed at the meeting. During the year, separate meeting of the Independent Directors was held on January 25, 2017, without the presence of Non-Independent Directors and the members of the Company Management.

BOARD EVALUATION

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

REMUNERATION POLICY

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

LOANS, GUARANTEES OR INVESTMENTS

During the FY 2016-17, in terms of the provisions of Section 186(1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies.

The Company's investment/loans/guarantees, during FY 2016-17, were in compliance with the provisions of section 186 of the Companies Act, 2013, particulars of which are captured in financial statements of the Company.

RELATED PARTY TRANSACTIONS

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Details of all related party transactions are disclosed in the Annual report and/or financials statements of the Company. None of the transactions with related parties fall under the scope of section 188(1) of the Companies Act, 2013 ('the Act') and hence the information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014, required to be given in the prescribed form AOC-2, are not applicable. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company: www.sorilinfraresources.com.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2017 and the date of this Report.

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

Annexure to the Directors' Report (contd.)

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

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

A. Conservation of Energy

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

- Replacing all of its lighting system with LEDs, which is expected to slash related electricity consumption by over 50%.
- Installation of five star energy conservation air conditioning systems.
- Installation of automatic power controllers to save maximum demand charges and energy.
- Installation of TFT monitors that saves power.
- Periodic Training sessions for employees on ways to conserve energy in their individual roles.

B. Technology Absorption

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

The Company's investment in technology has improved customer services, reduced operational costs and development of new business opportunities.

C. Foreign Exchange Earnings and Outgo

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

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

BUSINESS RISK MANAGEMENT

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

PARTICULARS OF EMPLOYEES

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

Annexure to the Directors' Report (contd.)

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Independent Directors. The details of the familiarization programs have been hosted on the website of the Company: www.sorilinfraresources.com.

SUBSIDIARY COMPANIES

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statement along with its subsidiary, in the same form and manner, as that of the Company, which shall be laid before its ensuing Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiary, for the year ended March 31, 2017, form part of this Annual Report.

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

Further pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are also available on the website of the Company. Shareholders may write to the Company for the annual financial statements and detailed information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company.

COMMITTEES OF THE BOARD

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

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

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

Apart from the above, the Board has also constituted Compensation Committee for administration of stock option scheme(s).

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

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

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

VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees of the Company. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website (www.sorilinfraresources.com) of the Company. The Audit committee set by the Board constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.