



2019  
ANNUAL  
REPORT 2020

**Indiabulls**  
INTEGRATED SERVICES

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## Forward-looking statement

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

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

# Company Information

## Board of Directors

Mr. Manvinder Singh Walia, Executive Director  
Mr. Ajit Kumar Mittal, Non-Executive Director  
Mr. Gurappa Gopalakrishna, Independent Director  
Mr. Praveen Kumar Tripathi, Independent Director  
Justice (Retd.) Gyan Sudha Misra, Independent Director  
Mr. Shamsher Singh Ahlawat, Independent Director

## Registered Office

Indiabulls House,  
448-451, Udyog Vihar, Phase V,  
Gurugram – 122016, Haryana  
CIN: L51101HR2007PLC077999  
Website: [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com)  
E-mail: [helpdesk@indiabulls.com](mailto:helpdesk@indiabulls.com)  
Tel: 0124-6681199, Fax: 0124-6681240

## Company Secretary

Ms. Priya Jain

## Chief Financial Officer

Mr. Saurabh Garg

## Statutory Auditors

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

## Corporate Office

One International Center,  
Tower 1, Senapati Bapat Marg,  
Elphinstone Road, Mumbai - 400013

## Bankers

HDFC Bank Limited  
State Bank of India  
IDBI Bank Limited  
Yes Bank Limited  
Axis Bank Limited  
Ratnakar Bank Limited

## Internal Auditors

M/s MRKS and Associates  
Chartered Accountants  
QU-35B, Pitampura,  
New Delhi-110 088

## Secretarial Auditors

M/s Neha S & Associates  
Company Secretaries  
B 1/147, Flat No. 14, Sewak Nagar,  
Uttam Nagar, New Delhi – 110 059

## Registrar and Transfer Agent

M/s KFin Technologies Private Limited  
(formerly Karvy Fintech Private Limited)  
Selenium Building, Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032

# Board's Report



Dear Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report together with audited financial statement of Indiabulls Integrated Services Limited ("the Company") for the financial year ended March 31, 2020.

The financial year 2019-20 saw the COVID-19 pandemic further add to the economic headwinds that the Indian economy has been facing. The pandemic is expected to substantially impact domestic and global growth, and worsen geopolitical uncertainties.

## FINANCIAL HIGHLIGHTS

The highlights of the standalone financial results of the Company for the financial year ended March 31, 2020 are as under:

(Amount in ₹ crores)

Particulars	For the financial year ended March 31, 2020	For the financial Year ended March 31, 2019
Profit / (Loss) before depreciation and tax	(17.97)	30.15
Less: Depreciation and amortization expense	1.06	0.41
Profit / (Loss) before tax	(19.03)	29.74
Less: Provision for Tax	3.42	7.91
Profit / (Loss) after tax	(22.44)	21.83
Profit / (Loss) brought forward	77.13	61.91
Amount available for appropriation	54.69	83.74
Less: Appropriations:		
Proposed dividend on preference shares	0	0
Corporate dividend tax thereon	0	0
Interim dividend on equity shares	0	5.48
Corporate dividend tax thereon	0	1.13
Transfer to general reserve	0	0
Balance carried forward to Balance Sheet	54.69	77.13

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

## BUSINESS OVERVIEW

As the Company is venturing into new business streams of Life and General Insurance, through its subsidiaries and is engaged with the relevant regulatory authorities for obtaining necessary approvals to pursue Life Insurance and General Insurance businesses, alongwith the existing Consumer Platform and other related financial services activities etc. Further your directors are pleased to inform that Company's wholly owned subsidiaries Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL) have received regulatory R1 acceptance from Insurance Regulatory and Development Authority of India (IRDAI) for their proposed life insurance business and general insurance business, respectively. After satisfying all prerequisite steps/conditions, as specified by IRDAI including adequate capitalization of IBLIC and IBGIL, they had applied for necessary registration (R2) with IRDAI to undertake life insurance and general insurance business in India. The applications for R2 for such proposed life insurance and general insurance business are currently under the consideration of IRDAI and probably might have been delayed due to Covid-19 conditions. The Company is in the process of putting in place the necessary systems to undertake life insurance and general insurance businesses in India, upon receipt of all requisite approvals/ registrations.

The Company primarily, directly and through its subsidiaries, is also engaged in the businesses of digital platform, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses.

To streamline the operations and ownership structure of the Company, in a manner leading to maximization of stakeholders' value and diversification of shareholders' portfolio by providing them direct ownership in each business segments, and to have a focused approach towards upcoming insurance business (comprising of life insurance, general insurance and/or other related businesses), the Board of Directors of the Company had approved the composite Scheme of Arrangement amongst the Company, its direct and indirect subsidiaries (viz SORIL Infra Resources Limited, Albasta Wholesale Services Limited, Sentia Properties Limited, Lucina Infrastructure Limited, Ashva Stud and Agricultural Farms Limited, Mahabala Infracon Private Limited, Store One Infra Resources Limited, Indiabulls Enterprises Limited and Indiabulls Pharmacare Limited) and Indiabulls Pharmaceuticals Limited and their respective shareholders and creditors ("Scheme"). Pursuant to the Scheme, the shareholders of the Company will get shares of Indiabulls Enterprises Limited, free of any cost, in lieu of their shareholding in the Company. The shares of Indiabulls Enterprises Limited will get listed on NSE and BSE and with this, post effectiveness of the Scheme, they will have shares of two listed entities –

- (1) the Company, the equity shares of which are listed and will remain listed on NSE and BSE, focusing on life and general insurance and related businesses, and

## Board's Report (contd.)

- (2) Indiabulls Enterprises Limited, equity shares of which will be listed on NSE and BSE, focusing on non-insurance businesses of the Company and its subsidiaries (including proposed pharma business and rural finance business).

Your directors are pleased to inform that, during FY 2019-20, the Company had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and have filed the Scheme and Company Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT.

### **CHANGE OF THE NAME OF THE COMPANY FROM 'INDIABULLS INTEGRATED SERVICES LIMITED' TO 'YAARI DIGITAL INTEGRATED SERVICES LIMITED'**

With a view to enable the Company to create its unique digital identity through its digital platform "**Yaarii**", of which the Company has proprietary rights, and to charter right direction for its continuous focus around promoting digital financial and other solutions and given that Yaarii app, as a digital distribution platform finds resonance as on date with lacs of customers across a range of financial products and to leverage on its brand identity to grow to next frontier, the Board of Directors of the Company, at their meeting held on October 16, 2020, have approved, subject to Company's shareholders approval at ensuing AGM and other regulatory approvals, the change of the name of the Company from 'Indiabulls Integrated Services Limited' to '**Yaarii Digital Integrated Services Limited**', so as to bring the name of the Company in sync with its registered trademark "Yaarii" and Yaarii Digital App.

Yaarii app is a fintech marketplace for a bouquet of various financial products including personal loans, life and general insurance, mutual funds etc and currently is in the business of promoting various available financing options for retail customers. Yaarii is a mobile first business available for access anywhere anytime through its Android & iOS Application. Ever since its inception, Yaarii has managed to help retail customers with their personal requirements of various financial products. Yaarii provides its customers a unique in-house proprietary model of credit decisioning, instant knowledge of their borrowing ability & the lenders accordingly interact for credit worthy borrowers for processing disbursals. In a short span, Yaarii has achieved a customer base of over 50 lac customers, who have downloaded Yaarii app & used the platform to get access to the financial products. Yaarii has facilitated digital journey of over 50 lac customers, till date, for their financial needs and over 1 lac customers interact on the Yaarii platform every month. Bajaj Finserv, Dhani, Lendingkart, Cashkumar, Loantap, EarlySalary are amongst the few who are already live on the platform. HDFC Bank, RBL Bank, Tata Capital, Axis Bank, Fullerton, Faircent, NeoGrowth have already been on board on the Yaarii platform and are expected to go live in Q4 of 2020-21. Yaarii is further looking to aggregate marketplace model to other financial products in the investment domain also with a focus on building robotic investment advisory services, and distribution of digital gold, mutual fund, national pension schemes, life and general insurance.

Considering Yaarii existing & future digital customer base and huge potential in digital business, going forward the Company intends to pursue its substantial existing and future businesses, including proposed insurance business, digitally under the brand Yaarii, through its Yaarii app, without any physical branches. Yaarii will use its reach to millions customers to sell, service & cater the insurance products of Company's subsidiaries, as and when these products become available. This will be done through intuitive product UI with smart product recommendations & hassle free claims process.

Therefore in order to bring the name of the Company in sync with its registered trademark "Yaarii" and Yaarii Digital App, the Board has approved and recommended the proposed change of name of the Company to 'Yaarii Digital Integrated Services Limited'. The availability of the proposed name '**Yaarii Digital Integrated Services Limited**' has been confirmed by the concerned Office of Registrar of Companies, Ministry of Corporate Affairs, Government of India. The proposed new name would better reflect the underlying business proposition of the Company. The proposed name will also allow Company's operations to have a unique recognition and for its customers to make a distinction when seeking the products offered / to be offered by the Company and its subsidiaries through Yaarii.

### **DIVIDEND**

In order to utilize the accumulated profits for future business requirements of the Company, your directors do not recommend any dividend. No unclaimed dividend or shares pertaining to such unclaimed dividend were transferred to Investor Education and Protection Fund (IEPF) during FY 2019-20. Those members who have not so far claimed their dividend for any financial year(s) are advised to claim it from the Company or KFin Technologies Private Limited (Formerly 'Karvy Fintech Private Limited').

In compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR"), the Dividend Distribution Policy of the Company is available on the website of the Company, at web-link: [https://www.indiabullsintegratedservices.com/pdf/Dividend\\_Distribution\\_Policy.pdf](https://www.indiabullsintegratedservices.com/pdf/Dividend_Distribution_Policy.pdf)

### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with Section 152 of the Companies Act, 2013 and rules framed thereunder, and in terms of the Articles of Association of the Company, Mr. Manvinder Singh Walia (DIN: 07988213), Executive Director, is liable to retire by rotation, and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. The Board of Directors recommended his re-appointment.

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.

The matter relating to re-appointment of aforementioned director has been included in the Notice convening the 13th Annual General Meeting of the Company. The brief resume of the Director proposed to be reappointed, nature of his expertise in specific functional areas and name of the Companies in which they hold directorships and memberships/chairmanships of Board Committees and other requisite information, is provided in the Notice convening the 13th Annual General Meeting of the Company.

### **SHARE CAPITAL/ STOCK OPTIONS**

The paid up equity share capital of the Company as on March 31, 2020, was ₹ 17,86,51,138 comprising of 8,93,25,569 equity shares of face value of ₹ 2/- each. An aggregate of 55,66,600 stock options, granted under Company's ESOP Schemes were in force as on March 31, 2020,

## Board's Report (contd.)

which shall be exercisable as per the vesting schedule of respective ESOP Schemes. Presently, stock options granted to the employees operate under the schemes, namely; 'Indiabulls Integrated Services Limited Employee Stock Option Scheme - 2011' and 'ESOP Scheme – 2018' (hereinafter individually and/or collectively referred to as the Scheme(s)).

Further pursuant to and in terms of shareholders' authorization dated February 5, 2020, the Company in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SBEB Regulations"), has set up an employees welfare trust titled "Indiabulls Integrated Services Limited- Employees Welfare Trust" (the "Trust") to efficiently manage the Scheme(s) and to acquire, purchase, hold and deal in fully paid-up equity shares of the Company from the secondary market, for the purpose of administration and implementation of the Scheme, as may be permissible under the SBEB Regulations. Since shares issued, on account of exercise of options, granted/to be granted under the Scheme, will be out of those purchased by the Trust from the secondary market, there will be no dilution in shareholding.

The disclosures required to be made under Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 and the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, in respect of Schemes of the Company, have been placed on the website of the Company [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com).

### **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, therefore, the disclosures required in terms of Rule 8 of the Companies (Accounts) Rules, 2014, are not required to be given.

### **LISTING WITH STOCK EXCHANGES**

The Equity Shares (ISIN: INE126M01010) 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 2020-21 have been paid.

### **AUDITORS**

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

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were re-appointed by the members at their Twelfth Annual General Meeting, held on September 30, 2019, for a period of five years i.e. until the conclusion of the Seventeenth Annual General Meeting of the Company. The Ministry of Corporate Affairs (MCA) vide its notification no. S.O. 1833(E) dated May 7, 2018 has done away with the requirement of getting the appointment of the Statutory Auditors ratified at every Annual General Meeting and therefore no such ratification is being sought at ensuing Annual General Meeting of the Company.

The Auditors' Report forming part of this Annual Report is self-explanatory and therefore do not call for any further explanation. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. No frauds have been reported by the Auditors of the Company in terms of the provisions of Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company had appointed M/s Neha S & Associates, a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company for the Financial Year 2019-20. The Company has provided all assistance, facilities, documents, records and clarifications etc to the Secretarial Auditors for conducting their audit. The Secretarial Audit Report, along with Secretarial Compliance Report, as prescribed by SEBI, for the Financial Year 2019-20, are annexed as Annexure 1(i) and Annexure 1(ii) respectively, and forms part of this Report. The Reports are self – explanatory and therefore do not call for any further explanation. The Secretarial Audit Report of the unlisted material subsidiary is annexed as Annexure 2. The Secretarial Audit Report of the Company and said subsidiary does not contain any qualification, reservation or adverse remark or disclaimer.

### **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 at web-link: <https://www.indiabullsintegratedservices.com/pdf/CSR%20Policy.pdf> 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 SEBI LODR, Management Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

### **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of SEBI LODR, 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.

### **BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34 of the SEBI LODR, a Business Responsibility Report (BRR) is presented in a separate section forming part of this Annual Report.

## Board's Report (contd.)

### 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, 2020, 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, 2020 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) the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls are in place and that such financial controls are adequate and are operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

### EXTRACT OF ANNUAL RETURN

In terms of Sections 92(3) and 134(3) of the Companies Act, 2013 and rules framed thereunder, Extract of the Annual Return for the Financial Year ended 31st March, 2020 is annexed as Annexure 4, forming part of this Report and is also available at website of the Company, at web-link: [https://www.indiabullsintegratedservices.com/pdf/Extract%20of%20Annual%20Return\\_2020.pdf](https://www.indiabullsintegratedservices.com/pdf/Extract%20of%20Annual%20Return_2020.pdf)

### BOARD MEETINGS

During the FY 2019-20, 4 (Four) 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 were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting with the consent of majority of Directors (including one Independent Director). During the year, separate meeting of the Independent Directors was held on February 14, 2020, without the presence of Non-Independent Directors and the members of the Company Management.

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

The Nomination & Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s) and confirms that the existing evaluation parameters are in compliance with the requirements as per SEBI guidance note dated January 5, 2017 on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors'/ members' participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution and management of conflict of interest. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees, namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, as well as the performance of each director individually was carried out by the entire Board of Directors. The performance evaluation of the Non-Independent Directors and the Board of Directors, as a whole was carried out by the Independent Directors in their meeting held on February 14, 2020. The Directors expressed their satisfaction with the evaluation process.

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

### REMUNERATION POLICY

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

### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2019-20, 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 2019-20 were in compliance with the provisions of Section 186 of the Companies Act, 2013, particulars of which are captured in financial statements of the Company, forming part of this Annual Report.

### RELATED PARTY TRANSACTIONS

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Details of all related party transactions are disclosed in the financial statement of the Company forming part of this Annual Report. None of the transactions

## Board's Report (contd.)

with related parties is material transaction and/or transaction which is not at Arm's length, requiring disclosure pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Therefore the information required in prescribed form AOC - 2 is 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, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Policy%20for%20Dealing%20with%20Related%20Party%20Transactions.pdf>

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

### **MATERIAL CHANGES AND COMMITMENTS**

Except as disclosed in this report, there are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2020 and the date of this Report.

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

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

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

#### **A. Conservation of Energy**

The Company operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy.

As an ongoing process, the followings are (i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilising alternate sources of energy; and (iii) the capital investment on energy conservation equipment:

The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. The Company continues to explore collaboration with contractors/partners that ensure conservation of energy and resources. Some of the steps undertaken for the conservation of energy are (a) using energy saving LED light fixtures, (b) conservation of energy at all of its offices by replacing lighting system with LEDs, installation of 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, and periodic Training sessions for employees on ways to conserve energy in their individual roles. The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources. The Company will explore solar energy, as alternate source of energy, to meet the energy demands, wherever possible.

#### **B. Technology Absorption**

The Company has implemented / shall implement 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.

##### **I. The efforts made towards technology absorption:**

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has taken major initiatives for improved employee experience, by implementing innovative solutions and empowering them by providing mobile platform to manage their work while on the go. Deployment of machines to substitute manual work partly or fully, using LED lighting in our office buildings, using timers for external lighting and basement lighting for switching lights on/off as per peak and non-peak hours are some steps towards optimizing the usage of various resources by adopting technology. The Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and other similar purposes. The Company also encourages the use of electronic mode of communications to and from all its stakeholders. Soft copies of the annual report(s) along with the notice convening the Annual General Meeting(s) were sent to its shareholders so as to minimize the usage of paper.

##### **II. The benefits derived like product improvement, cost reduction, product development or import substitution:**

The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities. Also, there is cost reduction in the administration and business operations expense through utilisation of scheduling and planning, efficient practices, etc. Some of the initiatives are: In-depth planning, organising/scheduling/structuring the work in tandem with job descriptions to ensure efficiency, engaging specialised contractors/ consultants to complete

## Board's Report (contd.)

tasks efficiently, introducing rules and regulations based on national and international standards and internal classifications, monitoring performance at projects and administrative offices.

### **III. Information regarding imported technology (imported during last 3 years) and Expenditure incurred on Research & Development:**

Not Applicable, since the Company has not imported any technology or incurred expenses of Research & Development, during such period.

### **C. Foreign Exchange Earnings and Outgo**

There was no earning and outgo in foreign exchange during the year under review and the previous year.

### **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 and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

Based on the Market Capitalisation as on March 31, 2019, the Company, being amongst the Top 500 listed entities, had constituted a Risk Management Committee in compliance with Regulation 21 of the SEBI LODR, details of which are disclosed in the Corporate Governance Report forming part of this Annual Report.

### **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 Board's 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 during business hours on working days of the Company up to date of ensuing Annual General Meeting.

### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Independent Directors. The details of the familiarization programs have been hosted on the website of the Company, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Details%20of%20familiarization%20programmes%20imparted%20to%20independent%20directors.pdf>

### **SUBSIDIARY COMPANIES**

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing Thirteenth Annual General Meeting along with its Standalone Financial Statements. The Consolidated Financial Statements of the Company along with its subsidiaries, for the year ended March 31, 2020, form part of this Annual Report.

For the performance and financial position of each of the subsidiaries 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.

### **NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES OR ASSOCIATE COMPANIES**

During the FY 2019-20, none of the companies became or ceased to be the subsidiaries or associate 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 is 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
- (e) Risk Management Committee

## Board's Report (contd.)

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

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

### **SECRETARIAL STANDARDS**

The Board of Directors state that the Company has complied with the applicable Secretarial Standards (SS-1 and SS-2) respectively relating to Meetings of the Board, its Committees and the General Meetings as issued by the Institute of Company Secretaries of India.

### **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 complied with the provisions and constituted an Internal Complaints Committee and also adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2019-20, no case of sexual harassment was reported.

### **UTILIZATION OF PROCEEDS OF PREFERENTIAL ISSUE**

The funds raised by the Company through Preferential issue(s) of equity shares in previous years were fully utilized by the Company, as per stated objects of the issues, during the FY 2019-20.

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

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

### **VIGIL MECHANISM**

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

### **GREEN INITIATIVES**

In terms of General Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, issued by Ministry of Corporate Affairs, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, issued by SEBI ("Circulars"), Electronic copies of the Annual Report 2019-20 and Notice of the 13th 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 are requested to follow procedure specified in the AGM Notice, to receive soft copies of the Annual Report 2019-20 and Notice of the 13th AGM through e-mail.

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 13th AGM. This is pursuant to section 108 of the Companies Act, 2013, read with applicable Rules and in accordance with the SEBI LODR Regulations. The instructions for e-voting are provided in the AGM Notice. Additionally, Insta-poll facility will also be provided to Members at AGM by KFintech, to enable casting of vote by such members who have not utilized e-voting mechanism.

### **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: October 16, 2020  
Place : Gurugram

**Manvinder Singh Walia**  
Executive Director  
DIN: 07988213

**Ajit Kumar Mittal**  
Director  
DIN: 02698115

## Board's Report (contd.)

ANNEXURE – 1 (i)

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

**For the Financial Year ended on March 31, 2020**

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

To,  
The Members

**Indiabulls Integrated Services Limited**  
Plot No. 448-451, Udyog Vihar,  
Phase-V, Gurugram-122016, Haryana

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls Integrated Services Limited (**hereinafter referred as 'the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing my opinion thereupon.

Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on 31.03.2020 complied with various statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Year ended 31.03.2020 according to the provisions of the following, as amended from time to time, and to the extent applicable :-

- i. The Companies Act, 2013 (the Act) and Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye – Laws framed thereunder;
- iv. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi. Other Laws Applicable to the Company as a Business Unit and Other Offices:
  - a) **Taxation Laws**
  - b) **Labour and Social Security Laws** – Such as employees State Insurance Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labor (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952, as amended.
  - c) **IT Related Laws** – Information Technology Act, 2000;
  - d) **Miscellaneous Laws**-Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013

## Board's Report (contd.)

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

During the period under review the Company has been regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

It is further reported that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non – Executive Director(s), Woman Director and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

**We further report** that during the audit period:

- (a) the Company had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited to the composite Scheme of Arrangement amongst the Company, its direct and indirect subsidiaries (viz SORIL Infra Resources Limited, Albasta Wholesale Services Limited, Sentia Properties Limited, Lucina Infrastructure Limited, Ashva Stud and Agricultural Farms Limited, Mahabala Infracon Private Limited, Store One Infra Resources Limited, Indiabulls Enterprises Limited and Indiabulls Pharmacare Limited) and Indiabulls Pharmaceuticals Limited and their respective shareholders and creditors ("Scheme"). The Company has filed the said Scheme and Company Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT.
- (b) the Company's wholly owned subsidiaries Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL) have received regulatory R1 acceptance from Insurance Regulatory and Development Authority of India (IRDAI) for their proposed life insurance business and general insurance business, respectively. After satisfying all prerequisite steps/conditions, as specified by IRDAI including adequate capitalization of IBLIC and IBGIL, they had applied for necessary registration (R2) with IRDAI to undertake life insurance and general insurance business in India.
- (c) the Company has received approval of shareholders through Postal Ballot, on following matters:
  - (i) enabling authorization for increase in borrowing limits of the Company;
  - (ii) approval of Trust Route and Secondary market acquisition for implementation of ESOP Scheme(s); and
  - (iii) approval for giving loan and/or providing guarantee or security by the Company for purchase of its own shares by the Trust/ Trustees for the benefit of Employees under Employee Scheme(s).

**For Neha S & Associates  
Company Secretaries**

**Neha Sharma**  
Proprietor

Membership No: 44741

CP No.:16522

UDIN: A044741B000622296

Date: 27.08.2020  
Place: New Delhi

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

## Board's Report (contd.)

### 'Annexure A'

To,  
The Members,  
**Indiabulls Integrated Services Limited**  
Plot No. 448-451 Udyog Vihar,  
Phase-V Gurgaon, Haryana 122016

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

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

**For Neha S & Associates  
Company Secretaries**

Date: 27.08.2020  
Place: New Delhi

**Neha Sharma**  
Proprietor  
Membership No: 44741  
CP No.:16522

## Board's Report (contd.)

**ANNEXURE- 1(ii)**

### **Secretarial Compliance Report of Indiabulls Integrated Services Limited for the year ended 31st March, 2020**

We, M/s Neha S & Associates, **Company Secretaries**, have examined:

- (a) all the documents and records made available to us and explanation provided by Indiabulls Integrated Services Limited ("the listed entity"),
  - (b) the filings/ submissions made by the listed entity to the stock exchanges,
  - (c) website of the listed entity,
  - (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Not Applicable			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Actions Taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
Not Applicable				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

**For Neha S & Associates  
Company Secretaries**

**Neha Sharma  
Proprietor**

M.No.: A44741

CP No.: 16522

UDIN: A044741B000482453

Place: New Delhi

Date: July 21, 2020

## Board's Report (contd.)

ANNEXURE – 2

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

**For the Financial Year ended on March 31, 2020**

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

To,  
The Members  
**Indiabulls Life Insurance Company Limited**  
M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls Life Insurance Company Limited (**hereinafter referred as 'the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing my opinion thereupon.

Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company, has during the audit period covering the financial year ended on 31.03.2020 complied with various statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Year ended 31.03.2020 according to the provisions of the following, as amended from time to time, and to the extent applicable :-

- i. The Companies Act, 2013 (the Act) and Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **N.A.**
- iii. The Depositories Act, 1996 and the Regulations and Bye – Laws framed thereunder; **N.A.**
- iv. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **N.A.**
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :- **N.A.**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. Other Laws Applicable to the Company as a Business Unit and Other Offices:
  - a) **Taxation Laws**
  - b) **Insurance Laws**
  - c) **Labour and Social Security Laws**-Employees State Insurance Act, 1948;Payment of Wages Act, 1936; Minimum Wages Act, 1948; Industrial Disputes Act, 1947; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labor (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952.
  - d) **IT Related Laws** – Information Technology Act, 2000;
  - e) **Miscellaneous Laws**-Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013

## Board's Report (contd.)

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

During the period under review the Company has been regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

It is further reported that:

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

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

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

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

**We further report** that during the audit period:

The Company has, after receipt of regulatory R1 acceptance from Insurance Regulatory and Development Authority of India (IRDAI) for its proposed life insurance business and satisfying all prerequisite steps/conditions, as specified by IRDAI including adequate capitalization, applied for necessary registration (R2) with IRDAI to undertake life insurance business in India.

For Neha S & Associates  
Company Secretaries

Place: New Delhi  
Date: August 27, 2020

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

Neha Sharma  
Proprietor  
M.No.: A44741  
CP No.: 16522  
UDIN: A044741B000622331

## Board's Report (contd.)

### 'Annexure A'

To,  
The Members,  
**Indiabulls Life Insurance Company Limited**  
M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001

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

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

**For Neha S & Associates  
Company Secretaries**

Date: 27.08.2020  
Place: New Delhi

**Neha Sharma**  
Proprietor  
Membership No: 44741  
CP No.:16522

## Board's Report (contd.)

### ANNEXURE 3

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

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

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

CSR Policy is as posted at the website of the Company at web link: <https://www.indiabullsintegratedservices.com/pdf/CSR%20Policy.pdf>

- Composition of the CSR Committee.**

Mr. Shamsher Singh Ahlawat, Chairman (Independent Director)

Mr. Ajit Kumar Mittal, Member (Non-Executive Director)

Mr. Manvinder Singh Walia, Member (Executive Director)

- Average Net Profit of the Company for last three financial years:** ₹ 1141.57 lakhs

- Prescribed CSR expenditure (two percent of the amount as in item 3 above):** ₹ 22.90 lakhs

- Details of CSR expenditure for the financial year 2019-20:**

- Total amount spent for the financial year:** ₹ 22.90 lakhs

- Amount unspent, if any:** Nil

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

(Amount in ₹)									
1 Sr. No.	2 CSR project or activity identified	3 Sector in which the project is covered	4 Projects or Programs		5 Amount outlay (budget) projects or programme wise	6 Amount spent on projects or programs Sub Heads:		7 Cumulative expenditure up to 31st March, 2020	8 Amount spent directly or through implementing agency
			District	State		Direct Exp. on Project or programme wise	Over heads		
1	Medical Aid to Poor	Health	Pan India	Pan India	22,90,000		-	-	Implementing Agency (Indiabulls Foundation)
	<b>TOTAL</b>				<b>22,90,000</b>		-	-	

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

During the financial year 2019-20, the Company has contributed its entire CSR expenditure aggregating to ₹ 22.90 lakhs to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf.

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

The Company understands that for it to continue to prosper over the long term, the community, environment and society at large must also prosper. During the financial year 2019-20, the implementation and monitoring of CSR Policy of the Company were environmental friendly and incompliance with the applicable laws, CSR objectives and Policy of the Company.

For **Indiabulls Integrated Services Limited**

Date: October 16, 2020  
Place: Gurugram

**Manvinder Singh Walia**  
Executive Director  
Member - CSR Committee  
DIN: 07988213

**Ajit Kumar Mittal**  
Director  
Member - CSR Committee  
DIN: 02698115

**Shamsher Singh Ahlawat**  
Independent Director  
Chairman - CSR Committee  
DIN: 00017480

## Board's Report (contd.)

### ANNEXURE 4

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2020**  
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management & Administration) Rules, 2014]

#### I REGISTRATION & OTHER DETAILS

i	CIN	L51101HR2007PLC077999
ii	Registration Date (Date of Incorporation)	24-July-2007
iii	Name of the Company	Indiabulls Integrated Services Limited
iv	Category/Sub-category of the Company	Public Company/Company Limited by Shares
V	Address of the Registered office & contact details	Plot No. 448-451 Udyog Vihar, Phase-V, Gurgaon-122016, Haryana Tel: (0124) 6681199, Fax: (0124) 6681111
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any	KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) (Unit: Indiabulls Integrated Services Limited) Selenium Building, Tower B, Plot No.31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel : 040-67162222, Fax: 040-23001153 E-mail: einward.ris@kfintech.com

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	None	N.A	N.A

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	SORIL Infra Resources Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	L52190HR2005PLC077960	Subsidiary	64.71	Section 2(87) of Companies Act, 2013
2	Lucina Infrastructure Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U70109HR2006PLC077548	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
3	Sentia Properties Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U45400HR2007PLC077310	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
4	Albasta Wholesale Services Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U51101HR2008PLC077305	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
5	Mahabala Infracon Private Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U70102HR2014PTC077948	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
6	Ashva Stud And Agricultural Farms Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U74999HR2015PLC077307	Subsidiary	100.00	Section 2(87) of Companies Act, 2013

## Board's Report (contd.)

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
7	Indiabulls Life Insurance Company Limited M - 62 & 63, First Floor, Connaught Place, New Delhi 110001	U66000DL2007PLC171001	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
8	Indiabulls General Insurance Limited M - 62 & 63, First Floor, Connaught Place, New Delhi 110001	U66000DL2018PLC328939	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
9	Airmid Aviation Services Limited M - 62 & 63, First Floor, Connaught Place, New Delhi 110001	U62200DL2007PLC166080	Subsidiary	Nil	Section 2(87) of Companies Act, 2013
10	Store One Infra Resources Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U33100HR2015PLC078058	Subsidiary	Nil	Section 2(87) of Companies Act, 2013
11	Indiabulls Enterprises Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U71290HR2019PLC077579	Subsidiary	100.00	Section 2(87) of Companies Act, 2013
12	Indiabulls Pharmacare Limited Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon – 122016, Haryana	U24290HR2019PLC077935	Subsidiary	Nil	Section 2(87) of Companies Act, 2013
13	Indiabulls Rural Finance Private Limited One International Center, Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W) Mumbai-400013	U74140MH1993PTC074596	Subsidiary	Nil	Section 2(87) of Companies Act, 2013

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares		
<b>A. PROMOTERS</b>										
(1) Indian										
a) Individual/HUF	150,000	0	150,000	0.17	150,000	0	150,000	0.17	0.00	
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corporate	38,483,988	0	38,483,988	43.08	38,483,988	0	38,483,988	43.08	0.00	
e) Bank/FI	0	0	0	0	0	0	0	0	0.00	
f) Any other	0	0	0	0	0	0	0	0	0.00	
<b>SUB TOTAL (A) (1):</b>	<b>38,633,988</b>	<b>0</b>	<b>38,633,988</b>	<b>43.25</b>	<b>38,633,988</b>	<b>0</b>	<b>38,633,988</b>	<b>43.25</b>	<b>0.00</b>	
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>38,633,988</b>	<b>0</b>	<b>38,633,988</b>	<b>43.25</b>	<b>38,633,988</b>	<b>0</b>	<b>38,633,988</b>	<b>43.25</b>	<b>0.00</b>	
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds	19	0	19	0.00	4968	0	4968	0.01	0.01	
b) Banks/FI	1,686	0	1,686	0.00	511	0	511	0.00	0.00	

## Board's Report (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00					0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs/FPIs	21,019,916	0	21,019,916	23.53	17,943,929	0	17,943,929	20.09	-3.44
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>21,021,621</b>	<b>0</b>	<b>21,021,621</b>	<b>23.53</b>	<b>17,949,408</b>	<b>0</b>	<b>17,949,408</b>	<b>20.10</b>	<b>-3.43</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	8,460,819	0	8,460,819	9.47	11,807,926	0	11,807,926	13.22	3.75
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	10,933,425	4,802	10,938,227	12.25	11,978,453	4,771	11,983,224	13.41	1.16
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,903,879	0	8,903,879	9.97	7,993,075	0	7,993,075	8.94	-1.03
<b>c) Others (specify)</b>									
i) Non-Resident Indians	636,265	1	636,266	0.71	729,992	1	729,993	0.82	0.11
ii) Foreign Nationals	0	15,000	15,000	0.02	0	15,000	15,000	0.02	0.00
iii) Clearing Members	81,577	0	81,577	0.09	212,868	0	212,868	0.24	0.15
iv) NBFCs registered with RBI	4,192	0	4,192	0.00	87	0	87	0.00	0.00
V) Foreign Company	630,000	0	630,000	0.71	-	0	-	0.00	-0.71
<b>SUB TOTAL (B)(2):</b>	<b>29,650,157</b>	<b>19,803</b>	<b>29,669,960</b>	<b>33.22</b>	<b>32,722,401</b>	<b>19,772</b>	<b>32,742,173</b>	<b>36.65</b>	<b>3.43</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>50,671,778</b>	<b>19,803</b>	<b>50,691,581</b>	<b>56.75</b>	<b>50,671,809</b>	<b>19,772</b>	<b>50,691,581</b>	<b>56.75</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>89,305,766</b>	<b>19,803</b>	<b>89,325,569</b>	<b>100.00</b>	<b>89,305,797</b>	<b>19,772</b>	<b>89,325,569</b>	<b>100.00</b>	<b>0.00</b>

## Board's Report (contd.)

### (ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of shares	% of total shares of the company^	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company^	% of shares pledged/ encumbered to total shares	
1.	Mr. Sameer Gehlaut	1,50,000	0.17	0.00	1,50,000	0.17	0.00	0.00
2.	Kritikka Infrastructure Private Limited	85,53,576	9.58	0.00	85,53,576	9.58	0.00	0.00
3.	Jyestha Infrastructure Private Limited	83,30,412	9.33	0.00	83,30,412	9.33	0.00	0.00
4.	Powerscreen Media Private Limited	54,00,000	6.05	0.00	54,00,000	6.05	0.00	0.00
5.	Calleis Real Estate Private Limited	54,00,000	6.05	0.00	54,00,000	6.05	0.00	0.00
6.	Calleis Constructions Private Limited	54,00,000	6.05	0.00	54,00,000	6.05	0.00	0.00
7.	Calleis Properties Private Limited	54,00,000	6.05	0.00	54,00,000	6.05	0.00	0.00
8.	Karanbhumi Estates Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
9.	Meru Minerals Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
10.	Dahlia Infrastructure Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
11.	Galax Minerals Private Limited*	0	0.00	0.00	0	0.00	0.00	0.00
<b>TOTAL</b>		<b>3,86,33,988</b>	<b>43.25</b>	<b>0.00</b>	<b>3,86,33,988</b>	<b>43.25</b>	<b>0.00</b>	<b>0.00</b>

\*Acting as PACs with the Promoters.

^rounded off upto two decimals.

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

	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	<b>3,86,33,988</b>		<b>43.25</b>	
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)*				
<b>At the end of the year</b>	<b>3,86,33,988</b>		<b>43.25</b>	

\*No change in shareholding

### (iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)^

Sl No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Steadview Capital Mauritius Limited#	82,53,187	9.24	82,53,187	9.24
2.	TIMF Holdings#	31,47,424	3.52	31,47,424	3.52
3.	UNO Metals Ltd\$	3,53,260	0.40	26,40,000	2.96
4.	ABG Capital#	29,39,090	3.29	25,57,748	2.86
5.	Shubhi Consultancy Services LLP\$	0	0.00	14,42,415	1.61
6.	Chartered Finance & Leasing Limited#	7,63,872	0.86	14,08,872	1.58

## Board's Report (contd.)

Sl No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	Monarch Infraparks Private Limited <sup>s</sup>	29,036	0.03	9,28,792	1.04
8.	Tosca Master <sup>#</sup>	8,92,500	1.00	8,92,500	1.00
9.	Aptus Global Financials Fund <sup>#</sup>	8,15,000	0.91	8,15,000	0.91
10.	Suryakanchan Vinimay Private Limited <sup>s</sup>	6,22,914	0.70	6,22,914	0.70
11.	Kifs Trade Capital Private Limited - Collateral AC*	9,00,000	1.01	25,000	0.03
12.	Madhusudan Murlidhar Kela*	7,67,415	0.86	0	0.00
13.	Amit Goel*	7,02,331	0.79	5,52,327	0.62

<sup>s</sup>Top 10 shareholders as on March 31, 2020 only.

<sup>\*</sup>Top 10 shareholders as on April 1, 2019 only.

<sup>#</sup>Top 10 shareholders as on April 1, 2019 and March 31, 2020.

<sup>^</sup>99.98% of paid-up Equity share capital of the Company is held in dematerialized form. These are traded on a daily basis at BSE & NSE; hence, date wise increase/decrease in shareholding is not indicated.

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

Sl. No.	Name	Shareholding			Date wise Increase/ Decrease in shareholding during the year specifying the reasons for increase/ decrease	Cumulative Shareholding during the year (01-Apr-2019 to 31-Mar-2020)	
		Date [beginning of the year (01-Apr-2019)/ end of the year (31-Mar-2020)]	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
<b>A. Shareholding of Directors</b>							
1.	Mr. Manvinder Singh Walia, Executive Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00
2.	Mr. Ajit Kumar Mittal, Non-Executive Director	01-Apr-2019	10,000	0.01	-	10,000	0.01
		31-Mar-2020	10,000	0.01		10,000	0.01
3.	Mr. Gurrappa Gopalakrishna, Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00
4.	Justice Gyan Sudha Misra (Retd.), Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00
5.	Mr. Praveen Kumar Tripathi, Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00
6.	Mr. Shamsher Singh Ahlawat, Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00
<b>B. Shareholding of KMPs other than MD/ WTD/ Manager</b>							
1.	Mr. Saurabh Garg Chief Financial Officer	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00
2.	Ms. Priya Jain Company Secretary	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00		0	0.00

## Board's Report (contd.)

### V. INDEBTEDNESS

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

(Amount in ₹)

		Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
	<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the financial year</b>					
<b>Additions / (Reduction)</b>					
i)	Additions	Nil	2,63,44,00,000	Nil	2,63,44,00,000
ii)	Reduction	Nil	42,47,00,000	Nil	42,47,00,000
	<b>Net Change</b>	<b>Nil</b>	<b>2,20,97,00,000</b>	<b>Nil</b>	<b>2,20,97,00,000</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	Nil	2,20,97,00,000	Nil	2,20,97,00,000
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	15,01,71,212	Nil	15,01,71,212
	<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>2,35,98,71,212</b>	<b>Nil</b>	<b>2,35,98,71,212</b>

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (in ₹)
1	<b>Gross salary</b>	<b>Mr. Manvinder Singh Walia, Executive Director</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	
2	Stock option	-	
3	Sweat Equity	-	
4	Commission (as % of profit/others)	-	
5	Others	-	
	<b>Total (A)</b>	<b>-</b>	
	Ceiling as per the Act	Not Applicable as no remuneration was paid to any of the Directors of the Company during the year ended March 31, 2020.	

## Board's Report (contd.)

### B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount (In ₹)
1	<b>Independent Directors</b>	Mr. Shamsher Singh Ahlawat	Mr. Praveen Kumar Tripathi	Justice Gyan Sudha Misra	Mr. Gurappa Gopalakrishna	
	(a) Fee for attending board/ committee meetings	2,00,000	2,00,000	2,00,000	2,00,000	8,00,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>2,00,000</b>	<b>2,00,000</b>	<b>2,00,000</b>	<b>2,00,000</b>	<b>8,00,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Mr. Ajit Kumar Mittal</b>				
	(a) Fee for attending board/ committee meetings	-				-
	(b) Commission	-				-
	(c) Others, please specify	-				-
	<b>Total (2)</b>	<b>-</b>				<b>-</b>
	<b>Total (B)=(1+2)</b>					<b>8,00,000</b>
	<b>Total Managerial Remuneration</b>					<b>8,00,000</b>
	Overall ceiling as per the Act	Not Applicable as no remuneration except sitting fees was paid to any of the Directors of the Company during the year ended March 31, 2020.				

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (In ₹)
		Ms. Priya Jain, Company Secretary	Mr. Saurabh Garg, CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	21,32,877.00	0.00	21,32,877.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	32,400.00	0.00	32,400.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option*	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission(as % of profit/ others)	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	<b>Total</b>	<b>21,65,277.00</b>	<b>0.00</b>	<b>21,65,277.00</b>

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

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

For and on behalf of the Board of Directors

Date: October 16, 2020  
Place : Gurugram

**Manvinder Singh Walia**  
Executive Director  
DIN: 07988213

**Ajit Kumar Mittal**  
Director  
DIN: 02698115

## Board's Report (contd.)

### ANNEXURE - 5

#### DISCLOSURES ON MANAGERIAL REMUNERATION

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

**Ratio of the remuneration of each director to the median employees' remuneration for FY 2019-20.**

Not applicable because no remuneration was paid to any of the Directors during the FY 2019-20.

**Percentage increase in remuneration of each director and Key Managerial Personnel in FY 2019-20.**

No remuneration was paid to any of the Directors and KMPs except Company Secretary, during the FY 2019-20.

There was no increase in remuneration of Company Secretary in FY 2019-20.

**The percentage increase in the median remuneration of employees in the FY 2019-20.**

The percentage increase in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY 2019-20 and FY 2018-19 was 1.31%.

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

The Company had 17 employees on its permanent rolls, as of March 31, 2020.

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

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2019-20 is around 2.81%, while there was no increase in remuneration of Company Secretary in FY 2019-20.

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

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

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

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

Date: October 16, 2020  
Place : Gurugram

**Manvinder Singh Walia**  
Executive Director  
DIN: 07988213

**Ajit Kumar Mittal**  
Director  
DIN: 02698115

# MANAGEMENT DISCUSSION AND ANALYSIS



## ECONOMIC OVERVIEW

The year gone by proved to be quite tumultuous for the Indian economy, though, the initial anxiety over the outcome of the general elections gave way to relief and optimism as the incumbent NDA coalition returned to power. In the backdrop of the United States-China trade tensions and other factors, the economy globally has seen one of the slowest growth rates since 2008 financial crisis. The Indian economy registered a growth of 4.1% in FY 2019-20, much lower than the 6.1% in FY 2018-19. Besides for the Q4 FY20, the GDP growth rates were reported significantly lower at 3.1%.

The biggest calamity was the outbreak of coronavirus, which originated in Wuhan, China, in December 2019 and grew from a local problem in China to a global pandemic in a matter of weeks in early CY 2020. The Covid-19 pandemic has had a material impact on the world economy, including on India. Lockdowns in most of the affected countries saved lives but were a huge blow to economic activities and the impact will be felt for a long time to come. To counter the losses and prevent a complete economic breakdown, governments and central banks around the world have unleashed unprecedented amounts of fiscal and monetary support. Nonetheless, warning of a recessionary effect was issued by top analysts.

To combat this pandemic, the government of India also ordered a phase-wise lockdown during the end of March 2020. The lockdown has slowed down the economy, leading to a potential contraction in GDP. In the past 69 years, India has seen recession only thrice – as per available data – in 1958, 1966 and 1980. The reason was similar each time –poor monsoons, adversely impacting agriculture, and then a sizable part of the economy. This Covid-19 led recession is different. The economic conditions have slid precipitously due to the extension of lockdown, higher economic cost and an insufficient economic package, countered by containment measures, a normal monsoon and soft crude oil prices. Wage stagnation, job losses, rising rural unemployment rates, stressed non-banking financial companies and decline in credit growth may cause a sharp drop in domestic demand.

To reduce the impact of the pandemic, the government announced a slew of measures aimed at restarting the economy, such as liberalizing sectors to attract foreign direct investments, upfront capital infusion in public sector banks to alleviate liquidity concerns and reducing corporate tax rates to revive private investments. The government unveiled a ₹ 20.9 lakh crore relief package under the Atma Nirbhar Bharat Abhiyan. The five pillars of the package are economy, infrastructure, system, vibrant demography and demand. To address the near-term issues, apart from direct-benefit transfers and additional spending through MNREGA, the government has mobilised transfers to micro, small and medium enterprises ("MSMEs"), agriculture and affordable-housing sectors. The stimulus also focuses on providing support to MSMEs to keep them afloat. This would provide the much-needed liquidity to MSMEs, which are known to face severe working capital crunch during downturns.

The expert says that Indian economy will rebound, as the impact of the pandemic recedes, with improving economic growth momentum in the second half of 2020. As lockdown conditions have been progressively eased, early signs of recovery are evident in the most recent economic data. The most important growth factor for India is its large and fast-growing middle class, which is helping to drive consumer spending. The second-largest population, highest young and working population coupled with rapid urbanisation and rising affluence are key indigenous advantages to achieve stronger economic growth rate in India in the middle to long term.

## INDUSTRY OVERVIEW

The COVID-19 pandemic has pushed businesses across sectors to change the way they operate and the insurance industry is no exception. Existing insurers are in stress from selling new policies to settling claims. A large proportion of this industry is dependent on industries and businesses such as automobile, travel, hotels and infrastructure, so challenges in these sectors due to the lockdown could create additional issues. The automobile sector was witnessing a slowdown even before the pandemic and lockdown leading to job loss and pay cuts across most industries will put the purchase of new vehicles on the back burner, hurting the motor insurance space further. Though the relief is that the number of claims for Covid-19 is not really hurting insurers as much because the number of planned surgeries are down at the moment. Also, for general insurers who have a mixed bag of products, motor claims are down due to the lockdown and social distancing which means their loss ratio is down too. The extended lockdown in the wake of Covid-19 has pushed insurance companies to depend heavily on their digital architecture.

Your directors believe that, in-spite of stress on existing insurance companies, the pandemic brings lots of opportunities for insurance business, specifically for new companies, as the fear around Covid-19 has pushed people to buy health insurance and other insurance products, which will also lead a great demand in untapped rural India as well. With the greater awareness of being protected and protecting loved ones from unforeseen risks, consumers are more inclined towards protection covers, leading to an increased demand for health and life insurance plans. However due to the overall uncertainty in the environment and the market volatility, investment-linked products could experience a drop in demand as consumer confidence in the stock market is shaky.

## BUSINESS OVERVIEW

As the Company is venturing into new business streams of Life and General Insurance, through its subsidiaries and is engaged with the relevant regulatory authorities for obtaining necessary approvals to pursue Life Insurance and General Insurance businesses, alongwith the existing Consumer Platform and other related financial services activities etc. Further, your directors are pleased to inform that the

## Management Discussion and Analysis (contd.)

Company's wholly owned subsidiaries, viz., Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL) have received regulatory R1 acceptance from Insurance Regulatory and Development Authority of India (IRDAI) for their proposed life insurance business and general insurance business, respectively. After satisfying all prerequisite steps/conditions, as specified by IRDAI including adequate capitalization of IBLIC and IBGIL, they had applied for necessary registration (R2) with IRDAI to undertake life insurance and general insurance business in India. The applications for R2 for such proposed life insurance and general insurance business are currently under the consideration of IRDAI and probably might have been delayed due to Covid-19 conditions. The Company is in the process of putting in place the necessary systems to undertake life insurance and general insurance businesses in India, upon receipt of all requisite approvals/registrations.

The Company primarily, directly and through its subsidiaries, is also engaged in the businesses of digital platform, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses.

To streamline the operations and ownership structure of the Company, in a manner leading to maximization of stakeholders' value and diversification of shareholders' portfolio by providing them direct ownership in each business segments, and to have a focused approach towards upcoming insurance business (comprising of life insurance, general insurance and/or other related businesses), the Board of Directors of the Company had approved the composite Scheme of Arrangement amongst the Company, its direct and indirect subsidiaries (viz SORIL Infra Resources Limited, Albasta Wholesale Services Limited, Sentia Properties Limited, Lucina Infrastructure Limited, Ashva Stud and Agricultural Farms Limited, Mahabala Infracon Private Limited, Store One Infra Resources Limited, Indiabulls Enterprises Limited and Indiabulls Pharmacare Limited) and Indiabulls Pharmaceuticals Limited and their respective shareholders and creditors ("Scheme"). Pursuant to the Scheme, the shareholders of the Company will get shares of Indiabulls Enterprises Limited, free of any cost, in lieu of their shareholding in the Company. The shares of Indiabulls Enterprises Limited will get listed on NSE and BSE and with this, post effectiveness of the Scheme, they will have shares of two listed entities –

- (1) the Company, the equity shares of which are listed and will remain listed on NSE and BSE, focusing on life and general insurance and related businesses, and
- (2) Indiabulls Enterprises Limited, equity shares of which will be listed on NSE and BSE, focusing on non-insurance businesses of the Company and its subsidiaries (including proposed pharma business and rural finance business).

Your directors are pleased to inform that, during FY 2019-20, the Company had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and have filed the Scheme and Company Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT.

Further, with a view to enable the Company to create its unique digital identity through its digital platform "**Yaarii**", of which the Company has proprietary rights, and to charter right direction for its continuous focus around promoting digital financial and other solutions and given that Yaarii app, as a digital distribution platform finds resonance as on date with lacs of customers across a range of financial products and to leverage on its brand identity to grow to next frontier, it is proposed to change the name of the Company to "**Yaarii Digital Integrated Services Limited**", so as to bring the name of the Company in sync with its registered trademark "Yaarii" and Yaarii Digital App.

Yaarii app is a fintech marketplace for a bouquet of various financial products including personal loans, life and general insurance, mutual funds etc and currently is in the business of promoting various available financing options for retail customers. Yaarii is a mobile first business available for access anywhere anytime through its Android & iOS Application. Ever since its inception, Yaarii has managed to help retail customers with their personal requirements of various financial products. Yaarii provides its customers a unique in-house proprietary model of credit decisioning, instant knowledge of their borrowing ability & the lenders accordingly interact for credit worthy borrowers for processing disbursals. In a short span, Yaarii has achieved a customer base of over 50 lac customers, who have downloaded Yaarii app & used the platform to get access to the financial products. Yaarii has facilitated digital journey of over 50 lac customers, till date, for their financial needs and over 1 lac customers interact on the Yaarii platform every month. Bajaj Finserv, Dhani, Lendingkart, Cashkumar, Loantap, EarlySalary are amongst the few who are already live on the platform. HDFC Bank, RBL Bank, Tata Capital, Axis Bank, Fullerton, Faircent, NeoGrowth have already been on board on the Yaarii platform and are expected to go live in Q4 of 2020-21. Yaarii is further looking to aggregate marketplace model to other financial products in the investment domain also with a focus on building robotic investment advisory services, and distribution of digital gold, mutual fund, national pension schemes, life and general insurance.

### INDUSTRY STRUCTURE AND DEVELOPMENT AND BUSINESS OUTLOOK

The Indian life insurance industry has seen a plethora of changes since it was opened up to the private sector in the year 2000. While there have been interim setbacks, the industry as a whole has grown multifold over the last 20 years. The insurance industry of India consists of 59 insurance companies of which 24 are in life insurance business, 34 are non-life insurers, as per list mentioned in Insurance Regulatory and Development Authority of India (IRDAI) website. Gross premium collected by life insurance companies in India increased from ₹ 2.56 trillion (US\$ 39.7 billion) in FY12 to ₹ 7.31 trillion (US\$ 94.7 billion) in FY20. The market share of private sector companies in the non-life insurance market rose from 15 per cent in FY04 to 56 per cent in FY20. In life insurance segment, private players had a market share of 31.3 per cent in new business in FY20.

The Government of India has also taken numerous initiatives to boost the insurance industry. Some of them are as follows:

## Management Discussion and Analysis (contd.)

- 100% Foreign Direct Investment (FDI) for insurance intermediaries,
- The Insurance Regulatory and Development Authority of India (IRDAI) plans to issue redesigned Initial Public Offering (IPO) guidelines for insurance companies, which are looking to divest equity through the IPO route,
- IRDAI has allowed insurers to invest up to 10% in additional Tier 1 (AT1) bonds that are issued by banks to augment their Tier 1 capital, in order to expand the pool of eligible investors for the banks,
- Life insurance companies operational for 10+ years are now allowed to go public by IRDA,
- Launches of Pradhanmantri Jeeva Jyoti Beema Yojna, Atal Pension Yojna, Pradhanmantri Swasthya Beema Yojna,
- Enrolments under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) reached 154.7 million till December 2019 since its launch,
- Over 53.8 million famers were benefitted by the Pradhan Mantri Fasal Bima Yojana (PMFBY) in FY20.

Apart from this; adoption of technology, positive demographics changes and education, have contributed to this growth. As a result, the outlook for insurance markets in emerging economies remains largely positive, even as cyclical and structural factors weigh on the overall macro growth prospects.

However, the pandemic has pushed businesses across sectors to change the way they operate and the insurance industry is no exception. Still, insurance industry continues to grow rapidly with the rising awareness among people for financial protection and saving, supported by demographic factors such as growing middle class, young insurable population and growing awareness of the need for protection and retirement planning.

### **OUR STRATEGY**

Our strategy focuses on ensuring that our customer is at the core of everything we do. We believe in building a sustainable organization that remains relevant to the agenda of our stakeholders, and providing value to our clients, and aim to create growth opportunities to our employees and profitable returns to our investors. The Company's strategy for long term profitable growth is based on continuously scaling its various businesses in India, while investing in new markets and venturing into new businesses.

#### **The customer at the center of the industry:**

Customers now demand a transparent and seamless experience enabled by technology that provides quick information/feedback. Customers are now setting new standards of ease, convenience and value, expecting 24-hour access along with customized products at competitive prices. Customer journeys and an increasing focus on customer experiences is now emerging as a key imperative for the insurance sector. The era of lengthy paper-based forms and multiple signatures is now behind us.

#### **Digitisation**

Digital technology has proved to be a game changer in almost all industries and the insurance industry is no exception. Increasing internet penetration (with the number of users in India expected to rise from 429 million in 2017 to 829 million by 2021 at the rate of 17.9%) will continue to influence the insurance business as well as other industries. Technology today is evolving and disrupting businesses at a pace never seen before. Blurring lines of business coupled with increased flow of information have created an ultracompetitive marketplace where it has become important to continuously innovate and be agile. Rapidly evolving customer behavior means that providing a frictionless end-to-end buying experience to customers has become of utmost importance.

Considering Yaarii existing & future digital customer base and huge potential in digital business, going forward the Company intends to pursue its substantial existing and future businesses, including proposed insurance business, digitally under the brand Yaarii, through its Yaarii app, without any physical branches. Yaarii will use its reach to millions customers to sell, service & cater the insurance products of Company's subsidiaries, as and when these products become available. This will be done through intuitive product UI with smart product recommendations & hassle free claims process.

### **OUR STRENGTHS**

#### **Presence of dynamic leadership and professional management team**

The Company and the group companies are headed by professional industry leaders and are overseen by Boards comprising of eminent industry veterans. The Group benefits immensely from the diverse and collective experience of these individuals and the proposed life and general insurance business will also draw from their inputs and experience. The Company will further have insurance experts and will benefit from highly skilled and experienced key management personnel, well-trained employee force, business partners, strong analytics and technical background.

#### **Technological expertise**

## Management Discussion and Analysis (contd.)

Indiabulls Group companies are technology leaders within their respective sectors pioneering many cost-effective and customer-centric innovations. The Group has also effectively deployed technology to further expand its reach into the hinterlands. The technology thrust of the Group is customer focused and aims at offering utmost customer convenience and maximum cost effectiveness. While entering into the proposed insurance businesses, the Company shall be highly benefited with group's technological expertise.

### **Robust systems and process**

The Company believes that the systems and processes are its major strength. Considering the long-term nature of the business, the Company will put in place robust processes and systems for the orderly growth of the Company. We shall develop appropriate systems and processes to ensure that the investments of the Company are in line with the regulatory requirements and asset-liability norms.

### **Strong brand recognition – creating value to the projects**

The Company believes that the brand recognition and trust associated with the brand "Yaarii" has a cascading effect on company's existing and proposed business. The proposed change of the name of the Company to "Yaarii Digital Integrated Services Limited" and attaining substantial existing and future businesses, including proposed insurance business, under the brand name "Yaarii", will also allow Company's operations to have a unique recognition and for its customers to make a distinction when seeking the products offered / to be offered by the Company and its subsidiaries through Yaarii app, as this digital distribution platform finds resonance as on date with lacs of customers across a range of financial products and will leverage on its brand identity to grow to next frontier.

### **OPPORTUNITIES**

There are huge potential and opportunities in insurance sector in India. Government's focus on insuring the uninsured large population and policies are making this market big to bigger. Further, since the pandemic has changed the way people look at insurance, which has pushed companies to tweak their product strategies, there are huge opportunities to re-imagine operations for new companies with new products.

#### **Low insurance Penetration and High Protection Gap**

The country's low penetration vis-à-vis advanced geographies and relatively low share of financial savings as part of household savings provides ample opportunities to the insurers. India has a higher protection gap than many other economies. The overall Protection gap in this country, whether it is life or general (non-life), in most of the segments is about 70% to 80%. Hence, the demand for protection and savings products is on the rise, indicating significant opportunities for the life insurance sector to expand.

#### **Increasing Urbanization and Demographic dividend**

A range of demographic factors including the rise of a middle-class population, young insurance population as well as the rising awareness among the youth about financial protection and insurance products will help to drive the growth of the Indian insurance industry. Also, India's working-age population has grown larger than the dependent population, helping to tap growth potential for risk covers and future savings. The number of people above the age of 60 years is expected to triple by 2050 as compared to 2015, thus providing insurers an opportunity to tap the retirement space by way of offering long-term income and annuity products.

#### **Increasing awareness**

Fear around Covid-19 has made greater awareness amongst people of being protected and protecting loved ones from unforeseen risks. Consumers are more inclined towards protection covers, leading to an increased demand for health and life insurance plans

#### **Opportunities in untapped rural India**

Pandemic Covid-19 has pushed people to buy health insurance and other insurance products and this will lead a great demand in untapped rural India as well.

### **RISKS AND THREATS**

#### **Economic Slowdown**

Due to COVID-19, economy globally has fallen on hard times. If the slowdown continues, its consequences will impact customers spending behavior as a result this might affect new business logins and persistency of Insurance business.

#### **Uncertainty**

Uncertainty is the inability to predict the future with confidence. Because of the presence of uncertainty, we need to consider the effects of possible deviations from the projected figures. Due to overall uncertainty in the environment, the market volatility and the falling interest rates, investment-linked products could experience a drop in demand as consumer confidence in the stock market is shaky.

#### **Cut Throat Competition**

Liberalization will create acute competition in the insurance market. Fierce competition to increase volume and market share will continue as more and more players join the race for the greater Indian insurance.

## Management Discussion and Analysis (contd.)

### Change in individual tax rate

Budget 2020 announced a new tax regime with finer slabs and lower rates subject to the condition that taxable income is arrived at by taking zero deductions under popular tax categories such as HRA, interest on home loan, investments under 80C and medi-claim insurance among others. The dual tax regime for individuals, could potentially have some disruption for a specific segment of consumers, wherein tax saving was also one of the considerations for investment in Insurance policies.

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS AND CHANGE IN RETURN ON NETWORTH

In compliance with the requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with other key financial ratios and changes in Return on Networth of the Company (on standalone basis) including detailed explanations therefor are as under:

Particulars	2019-20	2018-19
<b>Ratios - Balance Sheet</b>		
Liquid cash as a % of total assets*	52%	55%
Debt Equity Ratio	0.12	0.00
<b>Ratios – Financial performance</b>		
The basic and diluted EPS of the Company decreased during the FY 2019-20, as the Company has incurred losses of ₹22.45 crore as compared to profit ₹ 21.88 crore in the last year.		
Net Profit Margin	(2.21)	0.67
Basic EPS (in ₹)	(2.51)	2.65
Diluted EPS (in ₹)	(2.51)	2.35

\*Liquid cash includes current loans and investment in mutual funds

### Change in Return on Networth:

During the year, the Company has incurred losses and hence return on networth is negative as compared to positive return of 1.84%.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has in place adequate systems of internal control commensurate with its size and nature of business. It has institutionalised a robust and comprehensive internal control mechanism across all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational

and strategic goals, compliance with policies, procedures, laws, and regulations. The Board Audit Committee oversees the compliance framework of the Company. The Company has formulated various internal policies/procedures and an employee code of conduct, which govern the day-to-day activities to ensure compliance. The Internal audit function provides independent and reasonable assurance about the adequacy and operating effectiveness of the Internal Controls to the Board and the Audit Committee.

### HUMAN RESOURCES

The Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The structured recruitment process, which the Company employs, focuses on recruiting people who have the right mindset for working, supported by structured training programs and internal growth opportunities. As on March 31, 2020, the Company had a strong team of 17 employees, who are aligned and dedicated towards the Company's goals.

### CAUTIONARY STATEMENT

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

*The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.*

# BUSINESS RESPONSIBILITY REPORT

Indiabulls Integrated Services Limited (IBULSL or Company), as an incorporated legal entity, came into existence on July 24, 2007, under the Companies Act, 1956, and obtained the certificate for commencement of business on August 08, 2007.

As the Company is venturing into new business streams of Life and General Insurance, through its subsidiaries and is engaged with the relevant regulatory authorities for obtaining necessary approvals to pursue Life Insurance and General Insurance businesses, alongwith the existing Consumer Platform and other related financial services activities etc. Further, Company's wholly owned subsidiaries Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL) have received regulatory R1 acceptance from Insurance Regulatory and Development Authority of India (IRDAI) for their proposed life insurance business and general insurance business, respectively. After satisfying all prerequisite steps/conditions, as specified by IRDAI including adequate capitalization of IBLIC and IBGIL, they had applied for necessary registration (R2) with IRDAI to undertake life insurance and general insurance business in India. The applications for R2 for such proposed life insurance and general insurance business are currently under the consideration of IRDAI and probably might have been delayed due to Covid-19 conditions. The Company is in the process of putting in place the necessary systems to undertake life insurance and general insurance businesses in India, upon receipt of all requisite approvals/registrations.

The Company primarily, directly and through its subsidiaries, is also engaged in the businesses of digital platform, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses.

The Company's digital platform and its App "Yaarii" is a fintech marketplace for a bouquet of various financial products including personal loans, life and general insurance, mutual funds etc and currently is in the business of promoting various available financing options for retail customers. Yaarii is a mobile first business available for access anywhere anytime through its Android & iOS Application. Ever since its inception, Yaarii has managed to help retail customers with their personal requirements of various financial products. Yaarii provides its customers a unique in-house proprietary model of credit decisioning, instant knowledge of their borrowing ability & the lenders accordingly interact for credit worthy borrowers for processing disbursals. In a short span, Yaarii has achieved a customer base of over 50 lac customers, who have downloaded Yaarii app & used the platform to get access to the financial products. Yaarii has facilitated digital journey of over 50 lac customers, till date, for their financial needs and over 1 lac customers interact on the Yaarii platform every month. Bajaj Finserv, Dhani, Lendingkart, Cashkumar, Loantap, EarlySalary are amongst the few who are already live on the platform. HDFC Bank, RBL Bank, Tata Capital, Axis Bank, Fullerton, Faircent, NeoGrowth have already been on board on the Yaarii platform and are expected to go live in Q4 of 2020-21. Yaarii is further looking to aggregate marketplace model to other financial products in the investment domain also with a focus on building robotic investment advisory services, and distribution of digital gold, mutual fund, national pension schemes, life and general insurance.

Considering Yaarii existing & future digital customer base and huge potential in digital business, going forward the Company intends to pursue its substantial existing and future businesses, including proposed insurance business, digitally under the brand Yaarii, through its Yaarii app, without any physical branches. Yaarii will use its reach to millions customers to sell, service & cater the insurance products of Company's subsidiaries, as and when these products become available. This will be done through intuitive product UI with smart product recommendations & hassle free claims process. Attaining substantial existing and future businesses, including proposed insurance business, under the brand name "Yaarii" and proposed change of the name of the company to "Yaarii Digital Integrated Services Limited", will also allow Company's operations to have a unique recognition and for its customers to make a distinction when seeking the products offered / to be offered by the Company and its subsidiaries through Yaarii app, as this digital distribution platform finds resonance as on date with lacs of customers across a range of financial products and will leverage on its brand identity to grow to next frontier.

Further, to streamline the operations and ownership structure of the Company, in a manner leading to maximization of stakeholders' value and diversification of shareholders' portfolio by providing them direct ownership in each business segments, and to have a focused approach towards upcoming insurance business (comprising of life insurance, general insurance and/ or other related businesses), the Board of Directors of the Company has approved the composite Scheme of Arrangement amongst the Company, its direct and indirect subsidiaries. During FY 2019-20, the Company had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and have filed the Scheme and Company Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT.

The Company has developed this Business Responsibility Report based on the "National Voluntary Guidelines on Socio- Economic and Environmental Responsibilities of Business" published by the Ministry of Corporate Affairs, Government of India in 2011, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued by SEBI in this regard. The subsidiary companies have their own Business Responsibility (BR) initiatives.

The Company has drawn up this Business Responsibility Report based on the "National Voluntary Guidelines on Socio-Economic and Environmental Responsibilities of Business" published by the Ministry of Corporate Affairs, Government of India in 2011, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the circulars issued by SEBI in this regard, to the extent applicable.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	<b>Corporate Identity Number (CIN) of the Company</b>	L51101HR2007PLC077999
2	<b>Name of the Company</b>	Indiabulls Integrated Services Limited
3	<b>Registered office address</b>	Plot No. 448-451 Udyog Vihar, Phase-V, Gurugram – 122016, Haryana
4	<b>Corporate office address</b>	One International Center, Tower 1, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013

<b>5</b>	<b>Website</b>	www.indiabullsintegratedservices.com
<b>6</b>	<b>E-mail id</b>	helpdesk@indiabulls.com
<b>7</b>	<b>Financial Year Reported</b>	April 1, 2019 to March 31, 2020
<b>8</b>	<b>Sector(s) that the Company is engaged in</b>	The Company primarily, directly and through its subsidiaries, is presently engaged in the businesses of digital platform through Yaarii app, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses, and shall undertake its proposed life and general insurance business, through its subsidiaries, upon receipt of regulatory approvals.
<b>9</b>	<b>List three key products/services that the Company provides</b>	The Company primarily, directly and through its subsidiaries, is presently engaged in the businesses of digital platform through Yaarii app, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses, and shall undertake its proposed life and general insurance business, through its subsidiaries, upon receipt of regulatory approvals.
<b>10.</b>	<b>Total number of locations where business activity is undertaken by the Company:</b>	
	a) Number of International Locations (Provide details of major 5)	Nil
	b) Number of National Locations	Company's digital platform Yaarii and other businesses have PAN India presence.
<b>11.</b>	<b>Markets served by the Company Local/ State/National/ International</b>	National

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	₹ 17.87 crores
Total Turnover (INR)	₹ 8.60 crores
Total profit (loss) after taxes (INR)	(₹ 22.44 crores)
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 0.23 crores
List of activities in which expenditure in 4 above has been incurred:-	Medical Aid to poor

#### SECTION C: OTHER DETAILS

##### 1. Does the Company have any Subsidiary Company/ Companies?

The Company had 13 subsidiaries as on financial year ended March 31, 2020. The details of the subsidiaries are provided in Annexure 4 to Board's Report i.e. Form MGT-9: Extract of Annual Return.

##### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries of the Company are separate legal entities and follow BR initiatives as per rules and regulations as may be applicable.

##### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No. The Company has not mandated any supplier, distributor etc. to participate in the BR initiatives of the Company.

#### SECTION D: BR INFORMATION

##### 1. Details of Director/Directors responsible for BR

###### a) Details of the Director(s) responsible for implementation of the BR policy

1	DIN	07988213	02698115
2	Name	Mr. Manvinder Singh Walia	Mr. Ajit Kumar Mittal
3	Designation	Executive Director	Non-Executive Director

**b) Details of the BR head**

1	DIN	07988213
2	Name	Mr. Manvinder Singh Walia
3	Designation	Executive Director
4	Telephone No.	+91-22-61899700
5	E-mail ID	helpdesk@indiabulls.com

**2. Principle-wise as per NVGs BR Policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

1. Businesses should conduct and govern themselves with ethics, transparency and accountability
2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3. Businesses should promote the well-being of all employees
4. Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5. Businesses should respect and promote human rights
6. Businesses should respect, protect and make efforts to restore the environment
7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8. Businesses should support inclusive growth and equitable development
9. Businesses should engage with and provide value to their customers and consumers in a responsible manner

**Details of compliance (Reply in Y/N):**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 1	-	Refer Note 1	Refer Note 1					
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 1	-	Refer Note 1	Refer Note 1					
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 2	Refer Note 2	Refer Note 3	Refer Note 2	Refer Note 3	Refer Note 3	-	Refer Note 2	Refer Note 3
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 4	-	Refer Note 4	Refer Note 4					

Note 1: Policies have been developed based on the best practices or as per the regulatory requirements, as applicable, and through appropriate consultation with relevant stakeholders.

Note 2: May include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the Company's website at [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com)

Note 3: The policies of the Company are internal documents.

Note 4: The policies are internally evaluated by various department heads, business heads and the management.

Note 5: Details on each of the principles are provided in Section E under-mentioned.

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance of the Company is periodically assessed by the BR Head during the year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time), the Company publishes a Business Responsibility Report as an Annexure to the Board's Report on an annual basis.

Business Responsibility Report of the Company is available on the website of the company viz. <https://www.indiabullsintegratedservices.com/>

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability Ethics, Transparency, Accountability

Ethics, transparency and personal accountability form the core values of the Company. It focuses on high standards of corporate governance, in the conduct of its business. It has zero-tolerance for bribery and corruption and strives to build and maintain relationships with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner.

The Company adheres to all applicable governmental and regulatory rules in order to ensure complete transparency and accountability in all business practices, Any and all breaches of Company guidelines are viewed very seriously by Management, who ensures that appropriate disciplinary action is taken.

The Company has constituted various committees such as: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Compensation Committee, Corporate Social Responsibility Committee, Management Committee, Reorganization Committee. These committees meet periodically to supervise, review and advise on the relevant/respective matters.

The Company is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted Anti-Corruption Compliance Policy, which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company. In brief, the Company will not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this Policy or by law. Company Personnel are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, Company Personnel may not solicit or accept such improper payments.

## **Code of Conduct**

With the objective of enhancing the standards of governance, the Company has formulated and adopted Code of Conduct & Ethics for its Board Members and Senior Management team. The Code is placed on the website of the Company, which provides for ethical, transparent and accountable behavior by its Directors and Senior Management team.

The Company lays utmost importance on integrity while recruiting employees. The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company. All employees are handed over a copy of the Employee Code of Conduct on their first day of joining the Company, as a part of the employee joining kit. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session during the employee induction training programme.

The Company has also formulated and adopted various other codes and policies including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, policy on Protection of Women Against Sexual Harassment at Workplace, Code of Conduct for Prevention of Insider Trading etc, in terms of laws applicable to its business, which are applicable to all its employees / directors for enforcement of ethical conduct from a governance, regulatory and risk management perspective.

In addition, the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism for its employees, directors, vendors or customers to disclose any unethical and/or improper practice(s) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee was denied access to the Audit Committee and all disclosures are reported to the Chairman of the Audit Committee. The Code of Conduct and the Whistle Blower Policy are uploaded on the Company's website – [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com).

The Code of Conduct and other policies adopted by the Company applies to the employees of the Company and that of its subsidiary companies.

## **Stakeholder Complaints**

The Company is committed to providing effective and prompt service to all its stakeholders. The central operations team along with the call center records and redresses grievances and feedback from customers. Complaints and grievances are addressed in a time-bound manner. Regular analysis of customer issues is conducted and where required corrective measures are taken in the Company's processes. Designated customer care personnel are responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are centrally monitored at the Head Office by the Operations and/or customer care team. The Company has in-built grievance redressal and escalation mechanism wherein complaints are escalated to the level of Head Customer Care and Operations/Business/Sales Head(s). The Company has not yet received any incidence / complaint of Whistle Blower or code of conduct & ethics.

During the year 2019-20, the Company received 2 shareholders complaints and disposed of the same satisfactorily during the respective quarters in which these were received. Customer complaints are addressed in the normal course of business by a dedicated team of Customer Services personnel. The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Stakeholders Relationship Committee and the statement of all such complaints and their status are also placed before Board.

## **Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

The Company is yet to commence its primary business of Life and Non-life Insurance.

## **Environmental Standards**

The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources. The Company works at minimizing its carbon footprint and there is particular focus on reduced resource usage. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

## **Resource Savings**

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralised waste collection, etc. At its offices, the CFL light fitting have been replaced by LED light fittings to conserve energy. The Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and other similar purposes. The Company also encourages the use of electronic mode of communications to and from all its stakeholders. Soft copies of the annual report(s) along with the notice convening the Annual General Meeting(s) were sent to its shareholders so as to minimize the usage of paper.

### **Principle 3: Businesses should promote the well-being of all employees**

#### **Equitable Employment**

The Company has always advocated a business environment that favors the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not employ child labour directly or indirectly in any of its offices/projects.

#### **Enabling a Gender Friendly & safe Workplace**

For the Company, safety of its employees is of paramount importance and as a good corporate citizen; it is committed to ensuring safety of all its employees at the work place.

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

#### **Policies for Employee Grievances**

The Company believes in smooth and effective communication to ensure better flow of information and understanding amongst its employees. Any employee, irrespective of hierarchy, has free access to the members of senior management for sharing creative ideas, suggestions or even personal grievances.

The Company has strengthened its vigil mechanism by adopting the Whistle Blower Policy which is applicable to its directors, employees and other stakeholders. The said policy which has been uploaded on Company's website and also communicated to all its employees aims to promote good governance, instill faith and empower all stakeholders to fearlessly voice their concerns.

#### **Gender Inclusion**

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, the awareness for the same is spread through special workshops and seminars. Wherever required, women employees have been provided with laptops with the view that they can work from home in case of an emergency and also for the reason that they do not work late. On various occasions and specifically on International Women's Day, health check-up camps and self-defense training sessions for all women employees are organized.

#### **Work-Life Balance**

The Company's policies are structured around promoting work-life balance which ensures improved employee productivity at work.

#### **Employee Engagement**

The Company firmly believes that highly engaged employees are high on productivity and therefore, in order to keep the motivation and the employee engagement levels high, it is necessary to constantly engage them in activities that motivate them. In sync with this philosophy, the Company encourages its employees to regularly participate in sports, picnics, outings, get-togethers and team building programmes.

#### **Development of Employees**

The Company believes in the all-round development of its employees. Job specific knowledge gaps, skills and attitudes are identified during the performance appraisal process. Through constant learning and development, the Company ensures that its employees are adequately trained in functional and behavioral skills to sustain high standards of service. The Company nominates its employees for self-development and leadership programmes for further enhancing their competencies and skill sets. Learning and development needs are also identified on the basis of internal audit reports as well as customer feedback. On-the-job training, job rotation or training through various programmes – internal, external are offered to employees to upgrade their competencies.

#### **Mentoring Program**

The mentoring programme formulated by the Company ensures that all new employees integrate into its working culture and value systems. Such a programme helps new entrants understand and blend with its existing employees in a seamless manner.

### **Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

#### **Corporate Social Responsibility**

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities which forms part of this Annual Report.

## **Employee Welfare & Participation**

To encourage employees to maintain and lead a healthy life, employees' family get togethers, sports events and medical check-ups were organised across various branches.

### **Principle 5: Businesses should respect and promote human rights**

#### **Human Rights**

The Company complies and adheres to all the human rights laws and guidelines of the Constitution of India, national laws and policies. The Company treats all its stakeholders and customers with dignity, respect and due understanding. The Company takes care to be just, patient and understanding while dealing with delinquent stakeholders. The Company has put in place an internal culture work ethics where delinquent stakeholders are treated with fairness. Employee training programmes lay emphasis on this aspect. Any complaints and grievances pertaining to behavioral issues are attended to personally by senior officers.

### **Principle 6: Businesses should respect, protect and make efforts to restore the environment**

#### **Green Initiatives**

The Company promotes ecological sustainability and green initiatives, adopts energy saving mechanisms, by encouraging its employees, customers and all its other stake holders to use electronic medium of communication and to reduce usage of papers as far as possible.

### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company would make various recommendations/representations before various regulators, forums and associations relevant to further growth of Industry in the country, as and when required.

### **Principle 8: Businesses should support inclusive growth and equitable development**

As a committed corporate citizen, the Company has promoted and undertaken various social welfare initiatives. Details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities which forms part of this Annual Report.

### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner Customer Relationship Enhancement and**

#### **Managing System**

The Company is committed to providing effective and prompt service to all its stakeholders. The Company aims to reduce the number of grievances, attain the operational excellence and ensures continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

#### **Transparent Communication**

The Company strives to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and the information displayed on the digital platforms owned by the Company. The Company encourages responsible and responsive communication towards all its stakeholders be it customers, media, investors, analysts, regulatory authorities, vendors and other stakeholders.

The Company is a strong proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti- competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has complied with all the advertising norms applicable to the Company. The important product attributes relevant information about the projects, fees and charges, and other important notifications like most important terms & conditions are displayed prominently in each of the Company office. This information is available on the Company's website as well. The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework. The performance and financials of the Company are disclosed to BSE and NSE for information to all its stakeholders and on its website.

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

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

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

The COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe. The severity of its impact on economy and day-to-day life is still evolving. Companies are having to be nimble-footed and continuously evolve their strategies to deal with the emergent challenges. The Board has played a critical role helping the Company navigate the issues brought on by the COVID-19 pandemic. The Board is responsive and their depth of experience helps the management team evolve measured responses to issues that come up. The board guided the management in implementing cost rationalization measures at every level and across every function of the Company.

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

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

## 2. BOARD OF DIRECTORS ("BOARD")

### A. Composition and size of the Board

The Board of the Company has been constituted in compliance with the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR") as amended and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience. The Board members have professional knowledge and experience in diverse fields.

The Board consists of six directors of whom one is Executive Director and the remaining five directors are non-executive directors, with four of such directors being Independent Directors (one of them is a Woman Director). No Director is related to any other Director on the Board.

The core skills/ practical experience/ special knowledge/ competencies those are identified by the Board of Directors of the Company, as required in the context of Company's business(es) and sector(s) to function effectively are building and scaling up insurance, sales and marketing of insurance products, Finance Management, Tax Regulatory compliances, business strategy, business development, resource mobilization, credit control, collections, Economics, Law, Business Management, Risk Management, Human Resources, project execution etc. The Directors of the Company have mapped their skills based on the board skill matrix.

## Corporate Governance Report (contd.)

The details of Directors, directorship in listed companies, number of directorships held by them in other companies and also the number of their memberships and chairmanships on various Board Committees, including skill sets/ expertise/ competencies/ practical knowledge, as on March 31, 2020 are as under:

Sl. No.	Name of the Director	Category of Director	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	No. of Directorships in other Companies* (including listed companies )	Directorship in other Listed Companies & Category of Directorship	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
						Member***	Chairman
1.	Mr. Manvinder Singh Walia (DIN: 07988213)	Executive Director	Business Strategy, Business development and scaling up, Sales and marketing of insurance products, Finance management, Resource mobilization, Human Resources management, Risk Management, Operations and Process Optimization	1	N.A.	1	Nil
2.	Mr. Ajit Kumar Mittal (DIN: 02698115)	Non-Executive Director	Business Strategy, Finance management, Risk Management, Corporate Governance, Regulatory Compliances, Credit control, Economics, Law, Corporate Governance, Value Creation and Stakeholder Management	8	1. Indiabulls Housing Finance Limited (Executive Director), 2. Indiabulls Commercial Credit Limited (Non-executive Chairman) ^ 3. Indiabulls Consumer Finance Limited (Non-executive Director)^	4	1
3.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	Non-Executive Independent Director	Risk Management, Corporate Governance, Operations and Process Optimization	7	1. Indiabulls Real Estate Limited (Independent Director) 2. Indiabulls Housing Finance Limited (Independent Director) 3. Indiabulls Commercial Credit Limited (Independent Director)^ 4. Indiabulls Infraestate Limited (Independent Director)^	9	4
4.	Mr. Gurappa Gopalakrishna (DIN: 06407040)	Non-Executive Independent Director	Regulatory Compliances, Risk Management, Corporate Governance, Corporate Social Responsibility and Stakeholder Management	6	N.A	5	0
5.	Justice Mrs. Gyan Sudha Misra (Retd.) (DIN: 07577265)	Non-Executive Independent Director	Legal, Risk Management, Corporate Governance, Operations and Process Optimization	4	1. Indiabulls Housing Finance Limited (Independent Director) 2. Indiabulls Real Estate Limited (Independent Director) 3. Olectra Greentech Limited (Independent Director)	4	1
6.	Mr. Praveen Kumar Tripathi (DIN: 02167497)	Non-Executive Independent Director	Risk Management, Corporate Governance, Operations and Process Optimization	3	1. Indiabulls Real Estate Limited (Independent Director) 2. Indiabulls Ventures Limited (Independent Director) 3. JBM Auto Limited (Independent Director)	3	2

\*Includes directorships held in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013.

\*\*Only memberships of the Audit Committee / Stakeholders' Relationship Committee in various public limited companies and chairmanship of the Audit Committee / Stakeholders' Relationship Committee in various equity listed limited companies, including this listed company are considered, as per Regulation 26 of the SEBI LODR.

\*\*\*Includes Chairmanship in the Committees.

<sup>^</sup>Only debt securities of these companies are listed on NSE and/or BSE.

## Corporate Governance Report (contd.)

The Board of Directors of the Company do hereby confirm that all the present Independent Directors of the Company fulfill the conditions specified in the SEBI LODR and are Independent of the management.

The Board of Directors of the Company had accepted all recommendation of committees of the Board which are mandatorily required, during the financial year 2019-20.

None of the Non-Executive Directors held any equity share and/or convertible security of the Company during the financial year ended March 31, 2020, except Mr. Ajit Kumar Mittal who is holding 10,000 equity shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programmes along with details of the same imparted to the Independent Directors during the year are available on the website of the Company, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Details%20of%20familiarization%20programmes%20imparted%20to%20independent%20directors.pdf>

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

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes / relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Senior management including the CFO and concerned senior management personnel are generally invited to attend the board meetings so as to provide additional inputs on the items being discussed by the Board. At the board meetings, the Executive Directors and senior management explain the Board members on various matters including the financial results, operations related issues etc.

During the financial year 2019-20, the Board met 4 (Four) times. The dates of the meetings were April 23, 2019, August 14, 2019, November 14, 2019 and February 14, 2020. During the year, separate meeting of the Independent Directors was held on February 14, 2020 without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting.

The last Annual General Meeting (AGM) of the Company was held on September 30, 2019.

Attendance of Directors at the Board Meetings held during the FY 2019-20 and at the last Annual General Meeting are as under:

Sl. No.	Name of the Directors	No. of Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM
1	Mr. Manvinder Singh Walia (DIN: 07988213)	4	3^	Yes
2	Mr. Ajit Kumar Mittal (DIN: 02698115)	4	4	Yes
3	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	4	4	Yes
4	Mr. Gurrappa Gopalakrishna(DIN: 06407040)	4	4	Yes
5	Justice Gyan Sudha Misra(Retd.) (DIN: 07577265)	4	4	Yes
6	Mr. Praveen Kumar Tripathi (DIN: 02167497)	4	4	Yes

<sup>^</sup> Mr. Manvinder Singh Walia could not attend the meeting held on November 14, 2019, due to his overseas travelling schedule.

The minutes of the Board meetings of the unlisted subsidiary companies of the Company are placed before the Board meetings of the Company on a quarterly basis.

### 3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

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

# Corporate Governance Report (contd.)

## A. Audit Committee

### Composition

The Audit Committee of the Board currently comprises of three members, all Non-executive Independent Directors, namely Justice Gyan Sudha Misra (Retd.), as Chairperson, Mr. Shamsher Singh Ahlawat and Mr. Gurrappa Gopalakrishna, as other two members of the Committee. Ms. Priya Jain, Company Secretary of the Company also acts as the Secretary of the Audit Committee.

### Terms of reference of the Audit Committee

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

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- To hold discussions with the statutory and internal auditors;
- To review and monitor auditor's independence and performance, and effectiveness of audit process;
- To examine the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also there viewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate;
- Reviewing the utilization of loans and/or advances and/or investment by the Company to its subsidiary companies, exceeding rupees 100 Crore or 10% of the assets side of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 01, 2019.

### Meetings and Attendance during the year

During the FY 2019-20, the Audit Committee met four times. The dates of the meetings being April 23, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

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

Name of the Member	No. Meetings held during the tenure	No. of Meetings attended
Justice Gyan Sudha Misra (Retd.)	4	4
Mr. Shamsher Singh Ahlawat	4	4
Mr. Gurrappa Gopalakrishna	4	4

## Corporate Governance Report (contd.)

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

### B. Nomination & Remuneration Committee

#### Composition

The Nomination & Remuneration Committee (N&R Committee) of the Board currently comprises of three Non-Executive Directors as its members namely Mr. Shamsher Singh Ahlawat, as the Chairman, Justice Gyan Sudha Misra (Retd.) and Mr. Ajit Kumar Mittal, as the other two members. Two out of the three members namely Mr. Shamsher Singh Ahlawat and Justice Gyan Sudha Misra (Retd.), are Independent Directors.

#### Terms of reference

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

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

#### Meetings and Attendance during the year

During the FY 2019-20, the Committee met once on August 14, 2019.

The attendance record of committee members to the meeting, 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. Shamsher Singh Ahlawat	1	1
Justice Gyan Sudha Misra (Retd.)	1	1
Mr. Ajit Kumar Mittal	1	1

#### Policy for selection and appointment of Directors

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

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

#### Remuneration Policy

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

## Corporate Governance Report (contd.)

shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company, at web-link: [https://www.indiabullsintegratedservices.com/pdf/Remuneration%20Policy\\_IBULISL.pdf](https://www.indiabullsintegratedservices.com/pdf/Remuneration%20Policy_IBULISL.pdf)

### **Performance Evaluation criteria for Independent Directors**

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

### **Policy on Board Diversity**

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

#### **Directors' Remuneration:**

##### **(i) Remuneration of Executive Director**

Mr. Manvinder Singh Walia, Executive Director did not draw any remuneration from the Company.

##### **(ii) Remuneration of Non-Executive Director**

With changes in the corporate governance norms brought in by the Companies Act, 2013 as well as SEBI LODR, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company. The Company is making payment of fee/remuneration payable to its NEDs in accordance with the provisions of the Companies Act, 2013 and SEBI LODR. The Company has placed on its website, criteria for making payment to Non-Executive Directors. During the FY ended March 31, 2020, the Independent Directors have been paid sitting fees for attending the Board meetings of the Company. Except sitting fees, the Non-Executive Directors have not been paid any remuneration / Bonus / Severance fees / Performance Linked Incentives or by way of any other benefits, during the FY 2019-20. Details of sitting fees paid to the Independent Directors has been disclosed in Extract of Annual Return, being Annexure - 4 to the Directors' Report, forming part of this Annual Report. The Company has not issued any stock option to its Non-Executive Directors. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

## **C. Stakeholders Relationship Committee**

### **Composition**

The Stakeholders Relationship Committee of the Board currently comprises of three members namely Mr. Ajit Kumar Mittal, Non-Executive Director, as the Chairman and Justice Gyan Sudha Misra (Retd.) and Mr. Manvinder Singh Walia, as other two members.

### **Terms of Reference**

- To approve requests for share transfers and transmissions;
- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.;
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### **Meetings and Attendance during the year**

## Corporate Governance Report (contd.)

During the FY 2019-20, the Committee met four times. The dates of the meetings were April 8, 2019, July 3, 2019, October 7, 2019 and January 6, 2020.

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. Ajit Kumar Mittal	4	4
Mr. Manvinder Singh Walia	4	4
Justice Gyan Sudha Misra (Retd.)	4	4

### Name and designation of Compliance Officer

Ms. Priya Jain, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI LODR.

### Details of queries / complaints received and resolved during the year 2019-20

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

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

#### Composition

The Corporate Social Responsibility Committee of the Board currently comprises of three members namely Mr. Shamsher Singh Ahlawat, an Independent & Non-Executive Director, as the Chairman, and Mr. Ajit Kumar Mittal and Mr. Manvinder Singh Walia, as other two members.

#### Terms of Reference of Corporate Social Responsibility

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

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

#### Meetings and Attendance during the year

During the FY 2019-20, the Committee met two times. The dates of the meetings were February 14, 2020 and March 20, 2020. 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. Shamsher Singh Ahlawat	2	2
Mr. Ajit Kumar Mittal	2	2
Mr. Manvinder Singh Walia	2	2

### E. Risk Management Committee

#### Composition

The Risk Management Committee comprises of five members namely Mr. Manvinder Singh Walia, an Executive Director, as the Chairman, Mr. Ajit Kumar Mittal, Mr. Praveen Kumar Tripathi, Mr. Shamsher Singh Ahlawat and Mr. Saurabh Garg, as members.

#### Terms of Reference

- Monitor and review the Risk Management Plan of the Company;
- Approve all functional policies of the Company;

## Corporate Governance Report (contd.)

- c. To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- d. Any other matter involving Risk to the asset / business of the Company

### **Meetings and Attendance during the year**

During the FY 2019-20, the committee met on May 06, 2019. The attendance record of Committee members in respect of the meeting 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. Manvinder Singh Walia	1	1
Mr. Ajit Kumar Mittal	1	1
Mr. Praveen Kumar Tripathi	1	1
Mr. Shamsher Singh Ahlawat	1	1
Mr. Saurabh Garg	1	1

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

### **4. GENERAL BODY MEETINGS**

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

Year	Meeting	Location	Date	Time	No. of special resolutions passed
2016-17	10th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 28, 2017	02:00 P.M.	3
2017-18	11th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 29, 2018	01:00 P.M.	2
2018-19	12th AGM	'The Pllazio Hotel', 292-296, Near City Center, Sector 29, South City, Gurugram-122001, Haryana	September 30, 2019	02:00 P.M.	4

#### **B. Special Resolutions passed during the financial year 2019-20 through Postal Ballot:**

During the financial year 2019-20, the Company approached the shareholders once, for passing resolutions through postal ballot process. The Details of postal ballot are as follows:

Date of Postal Ballot Notice: January 2, 2020

E-voting period: January 7, 2020 (10:00 AM) to February 5, 2020 (5:00 PM)

Date of passing of Resolutions: February 5, 2020

Sl. No.	Particulars of Resolution	Type of Resolution	No. of Votes polled	Votes cast in favour		Votes cast against	
				No. of Votes	%	No. of Votes	%
1	Enabling Authorization for increase in borrowing limits of the Company	Special	56167969	56092092	99.865	75877	0.135
2	Approval of Trust Route and Secondary market acquisition for implementation of ESOP Scheme(s) of the Company.	Special	56167969	56166167	99.997	1802	0.003
3	Approval for giving loan and/or providing guarantee or security by the Company for purchase of its own shares by the Trust/ Trustees for the benefit of Employees under Employee Benefit Scheme(s).	Special	56166363	56165439	99.998	924	0.002

### **Scrutinizer:**

The Board of Directors of the Company had appointed Mr. Ajay Khandelwal, Practicing Chartered Accountant (Membership No. 519516), as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

### **Procedure for Postal Ballot:**

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 and 110 of the Act read with the Rules, the Company provides electronic voting ("e-voting") facility as an alternative to its members to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Forms by post. The Company engages M/s. KFin Technologies Private Limited (KFintech) to provide e-voting facility.

The Postal Ballot Notice along with the 'Postal Ballot Form' and self-addressed, postage pre-paid envelope (postage borne by the Company), are dispatched to all the members of the Company whose names appear in the Register of Members/List of Beneficial Owners as received from NSDL/CDSL as on cut off date. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of the Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are being sent by post along with Postal Ballot Form and self-addressed postage pre-paid business reply envelope. The Company also publishes a notice in the newspaper as per the details and requirements mandated by the Act and applicable rules.

The voting rights are reckoned on the paid-up value of shares registered in the name of the Member(s) as on the cut-off date. Members who opted for voting through Postal Ballot Form (i.e. Physical Ballot), are requested to return it, duly completed and signed along with your assent (FOR) or dissent (AGAINST) in the attached self-addressed postage pre-paid business reply envelope (BRE), so as to reach the Scrutinizer on or before the close of voting period. Those using e-voting option are requested to vote before the close of the working hours of the last day of voting period.

The Scrutinizer submits his report to the Executive Director / Director / Company Secretary after the completion of scrutiny, and the result of the voting by Postal Ballot and e-voting are announced by the Executive Director or any Director or Company Secretary of the Company. The Results along with the Scrutinizers' Report are also placed on the Company's website [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com), besides being communicated to the Stock exchanges, depository and Registrar and share transfer agent. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

### **Details of special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot. However, the voting at the ensuing AGM shall be done pursuant to the guidelines and manner contained in the Circulars released by MCA on conducting of AGMs through Audit Visual means.

## **5. MEANS OF COMMUNICATION**

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

- i) **Publication of Financial Results:** The quarterly / annual results of the Company are published in newspapers viz. Financial Express, Jansatta and The Pioneer (English & Hindi).
- ii) **News, Release, etc.:** The Company has its own website: [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com) and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate/ investor presentations etc. is regularly posted on the website and are also uploaded on the designated portals of NSE and BSE, which are disseminated by the Exchanges for information of the public.
- iii) **Management Discussion and Analysis Report:** The same has been included in a separate section, which forms a part of this Annual Report.
- iv) **Investors' Relation:** The Company's website contains a separate dedicated section 'Investors' where general information is available for shareholders.

## **6. GENERAL SHAREHOLDERS' INFORMATION**

### **(A) Company Registration Details**

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51101HR2007PLC077999.

## Corporate Governance Report (contd.)

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

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

### (C) Financial year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

### (D) Date of Book Closure

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

### (E) Dividend Payment date

During the FY 2019-20, no dividend was declared by the Company.

### (F) Listing on Stock Exchanges

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

#### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001

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

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

The listing fees for the financial year 2020-21, have been paid to BSE and NSE.

### (G) Stock Code

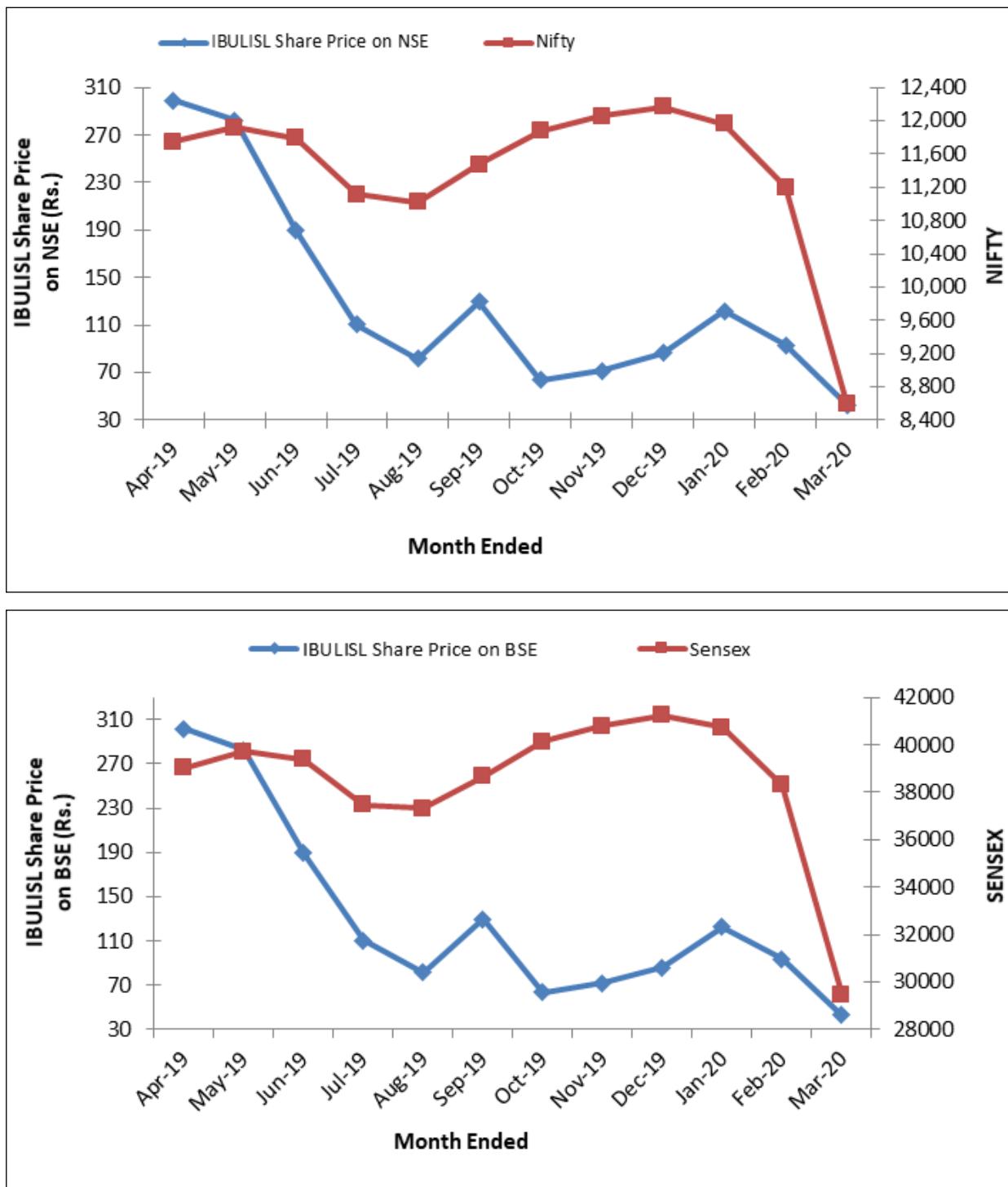
BSE Limited	- 533520
National Stock Exchange of India Limited	- IBULISL
ISIN for Dematerialization	- INE126M01010

### (H) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2020 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	376.30	299.35	376.00	301.45
May 2019	313.20	237.10	314.05	236.70
June 2019	294.65	172.10	294.00	170.10
July 2019	208.45	109.75	208.95	109.70
August 2019	114.80	79.95	115.30	79.95
September 2019	150.50	77.50	150.75	77.00
October 2019	122.95	52.55	123.20	52.60
November 2019	93.50	61.30	93.85	61.25
December 2019	91.50	73.50	91.25	72.50
January 2020	146.50	90.65	146.90	90.55
February 2020	120.70	93.30	120.90	93.45
March 2020	104.05	42.70	104.70	42.75

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



## Corporate Governance Report (contd.)

### (J) Registrar and Transfer Agents

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

The contact details are as under:

M/s. KFin Technologies Private Limited  
(formerly Karvy Fintech Private Limited)  
(Unit: Indiabulls Integrated Services Limited)  
Selenium Building, Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032  
Contact Person: Ms. Shobha Anand, DGM, Corporate Registry  
Phone: 040-6716 2222 Fax : 040-23001153  
E-mail: einward.ris@kfinTech.com  
Website: <https://www.kfinTech.com/>

### (K) Share Transfer System

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

### (L) i) Distribution of equity shareholding as on March 31, 2020

Sl. No.	Shareholding of nominal Value (in ₹)	No. of holders	% to total no. of holders	Value (in ₹)	% to nominal Value
	From - To				
1.	1 - 5000	49747	97.91	86,66,650	4.85
2.	5001 - 10000	426	0.84	31,69,990	1.77
3.	10001 - 20000	254	0.50	36,51,998	2.04
4.	20001 - 30000	116	0.23	29,25,652	1.64
5.	30001 - 40000	52	0.10	18,84,824	1.06
6.	40001 - 50000	37	0.07	16,94,966	0.95
7.	50001 - 100000	67	0.13	48,02,470	2.69
8.	100001 and above	108	0.22	15,18,54,588	85.00
	<b>Total</b>	<b>50807</b>	<b>100.00</b>	<b>17,86,51,138</b>	<b>100.00</b>

### ii) Equity Shareholding pattern as on March 31, 2020.

Sl. No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	38,633,988	43.25
2.	Financial Institutions/ Banks/ Mutual Funds	5,479	0.01
3.	Foreign Portfolio Investors	17,943,929	20.08
4.	NBFCs Registered with RBI	87	0.00
5.	Bodies Corporate	11,807,926	13.22
6.	Indian Public	19,976,299	22.36
7.	NRIs	729,993	0.82
8.	Foreign Nationals	15,000	0.02
9.	Clearing Members	212,868	0.24
	<b>Total</b>	<b>89,325,569</b>	<b>100.00</b>

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

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

As on March 31, 2020, 99.98% Equity shares of the Company representing 8,93,05,797 out of a total of 8,93,25,569 Equity shares were held in dematerialized form and the balance 19,772 shares were held in physical form.

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

**(N) Outstanding Convertible Instruments**

As on March 31, 2020, an aggregate of 5,566,600 Employees Stock options were in force.

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

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

During the FY 2019-20, the Company neither had any exposure to commodity price risks nor had any foreign exchange exposure by way of foreign currency borrowings. However, company has a policy to manage import procurements by continuous monitoring of foreign exchange market and hedging through a combination of forward contracts, principal only swaps, interest rate swaps and / or cross currency swaps, if required.

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

**(Q) Address for Correspondence**

a. **Registered Office:**

Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana  
 Email: helpdesk@indiabulls.com,  
 Tel: 0124-6681199, Fax: 0124-6681111,  
 Website: www.indiabullsintegratedservices.com

b. **Corporate Office:**

One International Center, Tower 1, Senapati Bapat Marg,  
 Elphinstone Road, Mumbai – 400013  
 Tel: 022-61899700, Fax: 022-61891421

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

**(S) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

Not applicable

**(T) Details of utilization of funds raised through preferential allotment or qualified institutions placement**

The funds raised by the Company through Preferential issue(s) of equity shares in previous years were fully utilized by the Company, as per stated objects of the issues, during the FY 2019-20.

**(U) Fees paid to Statutory Auditors**

The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by Statutory auditors and its affiliates entities, is given below:

Particulars	Amount in ₹)
Statutory Audit Fees	56,35,100
Certification Fees	6,01,000
<b>Total</b>	<b>62,36,100</b>

## Corporate Governance Report (contd.)

### 7. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V of the SEBI LODR and confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI/Ministry of Corporate Affairs or any such statutory Authority is annexed to and forms a part of this Report.

### 8. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Particulars	Numbers
Number of complaints filed during the FY 2019-20	0
Number of complaints disposed during the FY 2019-20	0
Number of complaints pending as on end of the financial FY 2019-20	0

### 9. OTHER DISCLOSURES

#### i) Subsidiary Companies

The Company has formulated a Policy for determining material unlisted subsidiaries, pursuant to the provisions of the SEBI LODR which is available on the website of the Company, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Policy%20for%20Determining%20material%20subsidiary.pdf>

Indiabulls Life Insurance Company Limited was material subsidiary of the Company during the FY 2019-20.

#### ii) Related Party Transactions

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Policy%20for%20Dealing%20with%20Related%20Party%20Transactions.pdf>

#### iii) Executive Director / CFO Certification

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

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

The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company: [www.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com)

All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Executive Director to this effect is enclosed at the end of this Report.

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

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

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

#### v) Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for

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

### **vi) Strictures and penalties**

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

### **vii) Details of compliance with mandatory requirements and adoption of the discretionary requirements of SEBI LODR.** The Company has complied with all the mandatory requirements of the SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given later in this Report.

## **10. DISCRETIONARY REQUIREMENTS**

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

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

### **(B) Shareholders Rights**

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

### **(C) Reporting of Internal Auditor**

The Internal Auditor of the Company reports to Audit Committee and the Board of Directors of the Company.

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI LODR. The Board, at every meeting, elect any one of the directors present at the meeting, as Chairman.

## **11. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT**

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

This Corporate Governance Report of the Company for the financial year ended 31st March, 2020 is in compliance with the requirements of Corporate Governance as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR to the extent applicable to the Company. There is no non-compliance of any requirement of Corporate Governance Report, as required under SEBI LODR.

## Corporate Governance Report (contd.)

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

I confirm that for the year under review, directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

for **Indiabulls Integrated Services Limited**

Date: July 11, 2020  
Place: Gurugram

**Manvinder Singh Walia**  
**Executive Director**  
**DIN: 07988213**

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**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
**Indiabulls Integrated Services Limited**

We have examined the compliance of conditions of Corporate Governance by Indiabulls Integrated Services Limited ("the Company"), for the year ended March 31, 2020, as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI "LODR")

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and, 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 the above mentioned SEBI LODR.

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.

We further state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

**For Neha S & Associates**  
Company Secretaries

**Neha Sharma**  
Proprietor  
C.P. No. - 16522  
Membership No.: A44741  
UDIN: A044741B000631866

Place: New Delhi  
Date: August 29, 2020

# INDEPENDENT AUDITOR'S REPORT



**To the Members of Indiabulls Integrated Services Limited**

**Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the accompanying Consolidated Financial Statements of Indiabulls Integrated Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group), which comprise the Consolidated balance sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the Consolidated state of affairs of the Group as at 31 March 2020, its Consolidated loss and Consolidated total comprehensive income, it's Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

We draw attention to Note 4 of the Consolidated Financial Statements, which describes the uncertainties due to the outbreak of 'Covid-2019' pandemic and management's evaluation of the same on the consolidated financial results of the Group as at the Balance Sheet date. In view of these uncertainties, the impact on the Group's results is significantly dependent on future developments.

The above matter has also been reported as emphasis of matter in audit report issued by us on the standalone financial statements of the 2 subsidiary companies for the year ended 31 March 2020.

Our opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Key audit matter	How the matter was addressed in our audit
<b>Information technology</b>	
<b>IT systems and controls</b>  The Group's financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.  We have focused on user access management, change management, segregation of duties, system reconciliation controls over key financial accounting and reporting systems.	<p><b>Our audit procedures to assess the IT system access management included the following:</b></p> <p><b>General IT controls/user access management</b></p> <ul style="list-style-type: none"> <li>• We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li> <li>• We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</li> <li>• For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</li> <li>• Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</li> <li>• Other areas that were independently assessed included password policies, system interface controls, controls over changes to applications and databases and those business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.</li> </ul>
<b>Property, Plant and Equipment</b>  The Group's policies on the property, plant and equipment are set out in note 5(c) to the Consolidated Financial Statements.  The Group carries property, plant and equipment with net written down value of ₹ 264.75 crores as at 31 March 2020, with the majority of value attributed to plant & machinery as disclosed in note- 6A of the Consolidated Financial Statements.  However, due to their materiality in the context of the Group's Financial Statements as a whole and significant degree of the judgement and subjectivity involved in the estimates and key assumptions used, this is considered to be the area to be of most significance to the audit and accordingly, has been considered as key audit matter for the current year audit.	<p>Our Procedures in relation to the property, plant and equipment, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the company's accounting policy by comparing with applicable Ind AS.</li> <li>• We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing.</li> <li>• Enquired of the management and understood the internal controls related to completeness of the list of property, plant and equipment alongwith the process followed.</li> <li>• Performed test of details: <ol style="list-style-type: none"> <li>a. For all significant additions made during the year, underlying supporting documents were verified to ensure that the transaction has been accurately recorded in the Consolidated Financial Statements;</li> <li>b. Obtaining management reconciliation of property, plant and equipment and agreeing to general ledger. Further, all the significant reconciling items were tested;</li> <li>c. Analysing management's plan for the assets in the future and the associated consideration of Ind AS 16;</li> <li>d. Reviewing the management impairment consideration documentation relating to the carrying value to property, plant and equipment; and</li> <li>e. Reviewing the appropriateness of the related disclosure within the Consolidated Financial Statements.</li> </ol> </li> </ul>

Key audit matter	How the matter was addressed in our audit
<p><b>De-recognition of financial asset</b></p> <p>The Group's policies on de-recognition of financial assets are set out in note 5(j) to the Consolidated Financial Statements.</p> <p>During the year, the Group has assigned loans amounting to ₹ 41.51 crores for managing its funding requirements and recorded a net income of ₹ 3.11 crores. As per Ind AS 109, de-recognition of loans transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. If de-recognition criteria are met, the financial assets transferred are de-recognized and difference between carrying value and consideration including the present value of interest payments that it would not give up (excess interest spread receivable) is recorded as income in the statement of profit and loss.</p> <p>The Group also records a servicing asset at their fair value for the right retained for servicing the financial asset for the service contract.</p> <p>The assessment of de-recognition criteria being met involves significant judgements and furthermore the measurement of the related EIS receivable income and servicing asset requires significant estimates to be made with respect to the discount rate, expected portfolio life, prepayment and foreclosures. Given the complexity and the volume of such transactions it is considered a key audit matter.</p>	<p>Our Procedures in relation to the de-recognition of financial assets, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Assessed the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been met.</li> <li>• Assessed the significant estimates and judgments, including the discount rate and expected remaining life of the portfolio transferred used by the Group for computation of excess interest spread receivable and servicing asset.</li> <li>• Tested the arithmetical accuracy of computation of the excess interest spread receivable and servicing asset.</li> <li>• Assessed the disclosures included in the Ind AS financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.</li> </ul>

#### **Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error , which have been used for the purpose of preparation of Consolidated Financial

Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the annual financial statements of a subsidiary included in the statement, whose financial information reflects total assets of ₹ 354.61 crores as at 31 March 2020 and total revenue of ₹ 45.02 crores and total net profit after tax of ₹ 29.27 crores total comprehensive income of ₹ 29.27 crores and net cash outflows of ₹ 0.27 crores for the year ended on that date as considered in the Statement.

These annual financial statement has been audited by other auditor whose report have been furnished to us by the management, and our opinion insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on other information in so far as it relates to the aforesaid subsidiary and is based solely on the reports of the other auditor.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Consolidated Financial Statements dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements as at 31 March 2020—Refer Note 43 to the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31 March 2020.
- (h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries did not pay any remuneration to its Directors during the year.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 20097848AAAABP7357

Place: Gurugram

Date: 11 July 2020

# Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended 31 March 2020 of even date.

## **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with reference to Consolidated Financial Statements of Indiabulls Integrated Services Limited (hereinafter referred to as the "Holding Company") as of 31 March 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Consolidated Financial Statements.

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

### **Other Matters**

We did not audit the annual financial statements of a subsidiary included in the statement, whose financial information reflects total assets of ₹ 354.61 crores as at 31 March 2020 and total revenue of ₹ 45.02 crores and total net profit after tax of ₹ 29.27 crores total comprehensive income of ₹ 29.27 crores and net cash outflows of ₹ 0.27 crores for the year ended on that date as considered in the Statement.

These annual financial statement has been audited by other auditor whose report have been furnished to us by the management, and our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with references to the consolidated financial statements insofar as it relates to the aforesaid subsidiary, which are company incorporated in India and is based solely on the reports of the other auditor. Our opinion is not qualified in respect of this matter.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 20097848AAAABP7357

Place: Gurugram

Date: 11 July 2020

# Consolidated Balance Sheet

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

	Note	31 March 2020	31 March 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6A	264.75	286.69
(b) Right to use Asset	6B	12.70	-
(c) Other intangible assets	6C	4.65	2.23
(d) Goodwill	6D	72.56	130.98
(e) Financial assets			
Investments	7A	244.83	-
Loans	8A	192.53	140.47
Other financial assets	9A	2.09	0.61
(f) Deferred tax assets, net	10	0.37	7.58
(g) Non-current tax assets, net	11	28.75	35.40
(h) Other non-current assets	12A	0.14	3.51
<b>Total</b>		<b>823.37</b>	<b>607.47</b>
<b>Current assets</b>			
(a) Inventories	13	28.48	21.39
(b) Financial assets			
Investments	7B	296.48	874.16
Trade receivables	14	81.00	86.61
Cash and cash equivalents	15	10.35	10.85
Other bank balances	16	1.07	0.65
Loans	8B	122.02	5.60
Other financial assets	9B	3.02	46.93
(c) Other current assets	12B	318.51	317.37
<b>Total</b>		<b>860.93</b>	<b>1,363.56</b>
<b>Total of Assets</b>		<b>1,684.30</b>	<b>1,971.03</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	17.87	17.87
(b) Other equity	18	290.33	1,415.23
<b>Equity attributable to the owners of the Holding Company</b>		<b>308.20</b>	<b>1,433.10</b>
(c) Non-controlling interest		84.82	80.45
<b>Total of Equity</b>		<b>393.02</b>	<b>1,513.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	19A	25.88	288.71
Lease Liabilities	20A	10.02	-
(b) Provisions	21A	4.68	3.54
(c) Deferred tax liabilities	22	2.95	-
(d) Other non-current liabilities	23A	-	0.15
<b>Total</b>		<b>43.53</b>	<b>292.40</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	19B	838.42	27.02
Lease Liabilities	20B	3.29	-
Trade payables	24	9.40	5.04
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and			
small enterprises			
Other financial liabilities	25	22.43	15.94
(b) Other current liabilities	23B	352.41	47.49
(c) Provisions	21B	12.50	42.18
(d) Current tax liabilities, net	26	0.08	0.42
<b>Total</b>		<b>1,247.75</b>	<b>165.08</b>
<b>Total of Equity and Liabilities</b>		<b>1,684.30</b>	<b>1,971.03</b>
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the financial statements

This is the consolidated balance sheet referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020



(All amount in ₹ crores, unless otherwise stated)

	Note	Year ended	
		31 March 2020	31 March 2019
<b>Revenue</b>			
Revenue from operations	27	225.47	170.90
Other income	28	122.56	178.71
<b>Total of Revenue</b>		<b>348.03</b>	<b>349.61</b>
<b>Expenses</b>			
Cost of revenue	29	51.93	32.02
Operating expenses	30	80.85	63.69
Employee benefits expenses	31	66.88	48.02
Finance costs	32	129.65	42.04
Depreciation and amortisation expenses	33	32.13	26.10
Other expenses	34	253.33	29.30
<b>Total of Expenses</b>		<b>614.77</b>	<b>241.17</b>
<b>(Loss)/Profit before tax</b>		<b>(266.74)</b>	<b>108.44</b>
<b>Tax expenses</b>	35		
Current tax (including earlier years)		17.18	31.70
Deferred tax charge/(credit)		9.26	(1.38)
<b>(Loss)/ Profit after tax</b>		<b>(293.18)</b>	<b>78.12</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefits plans, net of tax		0.25	0.58
Realised/ Fair Value measurement of equity instruments, net of tax		(832.98)	-
<b>Total of other comprehensive income</b>		<b>(832.73)</b>	<b>0.58</b>
<b>Total Comprehensive Income for the year</b>		<b>(1,125.91)</b>	<b>78.70</b>
<b>Net profit attributable to</b>			
Owners of the Holding Company		(295.53)	73.31
Non-controlling interest		2.35	4.81
<b>(293.18)</b>		<b>78.12</b>	
<b>Other comprehensive income attributable to</b>			
Owners of the Holding Company		(834.23)	0.35
Non-controlling interest		1.50	0.23
<b>(832.73)</b>		<b>0.58</b>	
<b>Total comprehensive income attributable to</b>			
Owners of the Holding Company		(1,129.76)	73.66
Non-controlling interest		3.85	5.04
<b>(1,125.91)</b>		<b>78.70</b>	
<b>Earnings per equity share</b>	36		
Basic (₹)		(33.08)	8.87
Diluted (₹)		(33.08)	7.88
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the consolidated financial statements

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

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

# Consolidated Cash Flow Statement

for the year ended 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

		Year ended	
		31 March 2020	31 March 2019
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	(Loss)/profit before tax	(266.74)	108.44
	<b>Adjustments for :</b>		
	Depreciation and amortization expense	32.13	26.10
	Interest expense	123.84	34.23
	Interest income	(43.98)	(26.59)
	Interest income from financing and related activities	(32.66)	-
	Net gain on derecognition of assigned loans	(3.10)	-
	Dividend income	(34.93)	(16.54)
	Profit on redemption of investments	(8.19)	(130.11)
	Fair valuation of financial instruments, net	(16.98)	(0.36)
	Profit on sale of property, plant and equipment	(14.33)	(0.09)
	Loss on sale/written off of property, plant and equipment	0.01	0.00
	Provision for employee benefits	1.80	1.06
	Provisions against standard assets	0.15	0.35
	Provision for warranties	(0.18)	0.18
	Advances written off	-	0.59
	Liabilities written back	(1.07)	(2.77)
	Provision for expected credit loss	0.59	-
	Impairment of goodwill	58.42	-
	Marked to market income on forward contract	-	(1.80)
	Share based payment expenses	5.28	8.70
	<b>Operating (loss)/profit before working capital changes and other adjustments</b>	<b>(199.94)</b>	<b>1.39</b>
	<b>Working capital changes and other adjustments:</b>		
	Trade receivables	5.02	14.46
	Loans and other financial assets	(11.95)	(190.57)
	Other assets	1.36	(5.96)
	Inventories	(7.09)	(3.55)
	Trade payables	10.05	1.55
	Other financial liabilities	12.64	1.27
	Other liabilities and provisions	(29.83)	16.09
	<b>Cash used in operating activities</b>	<b>(219.74)</b>	<b>(165.32)</b>
	Interest received from financing and related activities	31.03	-
	Interest paid on borrowings from financing and related activities	(1.54)	-
	Income tax (paid)/ refund received, net	(28.23)	(9.30)
	<b>Net cash used in operating activities</b>	<b>(218.48)</b>	<b>(174.62)</b>
<b>B.</b>	<b>Cash flow from investing activities:</b>		
	Purchase of property, plant and equipment and other intangible assets	(11.30)	(70.63)
	Sale of property, plant and equipment and other intangible assets	17.46	0.84
	(Investment in)/maturity of fixed deposits	0.07	(0.83)
	Interest received on fixed deposits	0.08	0.09
	Investment in securities, net	(474.14)	(521.15)
	Inter-corporate loans given, net	(103.00)	-
	Interest received	37.16	26.16
	Dividend income received	34.93	16.54
	<b>Net cash used in investing activities</b>	<b>(498.74)</b>	<b>(548.98)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March 2020 (Contd...)



(All amount in ₹ crores, unless otherwise stated)

		Year ended	
		31 March 2020	31 March 2019
<b>C.</b>	<b>Cash flow from financing activities: (refer note-50)</b>		
	Payment of lease liabilities	(3.97)	-
	Proceeds from issue of equity share capital by Subsidiary Company (including securities premium)	-	209.12
	Proceeds from preferential allotment of equity share capital (including securities premium)	-	702.78
	Proceeds from conversion of warrants into equity share capital	-	173.25
	Payment for shares issue expenses	-	(0.19)
	Borrowings from banks and financial institutions	1.02	95.82
	Repayment of borrowings to banks and financial institutions	(44.37)	(57.85)
	Proceeds from/ (repayment of) inter-corporate borrowings, net	829.08	(124.20)
	Interest paid on borrowings	(65.04)	(31.04)
	Redemption of preference capital	-	(251.77)
	Dividends paid including corporate dividend tax	-	(6.66)
	<b>Net cash generated from financing activities</b>	<b>716.72</b>	<b>709.26</b>
<b>E.</b>	<b>Decrease in cash and cash equivalents, net (A+B+C+D)</b>	<b>(0.50)</b>	<b>(14.34)</b>
<b>F.</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>10.85</b>	<b>25.19</b>
<b>G.</b>	<b>Cash and cash equivalents at the end of the year (E+F)</b>	<b>10.35</b>	<b>10.85</b>
<b>H.</b>	<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>		
	Cash and cash equivalents includes		
	Cash on hand	0.16	0.26
	Foreign currency on hand	0.00	0.01
	Balances with banks		
	In current accounts	10.14	10.53
	In unclaimed dividend account(refer note (c) below)	0.05	0.05
	<b>Total</b>	<b>10.35</b>	<b>10.85</b>

- a) The accompanying notes form an integral part of the consolidated financial statements.
- b) Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The Group has presented the above cash flow statement by using the indirect method.
- c) Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the Holding Company does not have any right on the said money.

This is the consolidated statement of cash flows referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

# Consolidated Statement of Changes in Equity

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

**(A) Equity share capital\***

Particulars	Opening balance as at 01 April 2018	Issue of equity share capital during the year	Balance as at 31 March 2019	Issue of equity share capital during the year	Balance as at 31 March 2020
Equity share capital	10.97	6.90	17.87	-	17.87

**(B) Other equity\*\***

(All amount in ₹ crores, unless otherwise stated)

Particulars	Reserves and surplus					Other comprehensive income	Share warrant money	Equity attributable to owners of Holding Company	Non-controlling interest	Total of Other Equity
	General reserve	Capital reserve	Deferred employee compensation reserve	Securities premium	Retained earnings					
<b>Balance as at 01 April 2018</b>	<b>501.50</b>	<b>9.42</b>	<b>2.97</b>	<b>53.59</b>	<b>(197.58)</b>	-	101.97	<b>471.87</b>	<b>0.08</b>	<b>471.95</b>
Profit for the year	-	-	-	-	73.31	-	-	73.31	4.81	78.12
Other comprehensive income Re-measurement of defined benefit plans, net of tax	-	-	-	-	0.35	-	-	0.35	0.23	0.58
Dividend on equity shares	-	-	-	-	(5.48)	-	-	(5.48)	-	(5.48)
Corporate dividend tax	-	-	-	-	(1.18)	-	-	(1.18)	-	(1.18)
Share based payment expense	-	-	7.42	-	-	-	-	7.42	1.25	8.67
Issue of equity shares (conversion of share warrants)	-	-	-	227.50	-	-	(57.75)	169.75	-	169.75
Preferential allotment	-	-	-	699.38	-	-	-	699.38	-	699.38
Proceeds from issue of share capital by Subsidiary Company, net of share issue expenses	-	-	-	-	-	-	-	-	74.08	74.08
Share issue expenses	-	-	-	(0.19)	-	-	-	(0.19)	-	(0.19)
<b>Balance as at 31 March 2019</b>	<b>501.50</b>	<b>9.42</b>	<b>10.39</b>	<b>980.28</b>	<b>(130.58)</b>	-	<b>44.22</b>	<b>1,415.23</b>	<b>80.45</b>	<b>1,495.68</b>
Loss for the year	-	-	-	-	(295.53)	-	-	(295.53)	2.29	(293.24)
Other comprehensive income Re-measurement of defined benefit plans, net of tax	-	-	-	-	0.17	-	-	0.17	0.08	0.25
Realised/Fair Value measurement of equity instruments, net of tax	-	-	-	-	-	(834.40)	-	(834.40)	1.42	(832.98)
Dividend on preference shares, net of tax	-	-	-	-	-	-	-	-	-	-
Corporate dividend tax	-	-	-	-	(0.06)	-	-	(0.06)	-	(0.06)
Share based payment expense	-	-	4.77	-	-	-	-	4.77	0.58	5.35
Adjustment of transition of Ind AS 116	-	-	-	-	0.15	-	-	0.15	-	0.15
Issue of equity shares (conversion of share warrants)	-	-	-	-	-	-	-	-	-	-
Forfeiture of warrant money	-	44.22	-	-	-	-	(44.22)	-	-	-
Proceeds from issue of share capital by Subsidiary Company, net of share issue expenses	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>501.50</b>	<b>53.64</b>	<b>15.16</b>	<b>980.28</b>	<b>(425.85)</b>	<b>(834.40)</b>	-	<b>290.33</b>	<b>84.82</b>	<b>375.15</b>

\*Refer note - 17

\*\*Refer note - 18

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated statement of changes in equity referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

**1. Nature of principal activities**

Indiabulls Integrated Services Limited “the Holding Company”, was incorporated on 24 July 2007. The Holding Company’s registered office stands changed from M-62 and 63, First Floor, Connaught Place, New Delhi - 110001, India to Plot No. 448-451 Udyog Vihar, Phase-V Gurugram - 122016, Haryana, India with effect from 15 January 2019.

Indiabulls Integrated Services Limited”, along with its subsidiaries is together referred to as “the Group” in the following notes.

The Group is primarily engaged in the businesses of digital platform, providing management and maintenance services, equipment hiring services, financial services, and certain other businesses.

During the year ended 31 March 2019, the Insurance Regulatory and Development Authority of India has accorded approval of R1 application for Group’s life and general insurance applications.

**2. General information & statement of compliance with Ind AS**

These financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other related provisions of the Act.

The Group has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 11 July 2020. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013

**3. Basis of preparation**

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. Further, share based payments are also measured at fair value of the stock options.

**4. Estimation of uncertainties relating to the global health pandemic from covid-19 (covid-19):**

The Group has considered the possible effect that may result from the pandemic relating to COVID-19, The Group has made a detailed assessment of its liquidity position and of the recoverability and carrying values of its assets as at balance sheet date, however, the actual impact of Covid-19 pandemic on the Group’s results remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

**5. Summary of significant accounting policies**

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These were used throughout all periods presented in the financial statements.

a) **Basis of consolidation**

**Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the investee and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group has power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2020.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains/ (losses) on transactions between group companies are eliminated. The accounting principles and policies have been consistently applied by the Group.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including each component of OCI) is attributed to the equity holders of the Holding Company and to the non-controlling interests basis the respective ownership interests and such balance is attributed even if this results in the non-controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

### b) Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred by the former owners of the acquired entity. Acquisition costs are generally recognized in the statement of profit and loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and where exists clear evidence of underlying reasons of classifying business combinations as bargain purchase, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities.

### c) Property, plant and equipment (PPE)

#### *Recognition and initial measurement*

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Building – temporary structure	1-3 years
Plant and equipment	12 – 15 years
Office equipment	5 years
Computers	3 – 6 years
Furniture and fixtures	10 years
Aircraft	20 years
Vehicles	8 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

#### *Capital work in progress*

Capital work-in progress excludes capital advances but includes property, plant and equipment under construction and not ready for intended use as on balance sheet date.

(All amount in ₹ crores, unless otherwise stated)

*De-recognition*

An item of property, plant and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of profit and loss when the asset is derecognized.

**d) Intangible assets**

*Recognition and initial measurement*

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

*Amortisation*

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

Asset class	Useful life
Computer software	4 years
Land – Leasehold	11 years (as per terms of agreement)

**e) Inventories**

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

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realisable value, on the basis of first-in first-out method.

Sculptures, paintings and graphics are valued at lower of cost or net realisable value, on the basis of first-in first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary costs to make the sale.

**f) Revenue recognition**

Revenue is recognized when it is probable that the economic benefits will flow to the Group and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Group applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

*Revenue from real estate projects*

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. offer for possession (possession request letter) of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Group when the properties are handed over as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

## **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

*(All amount in ₹ crores, unless otherwise stated)*

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

### *Revenue from air transport services*

Revenue from air transportation services is recognised in the year in which the service has been rendered, and billed as per terms of contract / arrangements with customers, provided that collection is reasonably certain.

### *Revenue from equipment renting services*

Revenue from equipment renting services (including relevant manpower and supervision) is recognized when services is performed usually on a time proportion basis as per the terms of the contract. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

### *Revenue from management and maintenance services*

Revenue from management and maintenance services are recognized pro-rata over the period of contract as and when services are rendered. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

### *Interest income, expenses and other charges*

#### *Interest income*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income.

#### *Interest expense*

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

#### *Other charges & other interest*

Additional interest is recognized when the interest is due and charged to the borrower. Overdue interest is recognised on realization basis

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

#### *Dividend income*

Dividend income is recognized at the time when right to receive the payment is established, which is generally when the shareholders of the investee party approve the dividend.

#### *Service revenue*

Income from real estate projects advisory services is recognized on accrual basis. Marketing and lease management income are accounted for when the underline contracts are duly executed, on accrual basis when the services are completed, except in cases where ultimate collection is considered doubtful.

(All amount in ₹ crores, unless otherwise stated)

*Revenue from sale of goods*

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 Group collects all relevant applicable taxes etc. on behalf of the Statutory Authorities and therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.

*Revenue from construction and advisory services*

Revenue from construction, advisory and other related services is recognized on an accrual basis.

*Income from sale of investment*

Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

**g) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

**h) Impairment of non-financial assets**

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

**i) Foreign currency**

*Functional and presentation currency*

The consolidated financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Group.

*Transactions and balances*

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

Foreign currency monetary items are converted to functional 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.

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

**j) Financial instruments**

**Financial assets**

*Initial recognition and measurement*

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

*Subsequent measurement*

- i. **Debt instruments at amortized cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

- ii. **Equity instruments** - All equity investments in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- iii. **Mutual funds** - All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

### *De-recognition of financial assets*

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

### **Financial liabilities**

#### *Initial recognition and measurement*

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

#### *Subsequent measurement – Amortized cost*

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

#### *Recognition and initial and subsequent measurement - fair value*

A financial liability is classified at fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss

#### *De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### k) **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *Trade receivables*

The Group applies simplified approach permitted by Ind AS 109, which requires lifetime expected credit losses to be recognized for trade receivables.

#### *Other financial assets*

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

### l) **Income taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

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

(All amount in ₹ crores, unless otherwise stated)

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

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

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

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

**m) Cash and cash equivalents**

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

**n) Employee benefits**

*Defined contribution plan*

The Group's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Group's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

*Defined benefit plan*

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

*Other long term employee benefits*

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

*Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**o) Share based payments**

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

**p) Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Contingent liability is disclosed for:

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

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

### q) Earnings per equity share

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

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

### r) Right of use assets and lease liabilities

For any new contracts entered into on or after 01 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### *Recognition and initial measurement*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### *Subsequent measurement*

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

### s) Significant management judgment in applying accounting policies and estimation uncertainty

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

#### *Significant management's judgments*

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

**Impairment of non-financial assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(All amount in ₹ crores, unless otherwise stated)

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

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

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

*Significant estimates*

**Revenue and inventories** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Group used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

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

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

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 6A**

**Property, Plant and Equipment**

Particulars	Building	Plant & machinery	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold Improvement	Aircrafts* (refer note-19)	Total
<b>Gross carrying amount (Refer (iii) below)</b>									
Balance as at 01 April 2018	0.03	191.30	0.65	2.40	20.99	8.41	-	106.80	330.58
Additions	-	46.06	0.08	1.05	0.05	21.66	-	-	68.90
Disposals/assets written off	-	1.58	0.01	0.64	0.01	0.42	-	-	2.66
Exchange differences#	-	-	-	-	-	-	-	9.42	9.42
<b>Balance as at 31 March 2019</b>	<b>0.03</b>	<b>235.78</b>	<b>0.72</b>	<b>2.81</b>	<b>21.03</b>	<b>29.65</b>	<b>-</b>	<b>116.22</b>	<b>406.24</b>
Additions	-	3.02	0.72	1.72	0.32	1.90	1.28	-	8.96
Disposals/assets written off	-	3.17	-	-	0.01	0.90	-	2.00	6.08
Exchange differences#	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>0.03</b>	<b>235.63</b>	<b>1.44</b>	<b>4.53</b>	<b>21.34</b>	<b>30.65</b>	<b>1.28</b>	<b>114.22</b>	<b>409.12</b>
<b>Accumulated depreciation</b>									
Balance as at 01 April 2018	0.03	56.57	0.40	1.75	17.19	4.79	-	15.05	95.78
Charge for the year	-	15.11	0.09	0.45	1.66	2.38	-	5.42	25.11
Adjustments for disposals	-	0.83	0.01	0.64	0.00	0.42	-	-	1.90
Exchange differences#	-	-	-	-	-	-	-	0.56	0.56
<b>Balance as at 31 March 2019</b>	<b>0.03</b>	<b>70.85</b>	<b>0.48</b>	<b>1.56</b>	<b>18.85</b>	<b>6.75</b>	<b>-</b>	<b>21.03</b>	<b>119.55</b>
Charge for the year	-	16.67	0.17	0.90	0.56	3.50	0.09	5.30	27.19
Adjustments for disposals	-	1.61	-	-	(0.00)	0.78	-	0.54	2.93
Exchange differences#	-	-	-	-	-	-	-	0.56	0.56
<b>Balance as at 31 March 2020</b>	<b>0.03</b>	<b>85.91</b>	<b>0.65</b>	<b>2.46</b>	<b>19.41</b>	<b>9.47</b>	<b>0.09</b>	<b>26.35</b>	<b>144.37</b>
<b>Net carrying value as at 31 March 2019</b>	-	<b>164.93</b>	<b>0.23</b>	<b>1.25</b>	<b>2.17</b>	<b>22.90</b>	-	<b>95.19</b>	<b>286.69</b>
<b>Net carrying value as at 31 March 2020</b>	-	<b>149.72</b>	<b>0.78</b>	<b>2.07</b>	<b>1.93</b>	<b>21.17</b>	<b>1.19</b>	<b>87.87</b>	<b>264.75</b>

# Represents foreign exchange loss/(gain) capitalised during the year and depreciation thereon.

- (i) There is no restriction on title of the property, plant and equipment.
- (ii) There are no contractual commitments for the acquisition of property, plant and equipment.
- (iii) The Gross block of all the class of assets is measured at cost, except for aircrafts, for which the gross block is recorded at fair value as on 01 April 2016.

(All amount in ₹ crores, unless otherwise stated)

\*Details of foreign exchange loss/(gain) on translation of long-term foreign currency borrowing capitalized and amortized during the year:

Particulars	Amount
<b>Exchange loss /(gain) capitalized</b>	
<b>As at 01 April 2018</b>	<b>34.84</b>
Recognised/ (reversed) during the year	9.42
<b>As at 31 March 2019</b>	<b>44.26</b>
Recognised/ (reversed) during the year	-
<b>As at 31 March 2020</b>	<b>44.26</b>
<b>Exchange loss / (gain) amortized</b>	
<b>As at 01 April 2018</b>	<b>5.39</b>
Amortized during the year	(0.56)
<b>As at 31 March 2019</b>	<b>4.83</b>
Amortized during the year	(0.56)
<b>As at 31 March 2020</b>	<b>4.27</b>
<b>Net block of exchange loss/(gain)</b>	
<b>As at 31 March 2020</b>	<b>39.99</b>
<b>As at 31 March 2019</b>	<b>39.43</b>

#### Revaluation of property, plant and equipment

The revalued property, plant and equipment consists of Aircrafts used in the business. The management determined that these constitute one class of asset under Ind AS 113, based on the nature, characteristics and risks of the property.

Fair value of the aircrafts was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 01 April 2016, the aircrafts' fair values are based on valuations performed by independent valuers who has relevant valuation experience for similar assets valuation.

Information of revaluation model on aircrafts:

Particulars	Amount
<b>Balance as at 01 April 2018</b>	<b>91.76</b>
Purchases	9.42
Depreciation	(5.98)
<b>Closing balance as at 31 March 2019</b>	<b>95.20</b>
Adjustments for disposals	(2.00)
Depreciation	(5.31)
<b>Closing balance as at 31 March 2020</b>	<b>87.89</b>

Under the previous GAAP, aircrafts were carried in the balance sheet on the basis of historical cost model. Had the same value of aircrafts being considered under Ind AS, the following would have been the respective carrying value of the aircrafts:

Particulars	31 March 2020	31 March 2019
<b>Cost</b>	<b>287.37</b>	<b>305.32</b>
Purchases	-	9.42
Accumulated Depreciation	65.82	67.11
<b>Net carrying Amount</b>	<b>221.55</b>	<b>247.63</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 6B**

**Right to use Asset (Refer note - 39)**

	Software	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2019	9.14	9.14
Additions	7.15	7.15
<b>Balance as at 31 March 2020</b>	<b>16.29</b>	<b>16.29</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2019	-	-
Charge for the year	3.59	3.59
<b>Balance as at 31 March 2020</b>	<b>3.59</b>	<b>3.59</b>
<b>Net carrying value as at 31 March 2020</b>	<b>12.70</b>	<b>12.70</b>

**Note - 6C**

**Other intangible assets**

	Software	Land - Leasehold	Total
<b>Gross carrying amount</b>			
Balance as at 01 April 2018	4.51	1.17	5.68
Additions	1.73	-	1.73
Disposals/assets written off	4.40	-	4.40
<b>Balance as at 31 March 2019</b>	<b>1.84</b>	<b>1.17</b>	<b>3.01</b>
Additions	3.21	-	3.21
Disposals/assets written off	-	-	-
<b>Balance as at 31 March 2020</b>	<b>5.05</b>	<b>1.17</b>	<b>6.22</b>
Accumulated amortization			
Balance as at 01 April 2018	4.44	0.31	4.75
Charge for the year	0.32	0.11	0.43
Adjustment for disposals	4.40	-	4.40
<b>Balance as at 31 March 2019</b>	<b>0.36</b>	<b>0.42</b>	<b>0.78</b>
Charge for the year	0.68	0.11	0.79
Adjustment for disposals	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1.04</b>	<b>0.53</b>	<b>1.57</b>
<b>Net carrying value as at 31 March 2019</b>	<b>1.48</b>	<b>0.75</b>	<b>2.23</b>
<b>Net carrying value as at 31 March 2020</b>	<b>4.01</b>	<b>0.64</b>	<b>4.65</b>

**Note - 6D**

**Statement showing reconciliation of goodwill arising on consolidation of financial statements**

Particulars	Amount
<b>Opening balance as on 01 April 2018</b>	<b>266.02</b>
Additions/ (Reversals) during the year*	(135.04)
<b>Balance as on 31 March 2019</b>	<b>130.98</b>
Additions/ (Reversals) during the year **	(58.42)
<b>Balance as on 31 March 2020</b>	<b>72.56</b>

\* During the financial year 2018-19, one of the subsidiaries of the Holding Company, viz. SORIL Infra Resources Limited issued 39,00,000 equity shares of ₹ 10/- each at a premium of ₹ 529 each. The Holding Company credited its share of premium on the said issue to its goodwill.

\*\*The Group tests goodwill annually for impairment and has impaired goodwill to the extent of ₹ 58.42 crores during the year ended 31 March 2020, to the extent there is no convincing evidence of the future cash flows of its investment in CGU.

(All amount in ₹ crores, unless otherwise stated)

Goodwill of ₹72.56 crores (31 March 2019: ₹ 130.98 crores) has been allocated to the group's business in India. The estimated value in use of this CGU is based on the future cash flows using a 8-10% annual growth rate for periods subsequent to the forecast period of five years and discount rate of 8%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

**Note - 7**

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>A</b>	<b>Investments - non - current</b>		
	<b>Investment in securities (quoted)</b>		
	Investment in Equity Instruments	244.83	-
	(Investment in Equity Instruments designated through FVOCI)		
	[31 March 2020: 2,44,27,670 shares; 31 March 2019: Nil shares]		
	[Face value of ₹ 2/- each]	<b>244.83</b>	-
	Aggregate market value of quoted investments	<b>244.83</b>	-
<b>B</b>	<b>Investments - current</b>		
<b>(i)</b>	<b>Investment in mutual funds (quoted)</b>		
(a)	Indiabulls Liquid Fund - Direct Plan - Growth	0.06	92.74
	[321.978 (31 March 2019: 5,08,052.27) units, NAV: ₹1,939.345 (31 March 2019: ₹1,825.3771) per unit]		
(b)	Indiabulls Dynamic Bond Fund - Direct Plan - Growth	-	5.00
	[Nil (31 March 2019: 48,369.713)units, NAV: nil (31 March 2019: ₹1,033.7047) per unit]		
(c)	Indiabulls Short Term Fund - Direct Plan - Growth	-	41.88
	[Nil (31 March 2019: 2,53,567.971)units , NAV: nil (31 March 2019:₹1,651.8064 ) per unit]		
(d)	Indiabulls Ultra Short Term Fund - Direct Plan - Growth	-	53.52
	[Nil (31 March 2019: 2,86,773.407)units , NAV: nil (31 March 2019:₹1,866.2120 ) per unit]		
(e)	Indiabulls Saving Fund - Direct Plan - Growth	0.01	0.01
	[100 (31 March 2019: 100.00) units, NAV: ₹1,116.045 (31 March 2019: ₹1,043.5343) per unit]		
(f)	Reliance Liquid Fund - Direct Plan - Growth	-	2.35
	[Nil (31 March 2019: 5,156.75) units]		
(g)	SBI Liquid Fund - Direct Plan - Growth	-	2.35
	[Nil (31 March 2019: 8,034.48) units]		
(h)	Indiabulls Overnight Fund - Direct Plan - Growth	3.09	-
	[29,905.452 (31 March 2019: Nil) units, NAV: ₹1,036.618 (31 March 2019: Nil)]		
<b>Total of Investment in Mutual Funds</b>		<b>3.17</b>	<b>197.85</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>(ii) Investment in non-convertible debentures (quoted)</b>			
(a) Indiabulls Consumer Finance Limited (Face Value of ₹ 1,000 each) ISIN: INE614X07027 [23,50,000 (31 March 2019: 23,50,000) units, NAV: ₹1035.001 (31 March 2019: ₹989.90) per unit]		243.23	232.63
Add: Interest Accrued on above		0.11	-
(b) Indiabulls Consumer Finance Limited (Face Value of ₹ 1,000 each) ISIN: INE614X07217 [1,00,000 (31 March 2019: nil) units, NAV: ₹1,067.05 (31 March 2019: Nil) per unit]		10.67	-
<b>(iii) Investment in Bonds (quoted)</b>		25.82	-
Indiabulls Housing Finance Limited (Face Value of ₹ 1,000 each) ISIN: INE148I07GE8 [2,50,000 (31 March 2019: nil) units, NAV: ₹1,032.80 (31 March 2019: Nil) per unit]		0.75	-
Add: Interest Accrued on above			
<b>(iv) Indiabulls Housing Finance Limited (Face Value of ₹ 1,000 each)</b>		12.73	
[1,25,000 (31 March 2019: nil) units, NAV: ₹1,018.021 (31 March 2019: Nil) per unit]			
<b>(v) Investment in Commercial Papers (unquoted)</b>			443.68
Commercial Paper Indiabulls Real Estate Limited 24/05/2019		-	
[Nil (31 March 2019: 9,000) units Face Value Nil : (31 March 2019: ₹5,00,000) per unit]			
<b>Aggregate book value of quoted investments</b>		<b>296.48</b>	<b>874.16</b>
<b>Aggregate book value of unquoted investments</b>		<b>295.62</b>	<b>430.48</b>
<b>Aggregate market value of quoted investments</b>		<b>295.62</b>	<b>430.48</b>

**Note - 8**

**Loans**

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>A Non-current</b>			
Loans (secured by tangible assets)*			
Considered good - Secured	172.00	111.77	
Considered good - Unsecured	19.19	26.53	
Less: provision for impairment loss allowance	<b>191.19</b>	<b>138.30</b>	
Security deposits	(0.44)	(0.35)	137.95
Considered good - Unsecured			
	1.78	2.52	
	<b>192.53</b>	<b>140.47</b>	
<b>B Current</b>			
Loans (secured by tangible assets)*			
Considered good - Secured	7.72	2.31	
Considered good - Unsecured	0.72	-	
Less: provision for impairment loss allowance	<b>8.44</b>	<b>2.31</b>	
- Interest accrued on above	(0.06)	(0.06)	2.31
Security deposits			0.13
Considered good - Unsecured			
Inter-corporate loans to other	4.04	3.16	
Considered good - Unsecured			
- Interest accrued on above	103.00	-	
	4.55	-	
<b>Total</b>	<b>122.02</b>		<b>5.60</b>

(All amount in ₹ crores, unless otherwise stated)

\* Secured loans and other credit facilities given to customers are secured/partly secured by :

- a) Equitable mortgage of property and/or
- b) Pledge of shares / debentures, units, other securities, assignment of life insurance policies and/or
- c) Hypothecation of assets and/or
- d) Company guarantees and/or
- e) Personal guarantee and/or
- f) Negative lien and/or undertaking to create a security.

**Note - 9**

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>A</b>	<b>Other financial assets - non-current</b>		
	Bank deposits with more than 12 months maturity*	0.13	0.61
	EIS receivable**	1.96	-
	<b>Total</b>	<b>2.09</b>	<b>0.61</b>
<b>B</b>	<b>Other financial assets - current</b>		
	(Unsecured, considered good)		
	Loan to employees	0.00	0.00
	Other receivables	2.11	46.93
	EIS receivable**	0.91	-
	<b>Total</b>	<b>3.02</b>	<b>46.93</b>

\*Bank deposit amounting to ₹ 0.13 crore (excluding accrued interest) (31 March 2019 ₹ 0.61 crore ) have been lien marked as a security for valued added tax registration with various states and pledged against bank guarantees and letter of credit.

\*\* Under Ind AS, with respect to Assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to present value.

**Note - 10**

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Deferred tax assets, net</b>			
<b>Deferred tax asset arising on account of :</b>			
Property, plant and equipment, investment property and intangible assets - depreciation and amortisation		0.00	0.36
Preliminary expenses		0.00	0.01
ESOP Expenses		-	1.43
Deferred tax on acquisition of new step-down subsidiary		0.00	0.00
<b>Deferred tax liabilities arising on account of :</b>			
Financial instruments - fair valuation		-	(0.18)
Minimum alternative tax credit entitlement		0.37	5.96
<b>Total</b>		<b>0.37</b>	<b>7.58</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

Caption wise movement in deferred tax assets is as follows:

Particulars	01 April 2018	Recognised in Other Comprehensive Income	Recognised/(reversed) in profit and loss	31 March 2019
<b>Assets</b>				
Property, plant and equipment, investment property and intangible assets - depreciation and amortisation	0.00	-	0.36	0.36
Preliminary expenses	0.01	-	-	0.01
Unabsorbed business losses	4.78	-	(4.78)	-
ESOP Expenses	-	-	1.43	1.43
Deferred tax on acquisition of new step-down subsidiary	-	-	0.00	0.00
<b>Liabilities</b>				
Financial instruments - fair valuation	(0.49)	-	0.31	(0.18)
<b>Sub-Total</b>	<b>4.30</b>	-	<b>(2.68)</b>	<b>1.62</b>
Minimum alternative tax credit entitlement	1.90	-	4.06	5.96
<b>Total</b>	<b>6.20</b>	-	<b>1.38</b>	<b>7.58</b>

Particulars	31 March 2019	Recognised in Other Comprehensive Income	Recognised/(reversed) in profit and loss	31 March 2020
<b>Assets</b>				
Property, plant and equipment, investment property and intangible assets - depreciation and amortisation	0.36	-	(0.36)	0.00
Preliminary expenses	0.01	-	(0.00)	0.00
Unabsorbed business losses	-	-	-	-
ESOP Expenses	1.43	-	(1.43)	-
Deferred tax on acquisition of new step-down subsidiary	0.00	-	-	0.00
<b>Liabilities</b>				
Financial instruments - fair valuation	(0.18)	-	0.18	-
<b>Sub-Total</b>	<b>1.62</b>	-	<b>(1.60)</b>	<b>(0.00)</b>
Minimum alternative tax credit entitlement	5.96	-	(5.59)	0.37
<b>Total</b>	<b>7.58</b>	-	<b>(7.21)</b>	<b>0.37</b>

The Group has restricted the creation of deferred tax asset on unabsorbed business losses to the extent of ₹365.90 crores (31 March 2019: ₹107.12 crores) as there is no convincing evidence which demonstrate probability of realisation of deferred tax asset in the near future.

(All amount in ₹ crores, unless otherwise stated)

Note - 11

**Non-current tax assets, net**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Advance income tax, including tax deducted at source (net of provisions)	28.75	35.40
<b>Total</b>	<b>28.75</b>	<b>35.40</b>

Note - 12

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>A</b>	<b>Other non-current assets</b>		
	(Unsecured, considered good)		
	Capital advance	0.02	0.88
	Prepaid expenses	0.12	2.63
	<b>Total</b>	<b>0.14</b>	<b>3.51</b>
<b>B</b>	<b>Other current assets</b>		
	(Unsecured, considered good)		
	Advance to staff	0.07	0.15
	Advance to suppliers/service providers	8.03	5.79
	Prepaid expenses	2.28	1.14
	Balances with statutory and government authorities	8.00	10.22
	Advance for land (expected to get land)	300.00	300.00
	<b>Others</b>	<b>0.14</b>	<b>0.07</b>
	<b>Total</b>	<b>318.51</b>	<b>317.37</b>

Note - 13

## Inventories

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Real estate properties - developed (at cost)		
Cost of developed properties	0.38	0.38
Stock of trading goods	1.52	-
Stores and spares	0.46	5.36
Stock of LED Lighting	11.12	0.65
Stock-in-trade (goods acquired for trading)	15.00	15.00
<b>Total Inventories</b>	<b>28.48</b>	<b>21.39</b>

### Note

- (a) The above includes goods in transit as under:

Stock of LED Lighting	0.55
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(b) Inventories are hypothecated with the bankers against working capital limits.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 14**

**Trade receivables-current\***

Particulars	31 March 2020	31 March 2019
Considered good - Unsecured	81.00	86.61
Credit impaired	0.59	-
	<b>81.59</b>	<b>86.61</b>
Less : Impairment allowance for trade receivables - credit impaired	(0.59)	-
<b>Total</b>	<b>81.00</b>	<b>86.61</b>

\*The cash credit facility is secured against includes book debts.

**Note - 15**

**Cash and cash equivalents**

Particulars	31 March 2020	31 March 2019
Cash on hand	0.16	0.26
Foreign currency on hand	0.00	0.01
Balances with banks		
In current accounts	10.14	10.53
In unclaimed dividend account*	0.05	0.05
<b>Total</b>	<b>10.35</b>	<b>10.85</b>

\*Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the Holding Company does not have any right on the said money.

**Note - 16**

**Other bank balances**

Particulars	31 March 2020	31 March 2019
Bank deposits*		
With maturity of more than three months and upto twelve months	1.07	0.65
<b>Total</b>	<b>1.07</b>	<b>0.65</b>

\*Bank deposit amounting to ₹ 1.07 crores (31 March 2019: ₹ 0.65 crores ) (excluding accrued interest) have been lien marked as a security for valued added tax registration with various states and pledged against bank guarantees and letter of credit.

(All amount in ₹ crores, unless otherwise stated)

**Note - 17**

**A Equity share capital**

<b>Particulars</b>		<b>31 March 2020</b>		<b>31 March 2019</b>	
<b>i</b>	<b>Authorised</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
i	Equity shares of face value of ₹2 each	400,000,000	80.00	400,000,000	80.00
		<b>400,000,000</b>	<b>80.00</b>	<b>400,000,000</b>	<b>80.00</b>
ii	<b>Issued, subscribed and fully paid up</b>	89,325,569	17.87	89,325,569	17.87
	Equity share capital of face value of ₹2 each fully paid up	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>
iii	<b>Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year</b>				
	Equity shares				
	Balance at the beginning of the year	89,325,569	17.87	54,818,493	10.96
	Add: Issued during the year	-	-	34,507,076	6.90
	<b>Balance at the end of the year</b>	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>

- iv During the financial year ended 31 March 2018, the Board of Directors of the Holding company being authorised by shareholders at the general meeting held on 22 November 2017, and in accordance with the provisions of section 42 and 62 of the Companies Act, 2013 and requirement contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, approved the preferential issue of upto 3,50,00,000 (Three crores fifty lakhs) Warrants, convertible into equivalent number of equity shares of face value ₹2/- each of the Holding Company at the conversion price of ₹132/- (including premium of ₹130/-) per equity share to M/s Powerscreen Media Private Limited, M/s Calleis Real Estate Private Limited, M/s Calleis Constructions Private Limited and M/s Calleis Properties Private Limited, the promoter group entities, in accordance with applicable provisions of Chapter VII of Securities & Exchange Board of India (Issue of Capital & Disclosure requirement) Regulations 2009, (SEBI ICDR Regulations). During the financial year 2017-18, the Holding Company has, upon conversion of 41,00,000 share warrants, allotted 41,00,000 equity shares of face value of ₹2 each at the issue price of ₹132 (including premium of ₹130) per equity share held by promoter group entities.
- v (1) The Holding Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, issued and allotted:
  - (a) on 28 May 2018, an aggregate of 1,00,00,000 fully paid up equity shares of face value of ₹ 2 each of the Holding Company at an issue price of ₹330 (including a premium of ₹ 328) per Equity Share, to certain foreign portfolio investors, registered with the SEBI, pursuant to and in terms of shareholders' approval dated 22 May 2018; and
  - (b) on 25 June 2018, an aggregate of 70,07,076 fully paid up equity shares of face value of ₹ 2 each of the Holding Company at an issue price of ₹532 (including a premium of ₹ 530) per Equity Share, to certain foreign investors, pursuant to and in terms of shareholders' approval dated 11 June 2018.
- (2) The Holding Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and shareholders' approval dated 16 December 2017, allotted:
  - (a) on 28 May 2018, an aggregate of 75,00,000 equity shares; and
  - (b) on 25 June 2018, an aggregate of 1,00,00,000 equity shares, at a conversion price of ₹ 132 (including a premium of ₹ 130) per equity share to certain promoter group entities of the Holding Company, upon exercise/conversion of equivalent number of warrants.

Pursuant to the preferential allotment and conversion of warrants, the paid up share capital of the Holding Company stands increased to ₹17.87 crores divided into 8,93,25,569 shares of ₹ 2 each.
- vi In order to not alter the capital structure of the Holding Company, ahead of the on-going composite scheme of arrangement amongst Indiabulls Integrated Services Limited (the Holding Company), its direct and indirect subsidiaries and Indiabulls Pharmaceuticals Limited, and their respective shareholders and creditors, which was approved by the Board of Directors of the Holding Company on 29 January 2019 (Scheme), on which the regulatory approvals are underway, and with a view to avoid any delay in implementation of the Scheme, which may occur due to change in share capital of the Holding Company upon conversion of convertible warrants (which were issued by the Holding Company on 02 January 2018 i.e. around an year prior to the approval of the Scheme), the warrant-holder promoter entities (namely Powerscreen Media Private Limited, Calleis Real Estate Private Limited, Calleis Constructions Private Limited and Calleis Properties Private Limited) decided to forego their rights of conversion of their entire outstanding convertible warrants into equity shares of the Holding Company.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

With this, in accordance with the terms of issuance of these warrants, the entire outstanding convertible warrants stood lapsed, and the aggregate of ₹ 44.22 Crores (being 25% upfront money paid by the warrant-holders to the Holding Company at the time of allotment of these warrants) has been forfeited by the Holding Company.

- vii The Holding Company does not have any shares issued for consideration other than cash during the immediately preceding five years. The Holding Company did not buy back any shares during immediately preceding five years.
- viii The details of shares reserved for issue under Employee Stock Option Scheme (ESOS) of the Holding Company are given in note - 48
- ix **Rights, preferences and restrictions attached to equity shares**

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Holding Company. In the event of liquidation of the Holding Company, all preferential amounts, if any, shall be discharged by the Holding Company, the remaining assets of the Holding Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Holding Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

- x **Details of shareholder holding more than 5% share capital**

Name of the equity shareholder	Number of shares	
	31 March 2020	31 March 2019
Jyeshta Infrastructure Private Limited	8,330,412	8,330,412
Kritikka Infrastructure Private Limited	8,553,576	8,553,576
Steadview Capital Mauritius Limited	8,253,187	8,253,187
Calleis Real Estate Private Limited	5,400,000	5,400,000
Calleis Constructions Private Limited	5,400,000	5,400,000
Calleis Properties Private Limited	5,400,000	5,400,000
Powerscreen Media Private Limited	5,400,000	5,400,000

### B Preference share capital

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Authorised				
Preference shares of face value of ₹10 each	30,000,000	30.00	30,000,000	30.00
	<b>30,000,000</b>	<b>30.00</b>	<b>30,000,000</b>	<b>30.00</b>

### Note - 18

#### Other Equity

Particulars	31 March 2020	31 March 2019
Reserves and Surplus		
General reserve	501.50	501.50
Capital reserve	53.64	9.42
Deferred employee compensation reserve	15.16	10.39
Securities Premium	980.28	980.28
Retained earnings	(425.85)	(130.58)
Other comprehensive income	(834.40)	-
Share Warrant Money	-	44.22
<b>Total</b>	<b>290.33</b>	<b>1,415.23</b>

#### Nature and purpose of other reserves

##### Securities Premium

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

(All amount in ₹ crores, unless otherwise stated)

#### **Deferred employee compensation reserve**

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

#### **Capital reserve**

The Holding Company has issued share warrants in the earlier years. This reserve is created on account of forfeiture of share application money received on account of issuance of share warrants as share warrants holders did not exercise their rights.

#### **General reserve**

The Holding Company is required to create a general reserve out of the profits when the Holding Company declares dividend to shareholders.

#### **Share Warrant Money**

The Holding Company has issued share warrants to certain promoter group companies and taken advance at 25% of the exercise price as on grant date. As per the terms of issue of these warrants, and upon payment of exercise price as reduced by 25% upfront money paid at the time of allotment of warrants, the warrant holders were entitled to apply for and obtain allotment of one equity share of ₹2 each fully paid up of the Holding Company against each warrant held, within a period of eighteen months from the date of allotment of the said warrants. Upon conversion, the said share warrant money gets adjusted with the equity share capital and securities premium as per the warrant grant terms.

#### **Note - 19**

##### **A Borrowings - non-current**

Particulars	31 March 2020	31 March 2019
<b>Secured borrowings:</b>		
Term loans		
From banks	278.90	300.46
Less: current maturities of long-term borrowings(refer note - 25)	(259.10)	(22.28)
	<b>19.80</b>	<b>278.19</b>
From others	10.53	14.64
Less: current maturities of long-term borrowings (refer note - 25)	(4.45)	(4.12)
	<b>6.08</b>	<b>10.52</b>
<b>Total of borrowings-non-current</b>	<b>25.88</b>	<b>288.71</b>

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

Name of the bank	As at	Loan outstanding	Repayment terms	Nature of Security
Kotak Mahindra Bank Limited	31 March 2020	2.12	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.06		
	31 March 2020	-	36 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	0.41		
ICICI Bank Limited	31 March 2020	3.02	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.98		
	31 March 2020	-	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	0.10		

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

Name of the bank	As at	Loan outstanding	Repayment terms	Nature of Security
HDFC Bank Limited	31 March 2020	-	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	0.40		
	31 March 2020	-	23 equated monthly instalment from date of disbursal.	
	31 March 2019	2.22		
	31 March 2020	4.07	30 equated monthly instalment from date of disbursal.	
	31 March 2019	6.92		
	31 March 2020	-	Repayable within 3 to 4 months	
	31 March 2019	5.00		
	31 March 2020	0.39	37 equated monthly instalment from date of disbursal.	
	31 March 2019	0.72		
Axis Bank Limited	31 March 2020	18.16	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	24.11		
	31 March 2020	5.75	47 equated monthly instalment from date of disbursal.	
	31 March 2019	5.56		
Yes Bank Limited	31 March 2020	-	46 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	1.83		
*Yes Bank Limited	31 March 2020	1.81	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	2.58		
SREI Equipment Finance Limited	31 March 2020	243.58	Payable at the end of 2 years from date of disbursal	Secured by Hypothecation of Assets being financed.
	31 March 2019	243.58	Payable at the end of 3 years from date of disbursal	

\*Secured by exclusive charge by way of hypothecation on the aircraft being financed, assignment of insurance policy, exclusive charge over receivables arising from it, under escrow mechanism, exclusive charge by way of assignment over rights, titles, interest etc. The entire loan is to be repaid on June 2020.

**B Borrowings-current**

Particulars	31 March 2020	31 March 2019
<b>Secured borrowings:</b>		
Working capital loan from bank	9.34	27.02
<b>Unsecured borrowings:</b>		
Loans and advances from others*	829.08	-
<b>Total</b>	<b>838.42</b>	<b>27.02</b>

\*Loans and advances from others are repayable on demand

(All amount in ₹ crores, unless otherwise stated)

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

Name of the bank	As at	Loan outstanding	Repayment terms	Nature of Security
RBL Bank Limited (working capital facility)	31 March 2020	9.34	Repayable within 6 months from the date of disbursal	Charge on all current assets includes book debts, inventory and others assets (both present and future) of the respective borrower Company and its subsidiary other than those assets exclusively charged to other lenders.
	31 March 2019	27.02		

**Note - 20**

**Lease Liabilities**

Particulars		31 March 2020	31 March 2019
A	Non-current	10.02	-
B	Current	3.29	-
<b>Total</b>		<b>13.31</b>	-

**Note - 21**

Particulars		31 March 2020	31 March 2019
A	<b>Provisions - non-current</b>		
	Provision for employee benefits		
	Gratuity	2.50	2.17
	Compensated absences	1.83	1.19
	Provision for warranties of LED Lighting	0.36	0.18
<b>Total</b>		<b>4.68</b>	<b>3.54</b>
B	<b>Provisions - current</b>		
	Provision for employee benefits		
	Gratuity	0.03	0.04
	Compensated absences	0.05	0.03
	Provision on standard assets as per RBI norms	-	0.35
<b>Total</b>		<b>0.08</b>	<b>0.42</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 22**

**Deferred tax liabilities, net**

Particulars	31 March 2020	31 March 2019
Deferred tax liabilities/ assets arising on account of :		
Depreciation and amortisaton	0.17	-
Provision of employee benefits	(0.17)	-
Provision on Standard Assets as per RBI Norms	(0.13)	-
Financials assets at amortised cost	0.21	-
Fair valuation of financial instruments	2.86	-
<b>Total</b>	<b>2.95</b>	<b>-</b>

Caption wise movement in deferred tax liabilities is as follows:

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised in profit and loss	31 March 2020
<b>Liabilities</b>				
Depreciation and amortisaton	-	-	(0.17)	0.17
Provision of employee benefits	-	-	0.17	(0.17)
Provision on Standard Assets as per RBI Norms	-	-	0.13	(0.13)
Financials assets at amortised cost			(0.21)	0.21
Fair valuation of financial instruments	-	-	(2.86)	2.86
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(2.95)</b>	<b>2.95</b>

**Note - 23**

Particulars	31 March 2020	31 March 2019
<b>A Other liabilities - non-current</b>		
Obligation under operating lease	-	0.15
<b>Total</b>	<b>-</b>	<b>0.15</b>
<b>B Other liabilities - current</b>		
Payable to statutory authorities	11.36	3.20
Advance from customers	1.05	6.69
Temporary overdrawn balance	0.09	31.73
Other liabilities	-	0.56
<b>Total</b>	<b>12.50</b>	<b>42.18</b>

(All amount in ₹ crores, unless otherwise stated)

**Note - 24**

**Trade payables - current**

Particulars	31 March 2020	31 March 2019
Due to others	9.40	5.04
Provision of employee benefits	22.43	15.94
<b>Total</b>	<b>31.83</b>	<b>20.98</b>

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

Particulars	31 March 2020	31 March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	9.64	5.10
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	0.24	0.06
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

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

**Note - 25**

**Other financial liabilities - current**

Particulars	31 March 2020	31 March 2019
Current maturities of non-current secured borrowings:		
from banks and financial institutions	263.55	26.40
Interest accrued but not due on borrowings:		
On other loans	55.33	-
On term loan from banks	7.33	7.33
Unpaid dividend on equity shares*	0.05	0.05
Security deposits	1.21	3.57
Loans repayable on loan assignment	2.25	-
Interest accrued but not due on loan assignment	0.29	-
Expenses payable to others	22.40	10.14
<b>Total</b>	<b>352.41</b>	<b>47.49</b>

\* In respect of amount as mentioned under section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.

**Note - 26**

**Current tax liabilities, net**

Particulars	31 March 2020	31 March 2019
Provision for income tax	9.22	26.99
<b>Total</b>	<b>9.22</b>	<b>26.99</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 27**

**Revenue from operations**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Revenue from real estate project	-	0.02
Revenue from management and maintenance services	24.75	15.21
Revenue from equipment renting services	75.37	85.00
Revenue from LED lighting	68.24	46.51
Revenue from trading of scrap and others	5.06	3.63
Revenue from air transportation services	12.89	20.09
Revenue from art gallery	-	0.04
Pilot hiring income	0.02	0.20
Interest on loans	33.90	0.13
Less : Interest on loan assignement	(1.24)	32.66
<b>Other operating income</b>		
Interest from customers on overdue balances	-	0.01
Interest Spread income on pool loan	3.11	-
Referral Commission	0.03	-
Processing fee	3.18	0.01
Dividend received	0.11	0.05
Service fee on pool loan	0.01	-
Others	0.04	-
<b>Total</b>	<b>225.47</b>	<b>170.90</b>

**Note - 28**

**Other income**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Dividend Income on mutual funds	0.21	2.55
Dividend on equity shares	34.72	13.99
Interest income	18.13	26.26
Interest on income tax refund	1.56	0.06
Marked to market income on forward contract	-	1.80
Interest income on commercial papers	0.45	0.33
Interest income on non convertible debentures	23.88	-
Interest Income on Bonds	1.52	-
Finance Income	0.00	-
Profit on redemption of investments	8.19	130.11
Profit on fair valuation of financial instruments	16.98	0.71
Profit on sale of property, plant and equipment	14.33	0.09
Realised foreign exchange gain	0.00	0.00
Miscellaneous income	0.24	0.04
Liabilities written back	1.07	2.77
Other Income	1.28	-
<b>Total</b>	<b>122.56</b>	<b>178.71</b>

(All amount in ₹ crores, unless otherwise stated)

**Note - 29**

**Cost of revenue**

Particulars	31 March 2020	31 March 2019
<b>For trading goods and products</b>		
Purchase of stock in trade	51.93	32.10
(Increase)/decrease in inventory of finished goods		
Opening stock	15.00	15.00
Closing stock	(15.00)	(15.00)
<b>For real estate</b>		
(Increase) / decrease in real estate inventory		
Opening stock	0.38	0.31
Closing stock	(0.38)	(0.38)
<b>Total</b>	<b>51.93</b>	<b>32.02</b>

**Note - 30**

**Operating Expenses**

Particulars	31 March 2020	31 March 2019
Facility Management Services	33.76	14.50
Equipment Hiring Business	22.47	25.92
LED Business	3.63	2.17
Aviation Business		
Professional charges	0.75	1.66
Travelling and conveyance expenses	0.81	0.42
Power and fuel expenses	5.29	4.31
Aircraft maintenance charges	6.84	7.26
Crew accommodation charges	1.01	1.02
Landing and handling charges	3.50	3.30
Navigation and flight planning charges	0.76	0.83
Subscription charges	0.75	0.84
Catering expenses	0.15	0.35
Hire charges	-	0.01
Training expenses	1.14	1.11
<b>Total</b>	<b>80.85</b>	<b>63.69</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 31**

**Employee benefits expenses**

Particulars	31 March 2020	31 March 2019
Salaries and wages	57.34	36.72
Bonus and ex-gratia	0.45	0.01
Gratuity and compensated absences	1.80	1.06
Contribution to provident fund and other funds	0.72	0.16
Staff welfare expenses	1.29	1.37
Share based payment expenses (refer note 43)	5.28	8.70
<b>Total</b>	<b>66.88</b>	<b>48.02</b>

**Note - 32**

**Finance costs**

Particulars	31 March 2020	31 March 2019
Bank guarantee charges and commission	0.93	7.45
Realised loss on foreign exchange	-	0.15
Interest on finance lease	1.14	-
Interest expense	122.70	34.23
Interest expense on taxation	4.88	0.21
<b>Total</b>	<b>129.65</b>	<b>42.04</b>

**Note - 33**

**Depreciation and amortisation expenses**

Particulars	31 March 2020	31 March 2019
Property, plant and equipment	27.75	25.67
Other intangible assets	0.79	0.43
Right to use Asset	3.59	-
<b>Total</b>	<b>32.13</b>	<b>26.10</b>

**Note - 34**

**Other expenses**

Particulars	31 March 2020	31 March 2019
Advertisement expenses	5.05	9.93
Bank charges	0.06	0.05
Auditor's remuneration* (refer note - (i) below)	0.59	0.45
Books and periodicals	0.00	-
Communication expenses	0.65	0.52
Director sitting fees (Paid to Independent Directors)	0.20	0.25
Corporate social responsibility expenses (refer note - (ii) below)	0.72	0.74
Insurance expenses	1.72	1.34
Legal and professional charges	2.66	4.16
Loss on sale /written off of fixed assets	0.01	0.00
Loss on sale of investment	0.00	-

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Power and fuel expenses	0.02	0.00
Printing and stationery	0.07	0.04
Rates and taxes	2.33	1.51
Preliminary expenses	-	0.00
Rent expenses	0.22	4.34
Repairs and maintenance		
- Buildings	0.05	-
- Vehicles	0.05	0.04
- Others	0.15	0.04
Brokerage and marketing expenses	0.00	0.03
Security expenses	0.08	0.04
Software expenses	0.00	-
Traveling and conveyance expenses	4.58	3.22
Miscellaneous expenses	1.66	1.16
Impairment of Goodwill	58.42	-
Customer incentive and other charges	0.00	0.01
Expense on fair valuation of Bonds	-	0.35
Loss on financial instruments	171.91	-
Selling and credit verification cost	1.21	0.14
Provision for impairment on financial assets	0.74	0.35
Warranty expenses	0.18	0.18
Share issue expenses	-	0.41
<b>Total</b>	<b>253.33</b>	<b>29.30</b>

\*Excluding taxes

**(i) Details of auditor's remuneration**

Particulars	31 March 2020	31 March 2019
<b>Auditor's remuneration</b>		
Audit fee	0.53	0.45
Others	0.06	-
<b>Total</b>	<b>0.59</b>	<b>0.45</b>

**(ii) Corporate social responsibility expenses**

(a) Gross amount required to be spent by the Group during the year is ₹ 0.72 crores (31 March 2019: ₹ 0.74 crores).

(b) Amount spent during the year on:

Particulars	For the year ended	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2020	-	-	-
	31 March 2019	-	-	-
(ii) On purposes other than (i) above	31 March 2020	0.72	-	0.72
	31 March 2019	0.74	-	0.74

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 35**

**Income tax**

Particulars	31 March 2020	31 March 2019
<b>Tax expenses comprises of:</b>		
Current tax (including earlier years)	17.18	31.70
Deferred tax charge/(credit)	9.26	(1.38)
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>26.44</b>	<b>30.32</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.168% (31 March 2019: 27.82%) and the reported tax expense in statement of profit and loss are as follows:

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

Particulars	31 March 2020	31 March 2019
Accounting profit before income tax	(266.74)	108.44
At statutory income tax rate	-	41.89
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of expenses with temporary difference	(0.60)	-
Tax impact on income taxable at the time of its realisation	7.42	3.33
Tax impact of exempted income	(0.03)	(4.09)
Earlier year tax expense	2.56	0.39
Tax impact of income chargeable at different rate	-	(11.77)
Tax impact of expenses which will never be allowed	0.56	3.14
Tax impact of unabsorbed losses	2.31	(6.69)
Others	14.22	4.12
<b>Income tax expense</b>	<b>26.44</b>	<b>30.32</b>

**Note - 36**

**Earnings per share (EPS)**

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

The following reflects the income and share data used in the basic and diluted EPS computation

Particulars	31 March 2020	31 March 2019
<b>Profit attributable to equity holders for basic earnings per share</b>	<b>(295.53)</b>	<b>73.31</b>
<b>Profit attributable to equity holders for diluted earnings per share</b>	<b>(295.53)</b>	<b>73.31</b>
Weighted average number of equity shares for basic earnings per share	89,325,569	82,632,140
Add: Share Warrants	-	10,348,261
Weighted average number of equity shares adjusted for diluted earnings per share	89,325,569	92,980,401
<b>Earnings per equity share of face value ₹ 2/- each</b>		
(1) Basic (₹)	(33.08)	8.87
(2) Diluted (₹)	(33.08)	7.88

(All amount in ₹ crores, unless otherwise stated)

**Note - 37**

**Fair value measurements**

**(i) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets measured at fair value**

31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	3.17	-	-	3.17
Non-convertible debentures	254.01	-	-	254.01
Bonds	39.29	-	-	39.29
Commercial paper	-	-	-	-
<b>Total financial assets</b>	<b>296.47</b>	-	-	<b>296.47</b>

**Financial assets measured at fair value**

31 March 2019	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	190.80	-	-	190.80
Non-convertible debentures	232.63	-	-	232.63
Commercial paper	443.68	-	-	443.68
<b>Total financial assets</b>	<b>867.11</b>	-	-	<b>867.11</b>

**(iii) Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include -

- (i) Use of net asset value for mutual funds on the basis of the statement received from investee party.
- (ii) Unit price of bonds/non-convertible debentures on the last trading day of the respective financial year as per the Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines.
- (iii) Unit price of commercial papers on the last trading day of the respective financial year in secondary market.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 38**

**Financial risk management**

**(i) Financial instruments by category**

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial assets</b>						
Investments						
Mutual funds	3.17	-	-	190.80	-	7.05**
Non-convertible debentures	254.01	-	-	232.63	-	-
Bonds	39.29	-	-	-	-	-
Commercial Paper	-	-	-	443.68	-	-
Equity instruments		244.83	-	-	-	-
Trade receivables	-	-	81.00	-	-	86.61
Loans	-	-	308.73	-	-	140.39
Cash and cash equivalents	-	-	10.35	-	-	10.85
Other bank balances	-	-	1.07	-	-	0.65
Security deposits	-	-	5.82	-	-	5.68
Other financial assets	-	-	5.11	-	-	47.54
<b>Total financial assets</b>	<b>296.47</b>	<b>244.83</b>	<b>412.08</b>	<b>867.11</b>	<b>-</b>	<b>298.77</b>

	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	1,190.51	-	-	349.45
Lease Liabilities	-	-	13.31	-	-	-
Trade payables	-	-	31.83	-	-	20.99
Security deposits	-	-	1.21	-	-	3.57
Other financial liabilities	-	-	24.99	-	-	10.19
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,261.85</b>	<b>-</b>	<b>-</b>	<b>384.20</b>

\* These financial assets are mandatorily measured at fair value.

# These financial assets represents investment in equity instruments designated as such upon initial recognition.

\*\* in respect of investment by one of the step-down subsidiaries, namely, "Indiabulls Rural Finance Private Limited": all investments made in India and quoted current investments in units of Mutual Funds are in the nature of current investments and are valued at cost as per the directions of RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated 01 September 2016 (updated as on 22 February 2019).

**(ii) Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

**(iii) Risk Management**

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(All amount in ₹ crores, unless otherwise stated)

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

*i) Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, security deposits, investments(short -term) and other financial assets	12 month expected credit loss/Life time expected credit loss
B: Moderate Credit risk	Loan and other financial assets	12 month expected credit loss
C: High credit risk	Trade receivables	Life time expected credit loss of fully provided for

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Assets under credit risk –**

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, security deposits, investments(short -term) and other financial assets	708.55	1,165.88
C: High credit risk	Trade receivables	0.59	-

*ii) Concentration of financial assets*

The Group's principal business activities are real estate project advisory, construction and development of real estate projects and advisory services, aviation services, maintenance and management services, equipment hiring services, and all other related activities. The Group's outstanding receivables are for real estate project and advisory services, aviation services, maintenance and management services, equipment hiring services. Loans and other financial assets majorly represents deposits given for business purposes.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**b) Credit risk exposure**

**Provision for expected credit losses**

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

**As at 31 March 2020**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10.35	-	10.35
Other bank balances	1.07	-	1.07
Trade receivables	81.59	0.59	81.00
Loans	309.23	0.50	308.73
Security deposit	5.82	-	5.82
Other financial assets	5.11	-	5.11

**As at 31 March 2019**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10.85	-	10.85
Other bank balances	0.65	-	0.65
Trade receivables	86.61	-	86.61
Loans	140.39	-	140.39
Security deposit	5.68	-	5.68
Other financial assets	47.54	-	47.54

**Expected credit loss for trade receivables under simplified approach**

The Group considers provision for lifetime expected credit loss. Given the nature of business operations, the Group's receivables has low credit risk. Based upon historical loss experience and forward looking information, the Group has provided expected credit loss in relation to receivables from air transportation services.

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance as on 31 March 2019</b>	<b>13.27</b>
Impairment loss recognised during the year	0.59
<b>Loss allowance as on 31 March 2020</b>	<b>13.86</b>

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

(All amount in ₹ crores, unless otherwise stated)

#### Maturities of financial liabilities

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

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including accrued interest)	1,164.62	18.63	7.20	0.06	1,190.51
Trade payable	31.83	-	-	-	31.83
Security deposits	1.21	-	-	-	1.21
Other financial liabilities	24.99	-	-	-	24.99
<b>Total</b>	<b>1,222.65</b>	<b>18.63</b>	<b>7.20</b>	<b>0.06</b>	<b>1,248.54</b>

31 March 2019	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including accrued interest)	60.75	19.79	262.00	6.91	349.45
Trade payable	20.99	-	-	-	20.99
Security deposits	3.57	-	-	-	3.57
Other financial liabilities	10.19	-	-	-	10.19
<b>Total</b>	<b>95.50</b>	<b>19.79</b>	<b>262.00</b>	<b>6.91</b>	<b>384.20</b>

#### (C) Market risk

##### (i) Interest rate risk

The Group fixed rate borrowing are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

Particulars	31 March 2020	31 March 2019
Fixed rate borrowing	1,118.51	315.10
Variable rate borrowing	9.34	27.02
<b>Total borrowings</b>	<b>1,127.85</b>	<b>342.12</b>

##### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	31 March 2020	31 March 2019
Interest rates - increase by 1% (31 March 2019 : 1%)	(0.09)	(0.27)
Interest rates - decrease by 1% (31 March 2019 : 1%)	0.09	0.27

##### (ii) Price Risk

The Group exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio of assets

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Sensitivity**

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group profit for the periods -

Particulars	31 March 2020	31 March 2019
<b>Price sensitivity</b>		
<b>Mutual fund</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	0.06	3.96
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(0.06)	(3.96)
<b>Non-convertible debentures</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	5.08	4.65
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(5.08)	(4.65)
<b>Bonds</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	0.52	-
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(0.52)	-
<b>Shares</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	4.90	-
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(4.90)	-
<b>Commercial Papers</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	-	8.87
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	-	(8.87)

**(iii) Foreign exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Indian Rupee is the Group's functional currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has very limited foreign currency exposure mainly due to incurrence of some expenses. The Group may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement. The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

**Foreign currency risk exposure:**

Particulars	Currency	31 March 2020		31 March 2019	
		INR	Foreign currency	INR	Foreign currency
Trade payables	USD	2.92	388,463.34	0.47	68,046.30
	EUR	0.00	600.73	-	-
Advances	USD	0.18	24,314.98	0.67	97,087.70

**Sensitivity**

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

Particulars	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade payables	USD	(0.03)	(0.00)	0.03	0.00
	EUR	(0.00)	-	0.00	-
Advances	USD	0.00	0.01	(0.00)	(0.01)

(All amount in ₹ crores, unless otherwise stated)

#### Note-39

##### **Lease related disclosures**

The Group has leases for office premises, warehouses and machine yards. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

##### **A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Short-term leases	0.53
Leases of low value assets	0.16
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was ₹ 4.00 crores.

C The Group has total commitment for short-term leases of ₹ 3.29 crores as at 31 March 2020.

##### **D Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2020	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	4.35	4.36	2.99	4.61	16.31
Interest expense	1.06	0.76	0.45	0.73	3.00
<b>Net present values</b>	<b>3.29</b>	<b>3.60</b>	<b>2.54</b>	<b>3.88</b>	<b>13.31</b>

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of ₹ Nil.

##### **F Information about extension and termination options**

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises, warehouses and machine yards	33	1.9 to 9 years	3.70 years	17	-	18

G The total future cash outflows as at 31 March 2020 for leases that had not yet commenced is of ₹ Nil (office premises, warehouses and machine yards).

##### **H Impact on transition**

- Effective 01 April 2019, the Group has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 01 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 9.14 crores and corresponding right of use asset of ₹ 9.14 crores.
- The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

- 4 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.
- 5 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a..
- 6 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 01 April 2019:

<b>Total operating lease commitments disclosed as at 31 March 2019</b>	<b>5.70</b>
Contracts re-assessed as lease contracts	3.44
<b>Total lease liabilities recognised under Ind AS 116 at 01 April 2019</b>	<b>9.14</b>

**Note-40**

**Revenue related disclosures**

**A Disaggregation of revenue**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Revenue from contracts with customers</b>		
(i) Revenue from operations		
Revenue from sale of properties	-	0.02
(ii) Other operating income	0.06	0.01
<b>Total revenue covered under Ind AS 115</b>	<b>0.06</b>	<b>0.03</b>

**B Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contract liabilities</b>		
Advance from customers	0.24	0.90
<b>Total contract liabilities</b>	<b>0.24</b>	<b>0.90</b>
<b>Receivables</b>		
Trade receivables	0.72	0.71
<b>Total receivables</b>	<b>0.72</b>	<b>0.71</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

**C Significant changes in the contract liabilities balances during the year are as follows:**

Particulars	As at 31 March 2020	As at 31 March 2019
	Contract liabilities	Contract liabilities
Opening balance	0.90	2.77
Addition/ (Utilisation) during the year	(0.66)	(1.89)
Revenue recognised during the year	-	0.02
<b>Closing balance</b>	<b>0.24</b>	<b>0.90</b>

(All amount in ₹ crores, unless otherwise stated)

D There are no unsatisfied performance obligations as at 31 March 2020 against the advance received from the customers, as the billing for the same has been done by the Group as on 31 March 2020.

E Reconciliation of revenue recognised with contract revenue:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Contract revenue	-	0.02
<b>Revenue recognised</b>	<b>-</b>	<b>0.02</b>

F Ind AS 115 'Revenue from Contracts with Customers', mandatory for reporting periods beginning on or after 01 April 2018, replaces existing revenue recognition requirements. Since the Group's real estate projects were completed before 01 April 2018, hence the application of Ind AS 115 has not impacted the Company's accounting for recognition of revenue from real estate properties. The Group has applied prospective approach in adopting the new standard and accordingly the restatement of the previous period numbers basis completion of contract for all the real estate projects across India is not applicable

#### Note - 41

##### Segment reporting

###### (A) General information

An operating segment is a component of a Group that engages in business activities from which it earns revenue and incurs expenses and for which separate financial information is available. The Group has four operating and reportable segments which are Group's strategic business units. These operating segments are monitored by Group's Chief Financial decision maker to assess performance and evaluate strategic decisions.

(i) The Group's primary business segments are reflected based on principal business activities carried on by the Group.

The Group operates in four reportable business segments

- (i) Management and maintenance services
- (ii) Equipment Hiring Services
- (iii) LED Lighting
- (iv) Financing and related activities.

\*Other non-reportable segments have been shown under others."

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

(iii) Revenues and expenses directly attributable to segments are reported under each reportable segment. All other revenue and expenses which are not attributable or allocable to segments have been disclosed as unallocable revenue and expenses respectively. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

###### (B) Segment information

Year ended 31 March 2020

Particulars	Management and maintenance services	Equipment renting services	LED Lighting	Financing and related activities	Others*	Total of segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>								
External customers	26.85	75.65	68.24	39.08	15.65	225.47	-	225.47
Inter - segment	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>26.85</b>	<b>75.65</b>	<b>68.24</b>	<b>39.08</b>	<b>15.65</b>	<b>225.47</b>	<b>-</b>	<b>225.47</b>
<b>Segment expenses</b>								
Segment result	(5.36)	14.11	(21.79)	20.70	(39.69)	(32.03)	-	(32.03)

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

Particulars	Management and maintenance services	Equipment renting services	LED Lighting	Financing and related activities	Others*	Total of segments	Adjustments and eliminations	Consolidated
<b>Segment assets</b>	<b>18.38</b>	<b>215.93</b>	<b>39.44</b>	<b>217.67</b>	<b>423.31</b>	<b>914.73</b>	-	<b>914.73</b>
<b>Segment liabilities</b>	<b>12.58</b>	<b>55.01</b>	<b>26.38</b>	<b>10.40</b>	<b>261.00</b>	<b>365.37</b>	-	<b>365.37</b>

<b>Other disclosures</b>								
Capital expenditure	0.05	3.54	0.88	6.05	0.78	11.30	-	11.30
Non-cash expenditure other than depreciation	0.14	0.77	1.36	1.04	64.26	67.57	-	67.57
Depreciation and amortisation expenses								32.13

**Year ended 31 March 2019**

Particulars	Management and maintenance services	Equipment renting services	LED Lighting	Financing and related activities	Others*	Total of segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>								
External customers	20.15	80.06	46.52	0.19	24.83	171.75	-	171.75
Inter - segment	-	-	-	-	(0.85)	(0.85)	-	(0.85)
<b>Total revenue</b>	<b>20.15</b>	<b>80.06</b>	<b>46.52</b>	<b>0.19</b>	<b>23.98</b>	<b>170.90</b>	-	<b>170.90</b>
<b>Segment expenses</b>	<b>17.75</b>	<b>62.57</b>	<b>59.82</b>	<b>1.65</b>	<b>52.68</b>	<b>194.48</b>	-	<b>194.48</b>
<b>Segment result</b>	<b>2.40</b>	<b>17.49</b>	<b>(13.30)</b>	<b>(1.46)</b>	<b>(28.70)</b>	<b>(23.57)</b>	-	<b>(23.57)</b>
<b>Segment assets</b>	<b>16.64</b>	<b>243.95</b>	<b>26.36</b>	<b>149.21</b>	<b>422.86</b>	<b>859.02</b>	-	<b>859.02</b>
<b>Segment liabilities</b>	<b>6.59</b>	<b>83.11</b>	<b>13.66</b>	<b>33.24</b>	<b>261.21</b>	<b>397.81</b>	-	<b>397.81</b>

<b>Other disclosures</b>								
Capital expenditure	0.07	68.44	0.48	-	2.43	71.42	-	71.42
Non-cash expenditure other than depreciation	-	-	0.18	0.35	6.02	6.55	-	6.55
Depreciation and amortisation expenses								26.10

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

**(C) Reconciliations to amounts reflected in the financial statements**

(i)	Reconciliation of profit	31 March 2020	31 March 2019
	Segment profit/ (loss)	(32.03)	(23.57)
	Other unallocated expenditure net off unallocable income	(143.83)	161.87
	Interest expense	(90.88)	(29.85)
	Income-tax expense	(26.44)	(30.32)
	<b>Profit after tax</b>	<b>(293.18)</b>	<b>78.12</b>

(All amount in ₹ crores, unless otherwise stated)

(ii)	<b>Reconciliation of assets</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
	Segment operating assets	914.73	859.02
	Other unallocable assets	697.00	981.03
	<b>Total assets</b>	<b>1,611.73</b>	<b>1,840.05</b>

(iii)	<b>Reconciliation of liabilities</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
	Segment operating liabilities	365.37	397.81
	Other unallocable liabilities	925.91	59.67
	<b>Total liabilities</b>	<b>1,291.28</b>	<b>457.48</b>

#### Note – 42

##### Capital Management

The Group's objectives when managing capital are:

- To ensure Group's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group manages its capital requirements by overseeing the following ratios –

##### Debt equity ratio

Particulars	<b>31 March 2020</b>	<b>31 March 2019</b>
Net debt *	819.95	-
Total equity	393.02	1,513.55
<b>Net debt to equity ratio</b>	<b>2.09</b>	-

\* Net debt includes long term borrowings, short term borrowings, current maturity of long term borrowings net off cash and cash equivalents (including fixed deposits and other liquid securities).

##### Current ratio

Particulars	<b>31 March 2020</b>	<b>31 March 2019</b>
Current assets	860.93	1,363.56
Current liabilities	1,247.75	165.08
<b>Current ratio</b>	<b>0.69</b>	<b>8.26</b>

#### Note - 43

##### Contingent liabilities and Commitments

Particulars	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Contingent liabilities</b>		
Income tax matters for in respect of which appeals have been filed by the Group*	9.79	8.47
Guarantees issued by banks to Sales tax and Custom department(secured by way of fixed deposits of the Group)	1.17	1.21
Claims(excluding interest) against the Group not acknowledged as debts	24.56	27.80
<b>Commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account, net of advances	0.02	-
Estimated amount of Loans (Assets) undrawn	1.58	3.30

\*The Group has received order against this demand in its favour from Income Tax Appellate Tribunal (ITAT). The department has moved to High Court against the same.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

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

There are no other contingent liabilities and commitments to be reported as on 31 March 2020 and 31 March 2019.

### Note – 44

#### Group Information

##### Information about subsidiaries

The information about subsidiaries of the Group is as follows. The below table includes the information about step down subsidiaries as well.

Name of subsidiary	Country of incorporation	Proportion of ownership interest as at 31 March 2020	Proportion of ownership interest as at 31 March 2019
SORIL Infra Resources Limited	India	64.71%	64.71%
Sentia Properties Limited	India	100%	100%
Lucina Infrastructure Limited	India	100%	100%
Albasta Wholesale Services Limited	India	100%	100%
Mahabala Infracon Private Limited	India	100%	100%
Ashva Stud and Agricultural Farms Limited	India	100%	100%
Indiabulls Life Insurance Company Limited	India	100%	100%
Indiabulls General Insurance Limited	India	100%	100%
Store One Infra Resources Limited	India	64.71%	64.71%
Airmid Aviation Services Limited	India	100%	100%
Indiabulls Enterprises Limited*	India	100%	100%
Indiabulls Pharmacare Limited**	India	100%	100%
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)***	India	64.71%	64.71%

\* incorporated on 02 January 2019

\*\* incorporated on 17 January 2019

\*\*\* acquired on 25 January 2019

### Note – 45

#### Related party transactions

##### Subsidiaries

Details in reference to subsidiaries are presented in Note – 44

##### Key management personnel

Mr. Manvinder Singh Walia (Whole Time Director of the Holding Company)

During the year ended 31 March 2020 and 31 March 2019, there were no material transactions with related parties.

### Note – 46

During the Financial Year 2019-20, the Group Companies had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and filed the Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT in respect of the Scheme of Amalgamation and Arrangement amongst the Company, ("Transferee Company" or "Demerging Company 1"), Albasta Wholesale Services Limited ("Transferor Company 1"), Sentia Properties Limited ("Transferor Company 2"), Lucina Infrastructure Limited ("Transferor Company 3"), Ashva Stud and Agricultural Farms Limited ("Transferor Company 4"), Mahabala Infracon Private Limited ("Transferor Company 5"), SORIL Infra Resources

(All amount in ₹ crores, unless otherwise stated)

Limited ("Transferor Company 6"), Store One Infra Resources Limited ("Transferor Company 7"), Indiabulls Enterprises Limited ("Resulting Company 1"), Indiabulls Pharmaceuticals Limited ("Demerging Company 2") and Indiabulls Pharmacare Limited ("Resulting Company 2") and their respective shareholders and creditors.

#### Note - 47

##### Employee benefits

###### Defined contribution plan

The Group has made ₹ 0.24 crores (31 March 2019: ₹ 0.08 crores) contribution in respect of provident fund.

###### Defined benefit plan

The Group has following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

##### Risks associated with plan provisions

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

##### Compensated absence

The leave obligations cover the Group's liability for permitted leaves. The amount of provision of ₹0.05 crores (31 March 2019: ₹0.03 crores) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 20.11 years (31 March 2019: 17.84 years).

##### Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 20.11 years (31 March 2019: 17.84 years)

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

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Actuarial (gain)/loss on arising from change in demographic assumption	(0.00)	-	(0.00)	-
Actuarial (gain)/loss on arising from change in financial assumption	0.24	0.12	0.21	0.06
Actuarial (gain)/loss on arising from change in experience adjustment	(0.49)	(0.70)	(0.61)	(0.34)

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

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

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Service cost	0.96	0.56	0.96	0.46
Net interest cost	0.17	0.19	0.09	0.09
Actuarial (gain)/loss for the year	(0.25)	(0.58)	(0.39)	(0.24)
<b>Expenses recognized/ (reversed) in the statement of profit and loss</b>	<b>0.88</b>	<b>0.17</b>	<b>0.66</b>	<b>0.31</b>

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	2.21	2.40	1.22	1.10
Acquisition adjustments	-	(0.32)	-	(0.14)
Current Service Cost	0.96	0.55	0.96	0.46
Interest Cost	0.17	0.19	0.09	0.09
Actuarial (gain)/ loss on obligation	(0.25)	(0.58)	(0.39)	(0.29)
Benefits paid	(0.56)	(0.03)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>2.53</b>	<b>2.21</b>	<b>1.88</b>	<b>1.22</b>

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a) Current liability (amount due within one year)	0.03	0.04	0.05	0.03
b) Non - current liability (amount due over one year)	2.50	2.17	1.83	1.19
<b>Total projected benefit obligation at the end of the year</b>	<b>2.53</b>	<b>2.21</b>	<b>1.88</b>	<b>1.22</b>

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	6.99%	7.71%	6.99%	7.71%
Salary escalation rate	5.50%	5.50%	5.50%	5.50%
Mortality table	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)

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

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

(All amount in ₹ crores, unless otherwise stated)

#### Maturity plan of defined benefit obligation

	Year	31 March 2020		Year	31 March 2019	
		Gratuity	Compensated absence		Gratuity	Compensated absence
a)	April 2020 – March 2021	0.03	0.05	April 2019 – March 2020	0.04	0.03
b)	April 2021 – March 2022	0.03	0.04	April 2020 – March 2021	0.03	0.02
c)	April 2022 – March 2023	0.04	0.04	April 2021 – March 2022	0.04	0.02
d)	April 2023 – March 2024	0.08	0.05	April 2022 – March 2023	0.03	0.02
e)	April 2024 – March 2025	0.07	0.04	April 2023 – March 2024	0.03	0.07
f)	April 2025 – March 2026	0.05	0.04	April 2024 – March 2025	0.17	0.03
g)	April 2026 onwards	2.24	1.62	April 2025 onwards	1.86	1.03

#### Sensitivity analysis of the defined benefit obligation

Particulars		Gratuity	Compensated absence	Gratuity	Compensated absence
<b>Impact of the change in discount rate</b>		<b>31 March 2020</b>	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2019</b>
	Present value of obligation at the end of the year	<b>2.53</b>	<b>1.88</b>	<b>2.21</b>	<b>1.22</b>
a)	Impact due to increase of 0.50 %	(0.18)	(0.13)	(0.13)	(0.07)
b)	Impact due to decrease of 0.50 %	0.20	0.14	0.15	0.08
<b>Impact of the change in salary increase</b>					
	Present value of obligation at the end of the year	<b>2.53</b>	<b>1.88</b>	<b>2.21</b>	<b>1.22</b>
a)	Impact due to increase of 0.50 %	0.19	0.14	0.15	0.08
b)	Impact due to decrease of 0.50 %	(0.17)	(0.13)	(0.14)	(0.07)

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

#### Note – 48

##### Share based payments

###### Indiabulls Integrated Services Limited Employees Stock Options Scheme – 2011

The Holding Company established the Indiabulls Integrated Services Limited Employees Stock Options Scheme - 2011 ("IBISL ESOS"). Under the Plan, the Holding Company granted 45,66,600 equity settled options to its eligible employees during the financial year 2017-18 which gave them a right to subscribe up to 45,66,600 stock options representing an equal number of equity shares of face value of ₹ 2 each of the Holding Company at an exercise price of ₹ 105.20 per option, subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Holding Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 03 November 2018, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

The previous title of the Scheme, viz. Soril Holdings and Ventures Limited Employee Stock Option Scheme -2011 (SHVL ESOS), stands changed to Indiabulls Integrated Services Limited Employee Stock Option Scheme – 2011 (IBISL ESOS) in line with the revised certificate of incorporation dated 16 May 2018.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Following is a summary of options granted under the plan**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Opening balance	45,66,600	45,66,600
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>45,66,600</b>	<b>45,66,600</b>
Vested and exercisable	18,26,640	9,13,320

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil)

<b>Particulars</b>	<b>IBISL ESOS</b>
Fair market value of option on the date of grant	₹15.52
Exercise price	₹105.20
Expected volatility	40.57%-54.28%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	8 years
Expected dividend yield	100%
Risk free interest rate	6.56%-7.01%

The expected volatility was determined based on historical volatility data of the Holding Company's shares listed on the recognized Stock Exchange.

During the financial year 2018-19, the Holding Company further granted 10,00,000 equity settled options to its eligible employees which gave them a right to subscribe up to 10,00,000 stock options representing an equal number of equity shares of face value of ₹ 2 each of the Holding Company at an exercise price of ₹ 489.35 per option, subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Holding Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 09 August 2019, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

**Following is a summary of options granted under the plan**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Opening balance	10,00,000	-
Granted during the year	-	10,00,000
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>10,00,000</b>	<b>10,00,000</b>
Vested and exercisable	2,00,000	-

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil).

(All amount in ₹ crores, unless otherwise stated)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹64.97
Exercise price	₹489.35
Expected volatility	30.05%-40.33%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	7.5 years
Expected dividend yield	100%
Risk free interest rate	7.68%-7.98%

The expected volatility was determined based on historical volatility data of the Holding Company's shares listed on the recognized Stock Exchange.

The total expense of share based payments recognized on above scheme during the year ended 31 March 2020 is ₹3.62 crores (31 March 2019: ₹5.15 crores)

#### **SORIL Infra Resources Limited Employee Stock Option Scheme - 2009**

The Shareholders of the subsidiary, namely, SORIL Infra Resources Limited (Subsidiary Company), vide postal ballot passed a special resolution on 09 February 2009 for issue of 15,00,000 (fifteen lakhs) shares towards issue of Employee Stock Option Scheme -2009 in supersession of Resolution passed on 12 May 2008 for ESOP -2008 .

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

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

Following is a summary of options granted under the Scheme

Particulars	31 March 2020	31 March 2019
Opening balance	15,00,000	15,00,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Closing balance	15,00,000	15,00,000
Exercisable at the year ended	-	-

Weighted average share price of exercised option on the date of exercise was for the year ended 31 March 2020: Nil (31 March 2019: Nil).

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

Particulars	Scheme
Fair market value of option on the date of grant	₹18.77
Exercise price	₹168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

Particulars	Scheme
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

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

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

The shareholders of the subsidiary, namely, SORIL Infra Resources Limited (Subsidiary Company), in their Annual General Meeting held on 30 September 2009 have approved by way of special resolution the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), covering 30,00,000 (thirty lakhs) equity settled options for eligible employees of the Subsidiary Company, its subsidiaries, its fellow subsidiaries and the Holding Company.

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

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

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

Particulars	31 March 2020	31 March 2019
Opening balance	30,00,000	30,00,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Closing balance	30,00,000	30,00,000
Exercisable at the year ended	-	-

Weighted average share price of exercised option on the date of exercise was for the year ended 31 March 2020: Nil (31 March 2019: Nil).

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

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

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

During the year, the Subsidiary Company has recognised Share based payment expenses of ₹1.66 crores (31 March 2019: ₹ 3.54 crores) on the above scheme.

(All amount in ₹ crores, unless otherwise stated)

**SORIL Infra Resources Limited Employee Stock option scheme -2018 ("SORIL Infra ESOS-2018")**

On 29 September 2018, pursuant to the approval by the Shareholders of SORIL Infra Resources Limited (The Subsidiary Company) in the Annual general meeting, the Board of the Subsidiary Company (including a committee thereof) has been authorised to create, offer, issue and allot stock options to eligible employees and Directors of the Subsidiary Company of its existing and future subsidiaries upto 30,00,000 (thirty lakhs) equity shares of ₹ 10 each in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board. The scheme shall vest within 5 years from the date of the grant.

During the year ended 31 March 2020, no ESOP/ESOS were exercised or allotted by the Subsidiary Company in any of the above schemes.

**Note – 49**

In terms of hon'ble Income Tax Settlement Commission ('ITSC') dated 30 April 2019, an additional liability of ₹ 5.39 crore has been paid during the year. The said liability has been duly accounted for in the Financial Statements and paid during the year.

**Note - 50**

**Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 – Cash flows**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Amount
<b>Net debt as at 31 March 2018</b>	<b>670.71</b>
Fair valuation impact	2.74
Proceeds from current/non-current borrowings (including current maturities)	105.24
Repayment of current/non-current borrowings (including current maturities)	(436.57)
<b>Net debt as at 31 March 2019</b>	<b>342.12</b>
Fair valuation impact	-
Proceeds from current/non-current borrowings (including current maturities)	3,618.37
Repayment of current/non-current borrowings (including current maturities)	(2,832.64)
<b>Net debt as at 31 March 2020</b>	<b>1,127.85</b>

**Note – 51**

**Subsidiaries with material non-controlling interest ('NCI')**

The Group includes following subsidiary, with material non-controlling interest, as mentioned below:

Description	Country	31 March 2020	31 March 2019
SORIL Infra Resources Limited	India	35.29%	35.29%

The summarized financial information of the subsidiary before inter-group eliminations is set out below:

**SORIL Infra Resources Limited**

**Balance Sheet**

Description	31 March 2020	31 March 2019
Non-current assets	397.22	352.88
Current assets	227.13	306.65
<b>Total assets</b>	<b>624.35</b>	<b>659.53</b>
Non-current liabilities	37.27	47.42
Current liabilities	346.75	384.16
<b>Total liabilities</b>	<b>384.02</b>	<b>431.58</b>
<b>Net assets/total equity</b>	<b>240.33</b>	<b>227.95</b>
<b>Attributable to:</b>		
Controlling interests	155.51	147.50
Non-controlling interests	84.82	80.45

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Statement of profit and loss**

Description	31 March 2020	31 March 2019
Total revenue	231.06	168.79
Profit for the year	6.66	13.95
Total comprehensive income	10.90	14.61
Attributable to non-controlling interests	3.85	5.15

**Cash flow information**

Description	31 March 2020	31 March 2019
Cash flow from operating activities	(27.00)	(128.55)
Cash flow from investing activities	83.37	(117.12)
Cash flow from financing activities	(57.31)	250.60
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(0.94)</b>	<b>4.93</b>

**Note – 52**

**Business combinations**

**Acquisition of business**

**Acquisition during the year ended 31 March 2019**

One of the subsidiaries of the Holding Company, namely SORIL Infra Resources Limited (“the Subsidiary Company”) acquired 100% stake on 25 January 2019 in Littleman Fiscal Services Private Limited (“the Company”) (via approval received from RBI on 12 December 2018 reference no. DNBS.CMD.No. 829/13.12.037/2018-19), a Non-Banking Finance Company registered with RBI, to foray into financial services business with the primary focus on financing in rural markets. Through this 100% owned NBFC, the Company would undertake such lending business to tap into lending opportunities in un-served rural India. Subsequently, the name of the acquired Company stood changed from Littleman Fiscal Services Private Limited to Indiabulls Rural Finance Private Limited.

Against the total enterprise value of ₹2.14 crores, effective purchase consideration in cash of ₹2.84 crores has been discharged by the Subsidiary Company.

**Details of assets and liabilities of the acquired:**

The fair value of the identifiable assets and liabilities of as at the date of acquisition were:

Particulars	Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited) Fair Value
Deferred tax assets	0.00
Non-current tax assets	0.01
Cash and cash equivalents	2.13
Other current assets	0.00
<b>Total assets</b>	<b>2.14</b>
Other financial liabilities	
Current tax liabilities	-
<b>Total liabilities</b>	
<b>Net assets</b>	<b>2.14</b>
Non-controlling interest	-
Purchase consideration	

(All amount in ₹ crores, unless otherwise stated)

#### Note – 53

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

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount
<b>Holding Company</b>								
Indiabulls Integrated Services Limited	7.28	23.34	21.89	(64.17)	(0.00)	0.01	5.70	(64.16)
<b>Indian subsidiaries</b>								
Indiabulls Life Insurance Company Limited	73.66	236.06	(7.26)	21.28	-	-	(1.89)	21.28
Indiabulls General Insurance Limited	11.60	37.17	(1.30)	3.80	-	-	(0.34)	3.80
Indiabulls Enterprises Limited	0.01	0.04	0.00	(0.01)	-	-	0.00	(0.01)
Indiabulls Pharmacare Limited	0.01	0.04	0.00	(0.01)	-	-	0.00	(0.01)
Sentia Properties Limited	93.68	300.19	0.05	(0.16)	-	-	0.01	(0.16)
Mahabala Infracon Private Limited	(22.82)	(73.13)	21.28	(62.39)	27.56	(229.51)	25.93	(291.90)
Lucina Infrastructure Limited	(61.09)	(195.76)	16.50	(48.38)	20.04	(166.84)	19.11	(215.22)
Ashva Stud and Agricultural Farms Limited	(40.04)	(128.31)	21.57	(63.25)	21.16	(176.24)	21.27	(239.49)
Albasta Wholesale Services Limited	(75.04)	(240.48)	19.57	(57.37)	31.75	(264.40)	28.58	(321.77)
Airmid Aviation Services Limited	(43.69)	(140.00)	9.77	(28.64)	(0.00)	0.01	2.54	(28.63)
SORIL Infra Resources Limited	152.20	487.74	3.05	(5.43)	(0.03)	0.22	0.46	(5.21)
Store One Infra Resources Limited	2.10	6.74	(2.41)	3.55	(0.48)	4.02	(0.67)	7.57
Indiabulls Rural Finance Private Limited <i>(formerly known as Littleman Fiscal Services Private Limited)</i>	2.13	6.82	(2.73)	8.00	-	-	(0.71)	8.00

#### Note – 54

The Hon'ble Supreme Court of India has passed a judgement dated 28 February 2019 and it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Currently, the Group has not considered any impact in these financial statements.

#### Note – 55

##### Other matters

- In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.
- In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2020, have a value on realization, in the ordinary course of the Group's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

##### For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

**Statement containing salient features of the financial statement of subsidiaries**

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 (Form AOC-1)]

**Part A Subsidiaries**

All amount in ₹ crores, unless otherwise stated

S. No.	Name of the Subsidiary	Date since when the Subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets (other than investments)	Total Liabilities	Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend (including corporate dividend tax)	% of shareholding at the end of the reporting period
1	Indiabulls Life Insurance Company Limited	09 December 2017	2019-20	INR	150.00	197.03	115.22	7.58	239.39	45.02	40.82	11.55	29.27	-	100%
2	Indiabulls General Insurance Limited	24 January 2018	2019-20	INR	100.10	62.09	125.33	0.64	37.50	16.74	16.41	2.92	13.49	-	100%
3	Airmid Aviation Services Limited	23 December 2014	2019-20	INR	10.00	(174.12)	115.28	279.90	0.51	29.03	(29.72)	0.05	(29.77)	-	100%
4	Ashva Stud And Agricultural Farms Limited	07 December 2015	2019-20	INR	0.05	(206.63)	34.06	288.34	47.70	17.29	(59.27)	1.27	(60.54)	-	100%
5	Albastha Wholesale Services Limited	30 June 2011	2019-20	INR	100.05	(328.09)	24.58	700.92	448.30	12.55	(57.73)	1.69	(59.42)	-	100%
6	Lucina Infrastructure Limited	01 January 2010	2019-20	INR	8.55	(205.98)	0.19	238.25	40.64	8.00	(47.57)	0.71	(48.27)	-	100%
7	Mahabala Infracon Private Limited	11 December 2014	2019-20	INR	3.05	(270.78)	15.05	345.45	62.67	9.69	(61.23)	1.11	(62.33)	-	100%
8	Sentia Properties Limited	01 January 2010	2019-20	INR	0.05	(34.26)	300.19	334.40	-	-	(0.16)	-	(0.16)	-	100%
9	SORL Infra Resources Limited	10 April 2008	2019-20	INR	31.50	195.28	488.74	381.35	119.39	194.19	(4.89)	-	(4.89)	-	64.71%
10	Store One Infra Resources Limited	15 November 2015	2019-20	INR	1.55	6.74	10.88	2.60	-	7.38	4.56	1.01	3.55	-	64.71%
11	Indiabulls Rural Finance Limited (Formerly known as Littleman Fiscal Services Private Limited)	25 January 2019	2019-20	INR	41.80	82.16	217.67	93.71	-	39.59	10.72	2.72	8.00	-	64.71%
12	Indiabulls Enterprises Limited	02 January 2019	2019-20	INR	0.10	(0.01)	0.01	0.00	0.08	0.00	(0.01)	-	(0.01)	-	100%
13	Indiabulls PharmaCare Limited	17 January 2019	2019-20	INR	0.05	(0.01)	0.01	0.00	0.03	0.00	(0.01)	-	(0.01)	-	100%

**Part B Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate or Joint Ventures held by the company on the year end	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit/(Loss) for the year
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

**Manvinder Singh Walia**  
Whole Time Director  
[DIN:07988213]

**Ajit Kumar Mittal**  
Director  
[DIN:02699815]

Place : Gurugram  
Date : 11 July 2020

**Saurabh Garg**  
Chief Financial Officer  
  
**Priya Jain**  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Indiabulls Integrated Services Limited**

**Report on the Audit of the Standalone Financial Statements**

## **Opinion**

We have audited the accompanying Standalone financial statements of Indiabulls Integrated Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

We draw attention to Note 4 of the Statement, which describes the uncertainties due to the outbreak of 'Covid-2019' pandemic and management's evaluation of the same on the standalone financial results of the Company as at the Balance Sheet date. In view of these uncertainties, the impact on the Company's results is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

## Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
<p><b>Accounting for fresh investment in wholly owned subsidiaries.</b></p> <p>The company's accounting for investment is set out in note 7 to the Standalone Financial Statements.</p> <p>During the year, the company has further invested in its wholly owned subsidiaries and also floated a Employee Welfare Trust.</p> <p>The Investment resulted in the company's total exposure in the investment of its wholly owned subsidiaries amounting to ₹ 616.15 Crores as against ₹ 467.15 Crores in the previous Year. (Refer note 7 to the Standalone financial statement).</p> <p>The above transaction required audit focus due to significant impact on standalone financial statement, the matter has been considered to be of most significance to the audit and accordingly, has been considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to the accounting for fresh investment in wholly owned subsidiaries included, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Understood the nature of transactions i.e. understanding of the terms of the Investments and assessing the proposed accounting treatment in relation to the accounting policies and relevant Ind AS;</li> <li>• Reviewed the management's process for review and implementation of such transactions;</li> <li>• Tested the completeness and accuracy of the data used for making the Investments and</li> <li>• Ensured appropriate disclosures in the standalone Financial Statements with respect to Investments in wholly owned subsidiaries.</li> </ul>

## Information Other than the standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Financial Statements of the current year and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone financial statements dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at 31 March 2020— Refer Note-41 to the standalone financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.
- (h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the Company did not pay any remuneration to its Directors during the year.

For **Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 20097848AAAABO1140

Place: Gurugram

Date: 11 July 2020

## Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, 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 consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
  - (b) The property, plant and equipment and intangible assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment and intangible assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not hold any immovable property (in the nature of property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
  - (a) in our opinion, the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the Company's interest.
  - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.
  - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid under protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.56	--	Assessment Year 2012-13	High Court
Income Tax Act, 1961	Income Tax	0.49	0.01	Assessment Year 2014-15	CIT (A)

- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or debenture-holders during the year. Further, the Company has no loans or borrowings payable to a bank or government during the year.
- (ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

- (xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 20097848AAAABO1140

Place: Gurugram

Date: 11 July 2020

## **Annexure B to the Independent Auditor's Report**

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020 of even date.

### **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with reference to standalone financial statements of Indiabulls Integrated Services Limited ('the Company') as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 20097848AAAABO1140

Place: Gurugram

Date: 11 July 2020

# Balance Sheet

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

	Note	31 March 2020	31 March 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6A	1.03	0.84
(b) Right to use asset	6C	2.80	-
(c) Other intangible assets	6B	0.95	1.36
(d) Financial assets			
Investments	7A	681.67	532.67
Loans	8A	0.12	0.27
(e) Deferred tax assets, net	9	-	1.81
(f) Non-current tax assets, net	10	0.56	0.08
<b>Total</b>		<b>687.13</b>	<b>537.03</b>
<b>Current assets</b>			
(a) Inventories	11	0.38	0.38
(b) Financial Assets			
Investments	7B	223.22	653.58
Trade receivables	12	0.72	0.71
Cash and cash equivalents	13	0.72	0.33
Loans	8B	945.35	452.59
Other financial assets	14	-	0.14
(c) Other current assets	15	2.60	2.44
<b>Total</b>		<b>1,172.99</b>	<b>1,110.17</b>
<b>Total of Assets</b>		<b>1,860.12</b>	<b>1,647.20</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	17.87	17.87
(b) Other equity	17	1,600.43	1,619.26
<b>Total of Equity</b>		<b>1,618.30</b>	<b>1,637.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease Liabilities	18A	2.31	-
Provisions	19A	0.30	0.19
<b>Total</b>		<b>2.61</b>	<b>0.19</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	20	220.97	-
Lease Liabilities	18B	0.50	-
Trade payables	21	-	-
-total outstanding dues of micro enterprises and small enterprises			2.56
-total outstanding dues of creditors other than micro enterprises			
and small enterprises			
Other financial liabilities	22	15.63	0.57
(b) Other current liabilities	23	1.95	1.50
(c) Provisions	19B	0.01	0.00
(d) Current tax liabilities, net	24	0.15	5.25
<b>Total</b>		<b>239.21</b>	<b>9.88</b>
<b>Total of Equity and Liabilities</b>		<b>1,860.12</b>	<b>1,647.20</b>
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

# Statement of profit and loss for the year ended 31 March 2020



(All amount in ₹ crores, unless otherwise stated)

	Note	Year ended		31 March 2019
		31 March 2020	31 March 2019	
<b>Revenue</b>				
Revenue from operations	25	0.06	0.03	
Other income	26	8.54	44.30	
<b>Total Revenue</b>		<b>8.60</b>		<b>44.33</b>
<b>Expenses</b>				
Cost of revenue	27	-	-	
Cost incurred during the year				
Changes in inventories of real estate properties				(0.08) (0.08)
Employee benefits expense	28	6.03	6.39	
Finance costs	29	18.39	0.14	
Depreciation and amortisation expense	6	1.06	0.41	
Other expenses	30	2.16	7.68	
<b>Total Expenses</b>		<b>27.64</b>		<b>14.54</b>
<b>(Loss)/ Profit before tax</b>		<b>(19.04)</b>		<b>29.79</b>
<b>Tax expense</b>	31			
Current tax (including earlier years)		1.60	9.34	
Less: minimum alternative tax credit entitlement		0.38	-	
Deferred tax charge/ (credit)		1.43	(1.43)	
<b>(Loss)/ Profit after tax</b>		<b>(22.45)</b>		<b>21.88</b>
<b>Other comprehensive income</b>				
(i) Items that will not be reclassified to profit or loss				
Re-measurement gain/ (loss) on defined benefits plans		0.01	(0.05)	
<b>Total other comprehensive income net of tax</b>		<b>0.01</b>		<b>(0.05)</b>
<b>Total Comprehensive Income for the year</b>		<b>(22.44)</b>		<b>21.83</b>
<b>Earnings per equity share of par value of ₹2/- each</b>	32			
Basic (₹)		(2.51)	2.65	
Diluted (₹)		(2.51)	2.35	
<b>Summary of significant accounting policies</b>	5			

The accompanying notes form an integral part of the financial statements.

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

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

# Statement of Cash Flows

for the year ended 31 March 2020

(All amount in ₹ crores, unless otherwise stated )

		Year ended	
		31 March 2020	31 March 2019
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	(Loss)/ Profit before tax	(19.04)	29.79
	<b>Adjustments for :</b>		
	Depreciation and amortisation expense	1.06	0.41
	Interest income	(6.77)	(17.32)
	Dividend income	(0.18)	(0.18)
	Interest expense	17.01	-
	Profit on sale of Investments	(0.45)	(25.71)
	Provision for employee benefits	0.11	0.05
	Loss on sale /written off of property, plant and equipment	0.01	0.00
	Balance written back	(0.58)	(1.08)
	Fair valuation of financial assets	(0.56)	-
	Share based payment expense	3.62	5.15
	<b>Operating loss before working capital changes and other adjustments</b>	<b>(5.77)</b>	<b>(8.89)</b>
	<b>Working capital changes and other adjustments:</b>		
	Trade receivables	(0.01)	1.08
	Loans and advances	(0.18)	-
	Other financial assets	0.14	0.30
	Other assets	(0.16)	(1.84)
	Inventories	-	(0.08)
	Trade payables	(2.56)	2.19
	Other financial liabilities	0.04	0.27
	Other current liabilities	1.03	(0.58)
	<b>Cash generated from / (used in) operating activities</b>	<b>(7.47)</b>	<b>(7.54)</b>
	Income tax (paid) / refund received, net	(7.17)	(5.60)
	<b>Net used in operating activities</b>	<b>(14.64)</b>	<b>(13.14)</b>
<b>B.</b>	<b>Cash flow from investing activities:</b>		
	Purchase of property, plant and equipment and other intangible assets	(0.55)	(2.43)
	Investment in equity shares of subsidiaries	(149.00)	(211.60)
	Sale/ (Investment) in securities, net	431.37	(323.79)
	Inter-corporate loans given/ received back, net	(492.50)	(84.01)
	Interest received	6.77	16.99
	Dividend income received	0.18	0.18
	<b>Net cash used in investing activities</b>	<b>(203.73)</b>	<b>(604.65)</b>

# Statement of Cash Flows

for the year ended 31 March 2020 (Contd.)



(All amount in ₹ crores, unless otherwise stated )

		Year ended	
		31 March 2020	31 March 2019
<b>C.</b>	<b>Cash flow from financing activities: (Refer note-46)</b>		
	Proceeds from issue of equity share capital (including securities premium)	-	702.59
	Proceeds from conversion of warrants into equity share capital	-	173.25
	Redemption of preference shares	-	(251.77)
	Payment of lease liabilities	(0.35)	-
	Inter-corporate borrowings taken	263.44	-
	Inter-corporate borrowings repaid	(42.47)	-
	Interest paid on borrowings	(1.86)	-
	Dividends paid including corporate dividend tax	-	(6.61)
	<b>Net cash flow from financing activities</b>	<b>218.76</b>	<b>617.46</b>
<b>D.</b>	<b>Increase/ (decrease) in cash and cash equivalents, net (A+B+C)</b>	<b>0.39</b>	<b>(0.33)</b>
<b>E.</b>	Cash and cash equivalents at the beginning of the year	0.33	0.66
<b>F.</b>	<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>0.72</b>	<b>0.33</b>
<b>G.</b>	<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>		
	Cash and cash equivalents includes		
	Cash on hand	0.00	0.00
	Balances with banks		
	In current accounts	0.67	0.28
	In unclaimed dividend account	0.05	0.05
	<b>Total</b>	<b>0.72</b>	<b>0.33</b>

- a) The accompanying notes form an integral part of the financial statements.
- b) Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The Company has presented the above cash flow statement by using the indirect method.

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

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

# Statement of changes in equity

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

**(A) Equity share capital\***

Particulars	Opening balance as at 01 April 2018	Issue of equity share capital during the year	Balance as at 31 March 2019	Issue of equity share capital during the year	Balance as at 31 March 2020
Equity share capital	10.97	6.90	17.87	-	17.87

**(B) Other equity\*\***

(All amount in ₹ crores, unless otherwise stated)

Particulars	Reserves and surplus					Other Comprehensive Income	Share Warrant Money	Total
	General reserve	Capital reserve	Deferred employee compensation reserve	Securities Premium	Retained earnings			
<b>Balance as at 31 March 2018</b>	<b>501.50</b>	<b>9.42</b>	<b>1.56</b>	<b>53.59</b>	<b>61.91</b>	<b>-</b>	<b>101.97</b>	<b>729.95</b>
Profit/ (Loss) for the year	-	-	-	-	21.88	-	-	<b>21.88</b>
Other comprehensive income:								
Re-measurement of defined benefit plans ( net of tax)	-	-	-	-	(0.05)	-	-	<b>(0.05)</b>
Share based payment expense	-	-	5.15	-	-	-	-	<b>5.15</b>
Dividend on equity shares	-	-	-	-	(5.48)	-	-	<b>(5.48)</b>
Corporate dividend tax	-	-	-	-	(1.13)	-	-	<b>(1.13)</b>
Issue of equity shares (conversion of share warrants)	-	-	-	926.69		-	(57.75)	<b>868.94</b>
<b>Balance as at 31 March 2019</b>	<b>501.50</b>	<b>9.42</b>	<b>6.71</b>	<b>980.28</b>	<b>77.13</b>	<b>-</b>	<b>44.22</b>	<b>1,619.26</b>
Profit/ (Loss) for the year	-	-	-	-	(22.45)	-	-	<b>(22.45)</b>
Other comprehensive income:								
Re-measurement of defined benefit plans ( net of tax)	-	-	-	-	0.01	-	-	<b>0.01</b>
Share based payment expense	-	-	3.62	-	-	-	-	<b>3.62</b>
Forfeiture of Share Warrant Money	-	44.22	-	-	-	-	(44.22)	-
<b>Balance as at 31 March 2020</b>	<b>501.50</b>	<b>53.64</b>	<b>10.33</b>	<b>980.28</b>	<b>54.69</b>	<b>-</b>	<b>-</b>	<b>1,600.43</b>

\*Refer Note-16

\*\*Refer Note-17

The accompanying notes are integral part of the financial statements

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

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Priya Jain**

Company Secretary

**Saurabh Garg**

Chief Financial Officer

**1. Nature of principal activities**

Indiabulls Integrated Services Limited "the Company", was incorporated on 24 July 2007. The Company's registered office stands changed from M-62 and 63, First Floor, Connaught Place, New Delhi – 110001, India to Plot No. 448-451 Udyog Vihar, Phase-V Gurugram - 122016, Haryana, India with effect from 15 January 2019.

**2. General information and statement of compliance with Ind AS**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other related provisions of the Act.

The Company has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 11 July 2020. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

**3. Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. Further, share based payments are also measured at fair value of the stock options.

**4. Estimation of uncertainties relating to the global health pandemic from covid-19 (covid-19):**

The Company has considered the possible effect that may result from the pandemic relating to COVID-19, The Company has made a detailed assessment of its liquidity position and of the recoverability and carrying values of its assets as at balance sheet date, however, the actual impact of Covid-19 pandemic on the Company's results remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

**5. Summary of significant accounting policies**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

**5.1 Current versus non-current classification**

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 Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**5.2 Revenue recognition**

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

*Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

*Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

*Income from sale of Investment*

Profit on sale of investment is recognised on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### 5.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

### 5.4 Property, plant and equipment (PPE)

#### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Building	1-3 years
Plant and equipment	12 years
Office equipment	5 years
Computers	3 – 6 years
Furniture and fixtures	10 years
Vehicles	8 years

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

#### *De-recognition*

An item of property, plant and equipment initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is derecognised.

### 5.5 Intangible assets

#### *Recognition and initial measurement*

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

#### *Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period four years from the date of its acquisition.

### 5.6 Foreign currency

#### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

#### *Transactions and balances*

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

Foreign currency monetary items are converted to functional 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.

(All amount in ₹ crores, unless otherwise stated)

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

#### **5.7 Impairment of non-financial assets**

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

#### **5.8 Financial instruments**

##### **Financial assets**

###### *Recognition and initial measurement*

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

###### *Subsequent measurement*

- i. Debt instruments at amortised cost – A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. Equity instruments - All equity investments in scope of ‘Ind AS 109 Financial Instruments’ (‘Ind AS 109’) are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

- iii. Mutual funds – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

###### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### **Financial liabilities**

###### *Recognition and initial measurement – amortised cost*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

###### *Subsequent measurement – Amortised cost*

Subsequent to initial measurement, all financial liabilities are measured at amortised cost using the effective interest method.

###### *Recognition and initial and subsequent measurement – fair value*

A financial liability is classified as fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured (initial and subsequent) at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss.

###### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### **Compound financial instrument**

Optionally convertible debentures are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Such instruments are classified as current financial liability if the conversion option vests with the holder.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **5.9 Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

### **5.10 Inventories**

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

### **5.11 Income taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside statement of profit and loss is recognised in the statement in which the relevant item is recognised.

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

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

(All amount in ₹ crores, unless otherwise stated)

#### **5.12 Cash and cash equivalents**

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

#### **5.13 Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

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

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

#### **5.14 Earnings per share**

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

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

#### **5.15 Employee benefits**

##### *Defined contribution plan*

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

##### *Defined benefit plan*

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

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

The Company also provides benefit of compensated absences to its employees which are in the nature of long -term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

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

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### **5.16 Share based payments**

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

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### 5.17 Right of use assets and lease liabilities

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### *Recognition and initial measurement*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### *Subsequent measurement*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

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

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

#### *Significant management judgements*

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

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

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

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

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

#### *Significant estimates*

**Revenue and inventories** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are

(All amount in ₹ crores, unless otherwise stated)

capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

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

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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 6A**

**Property, Plant and Equipment**

	<b>Plant &amp; Machinery</b>	<b>Office Equipment</b>	<b>Computers</b>	<b>Furniture and Fixtures</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross carrying amount</b>						
Balance as at 01 April 2018	0.03	0.01	0.62	0.02	0.71	1.39
Additions	-	-	0.57	-	0.21	0.78
Disposals/assets written off	-	0.00	0.62	0.01	0.42	1.05
<b>Balance as at 31 March 2019</b>	<b>0.03</b>	<b>0.01</b>	<b>0.57</b>	<b>0.01</b>	<b>0.50</b>	<b>1.12</b>
Additions	-	-	0.55	-	-	0.55
Disposals/assets written off	0.03	-	-	0.01	-	0.04
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.01</b>	<b>1.12</b>	<b>-</b>	<b>0.50</b>	<b>1.63</b>
<b>Accumulated depreciation</b>						
Balance as at 01 April 2018	0.02	0.01	0.62	0.01	0.56	1.22
Charge for the year	0.00	0.00	0.08	0.00	0.04	0.12
Adjustments for disposals	-	0.00	0.62	0.00	0.42	1.04
<b>Balance as at 31 March 2019</b>	<b>0.02</b>	<b>0.01</b>	<b>0.08</b>	<b>0.01</b>	<b>0.18</b>	<b>0.30</b>
Charge for the year	0.00	0.00	0.27	0.00	0.06	0.33
Adjustments for disposals	0.02	-	-	0.01	-	0.03
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.01</b>	<b>0.35</b>	<b>-</b>	<b>0.24</b>	<b>0.60</b>
<b>Net carrying value as at 31 March 2019</b>	<b>0.01</b>	<b>0.00</b>	<b>0.49</b>	<b>0.00</b>	<b>0.32</b>	<b>0.84</b>
<b>Net carrying value as at 31 March 2020</b>	<b>-</b>	<b>0.00</b>	<b>0.77</b>	<b>-</b>	<b>0.26</b>	<b>1.03</b>

- (i) There is no restriction on title of the property, plant and equipment. None of the property, plant and equipment has been pledged as security.
- (ii) There are no contractual commitments for the acquisition of property, plant and equipment.

(All amount in ₹ crores, unless otherwise stated)

**Note -6B**

**Other Intangible Assets**

	Software	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2018	4.40	4.40
Additions	1.65	1.65
Disposals/assets written off	4.40	4.40
<b>Balance as at 31 March 2019</b>	<b>1.65</b>	<b>1.65</b>
Additions	-	-
Disposals/assets written off	-	-
<b>Balance as at 31 March 2020</b>	<b>1.65</b>	<b>1.65</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2018	4.40	4.40
Charge for the year	0.29	0.29
Adjustments for disposals	4.40	4.40
<b>Balance as at 31 March 2019</b>	<b>0.29</b>	<b>0.29</b>
Charge for the year	0.41	0.41
Adjustments for disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.70</b>	<b>0.70</b>
<b>Net carrying value as at 31 March 2019</b>	<b>1.36</b>	<b>1.36</b>
<b>Net carrying value as at 31 March 2020</b>	<b>0.95</b>	<b>0.95</b>

**Note -6C**

**Right to Use Asset (Refer note - 37)**

	Office Premises	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2019	-	-
Additions	3.12	3.12
Disposals/assets written off	-	-
<b>Balance as at 31 March 2020</b>	<b>3.12</b>	<b>3.12</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2019	-	-
Charge for the year	0.32	0.32
Adjustments for disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.32</b>	<b>0.32</b>
<b>Net carrying value as at 31 March 2020</b>	<b>2.80</b>	<b>2.80</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 7**

Particulars	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>A Investments - non-current*</b>				
<b>(i) Investment in equity shares</b>				
<b>(a) Subsidiaries (Fully paid up)-Unquoted**</b>				
Lucina Infrastructure Limited	8,550,000	10.83	8,550,000	10.83
Sentia Properties Limited	50,000	37.03	50,000	37.03
Albasta Wholesale Services Limited	100,050,000	100.07	100,050,000	100.07
Mahabala Infracon Private Limited	3,050,000	3.05	3,050,000	3.05
Ashva Stud and Agricultural Farms Limited	50,000	0.05	50,000	0.05
Airmid Aviation Services Limited	-	5.02	-	5.02
Indiabulls General Insurance Limited	100,099,998	150.00	1,000,000	1.00
Indiabulls Life Insurance Company Limited	150,000,000	310.00	150,000,000	310.00
Indiabulls Enterprises Limited	100,000	0.10	100,000	0.10
		<b>616.15</b>		<b>467.15</b>
<b>(b) Subsidiaries (Fully paid up) - Quoted**</b>				
SORIL Infra Resources Limited	20,383,310	65.52	20,383,310	65.52
		<b>65.52</b>		<b>65.52</b>
<b>(ii) Investment in Trust</b>				
Indiabulls Integrated Services Employee Welfare Trust		0.00		-
		<b>0.00</b>		-
	During the year, the Company has set up an employees welfare trust titled "Indiabulls Integrated Services Employee Welfare Trust" (the "Trust") to efficiently manage the current as well as any future share based employees benefits schemes.			
<b>Total of Non-current Investment</b>		<b>681.67</b>		<b>532.67</b>
<b>Aggregate book value of unquoted investments</b>		<b>616.15</b>		<b>467.15</b>
<b>Aggregate book value of quoted investments</b>		<b>65.52</b>		<b>65.52</b>
<b>Aggregate market value of quoted investments</b>		<b>87.24</b>		<b>618.84</b>

\*Investments in equity instruments of subsidiaries are stated at cost as per IND AS 27, separate financial statements.

\*\* Face value of ₹10/- each unless otherwise stated

B Investments - current				
	Number	(₹ in crores)	Number	(₹ in crores)
<b>(i) Investment in preference shares</b>				
Subsidiaries (fully paid up) - Unquoted**				
Albasta Wholesale Services Limited	30,000,000	30.00	30,000,000	30.00
SORIL Infra Resources Limited	19,795,000	174.20	19,795,000	174.20
		<b>204.20</b>		<b>204.20</b>
	** Face value of ₹10/- each unless otherwise stated			
<b>(ii) Investment in mutual funds - Quoted</b>				
Indiabulls Liquid Fund - Direct Plan - Growth [Nil (31-March-2019: 31,254.942) units, NAV: Nil (31-March-2019: ₹ 1,825.3771)]"		-		5.71
Indiabulls Overnight Fund - Direct Plan - Growth [22,670.246 (31-March-2019: Nil) units, NAV: ₹1,036.618 (31-March-2019: Nil)]"		2.35		-
		<b>2.35</b>		<b>5.71</b>

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
(iii) Investment in Commercial Papers - Quoted Commercial Paper Indiabulls Real Estate Limited 24/05/2019 [Nil (31 March 2019: 9000) units Face Value: Nil (31 March 2019: ₹ 5,00,000)]		-		443.68
		-		443.68
(iv) Investment in Non-Convertible Debentures - Quoted Indiabulls Consumer Finance Limited (Face Value of ₹ 1,000 each) [ 1,60,000 units (31 March 2019: Nil), NAV: ₹1,035.001 (31 March 2019: Nil)]" Add: Interest Accrued on debentures		16.56 0.11 16.67		- - -
Total of current investments		223.22		653.58
Total of Non-current and current investments		904.89		1,186.25
Aggregate book value of unquoted investments		204.20		204.20
Aggregate market value of quoted investments		18.91		449.39
Aggregate book value of quoted investments		18.35		449.39

#### Note - 8

##### Loans

Particulars	31 March 2020	31 March 2019
<b>A Non-Current</b>		
<b>Security deposits</b>		
Considered good - Unsecured	0.12	0.27
<b>Total</b>	<b>0.12</b>	<b>0.27</b>
<b>B Current</b>		
<b>Security deposits</b>		
Considered good - Unsecured	0.27	-
Inter-corporate loans to related parties (refer note-35)		
Considered doubtful - Unsecured	945.08	452.59
<b>Total</b>	<b>945.35</b>	<b>452.59</b>

#### Note - 9

##### Deferred tax assets, net

Particulars	31 March 2020	31 March 2019
Deferred tax asset arising on account of :		
Share based payment	-	1.43
Minimum alternative tax credit entitlement	-	0.38
<b>Total</b>	<b>-</b>	<b>1.81</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

Caption wise movement in deferred tax assets as follows:

Particulars	01 April 2018	Recognised in other comprehensive income	Recognised/(reversed) in profit and loss	31 March 2019
Deferred tax asset arising on account of :				
Share based payment	-	-	1.43	1.43
Minimum alternative tax credit entitlement	0.38	-	-	0.38
<b>Total</b>	<b>0.38</b>	-	<b>1.43</b>	<b>1.81</b>

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised/(reversed) in profit and loss	31 March 2020
Deferred tax asset arising on account of :				
Share based payment	1.43	-	(1.43)	-
Minimum alternative tax credit entitlement	0.38	-	(0.38)	-
<b>Total</b>	<b>1.81</b>	-	<b>(1.81)</b>	<b>-</b>

The Company has not recognised deferred tax asset on unabsorbed losses, depreciation and amortisation & provision of employee benefits to the extent of ₹ 22.45 crorers since there is no convincing evidence which demonstrate probability of realisation of deferred tax asset in near future.

**Note - 10**

**Non-current tax assets, net**

Particulars	31 March 2020	31 March 2019
Advance income tax, including tax deducted at source	0.56	0.08
<b>Total</b>	<b>0.56</b>	<b>0.08</b>

**Note - 11**

**Inventories**

Particulars	31 March 2020	31 March 2019
<b>Real estate properties - developed (at cost)</b>		
Cost of developed properties	0.38	0.38
<b>Total</b>	<b>0.38</b>	<b>0.38</b>

**Note - 12**

**Trade receivables\***

Particulars	31 March 2020	31 March 2019
Considered good - Unsecured	0.72	0.71
<b>Total</b>	<b>0.72</b>	<b>0.71</b>

\*The Company does not have any trade receivables which are either credit impaired or where there is significant increase in credit risk.

**Note - 13**

**Cash and cash equivalents**

Particulars	31 March 2020	31 March 2019
Cash on hand	0.00	0.00
Balances with banks		
In current accounts	0.67	0.28
In unclaimed dividend account*	0.05	0.05
<b>Total</b>	<b>0.72</b>	<b>0.33</b>

\*Unclaimed dividend account pertains to dividend not claimed by the equity shareholders and the Company does not have any right on the said money.

(All amount in ₹ crores, unless otherwise stated)

**Note - 14**

**Other financial assets - current**

Particulars	31 March 2020	31 March 2019
<b>Other advances</b>		
Considered good, unsecured	-	0.14
<b>Total</b>	-	<b>0.14</b>

**Note - 15**

**Other current assets**

Particulars	31 March 2020	31 March 2019
<b>(Considered good, unsecured)</b>		
Advance to staff	0.02	0.07
Advance to suppliers/service providers	0.06	0.04
Prepaid expenses	0.01	0.01
Balances with statutory and government authorities	2.51	2.32
<b>Total</b>	<b>2.60</b>	<b>2.44</b>

**Note - 16**

Particulars	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>A Equity share capital</b>				
i <b>Authorised</b>				
Equity shares of face value of ₹2 each	400,000,000	80.00	400,000,000	80.00
	<b>400,000,000</b>	<b>80.00</b>	<b>400,000,000</b>	<b>80.00</b>
ii <b>Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹2 each fully paid up	89,325,569	17.87	89,325,569	17.87
	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>
iii <b>Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	89,325,569	17.87	54,818,493	10.97
Add: Issued during the year	-	-	34,507,076	6.90
Less: Redeemed during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>

- iv During the year ended 31 March 2018, the Board being authorised by shareholders at the general meeting held on 22 November 2017, and in accordance with the provisions of section 42 and 62 of the Companies Act, 2013 and requirement contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, approved the preferential issue of upto 3,50,00,000 (Three crores fifty lakhs) Warrants, convertible into equivalent no. of equity shares of face value ₹2/- each of the Company at the conversion price of ₹132/- (including premium of ₹130/-) per equity share to M/s Powerscreen Media Private Limited, M/s Calleis Real Estate Private Limited, M/s Calleis Constructions Private Limited and M/s Calleis Properties Private Limited, the promoter group entities, in accordance with applicable provisions of Chapter VII of Securities & Exchange Board of India (Issue of Capital & Disclosure requirement) Regulations 2009, ("SEBI ICDR Regulations"). During the current year, the Company has, upon conversion of 41,00,000 share warrants, allotted 41,00,000 equity shares of face value of ₹2 each at the issue price of ₹132 (including premium of ₹130) per equity share held by promoter group entities.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

*(All amount in ₹ crores, unless otherwise stated)*

- v (1) The Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, issued and allotted:
    - (a) on 28 May 2018, an aggregate of 1,00,00,000 fully paid up equity shares of face value of ₹ 2 each of the Company at an issue price of ₹330 (including a premium of ₹ 328) per Equity Share, to certain foreign portfolio investors, registered with the SEBI, pursuant to and in terms of shareholders' approval dated 22 May 2018; and
    - (b) on 25 June 2018, an aggregate of 70,07,076 fully paid up equity shares of face value of ₹ 2 each of the Company at an issue price of ₹532 (including a premium of ₹ 530) per Equity Share, to certain foreign investors, pursuant to and in terms of shareholders' approval dated 11 June 2018.
  - (2) The Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and shareholders' approval dated 16 December 2017, allotted:
    - (a) on 28 May 2018, an aggregate of 75,00,000 equity shares; and
    - (b) on 25 June 2018, an aggregate of 1,00,00,000 equity shares, at a conversion price of ₹ 132 (including a premium of ₹ 130) per equity share to certain promoter group entities of the Company, upon exercise/conversion of equivalent number of warrants.
- Pursuant to the preferential allotment and conversion of warrants, the paid up share capital of the Company stands increased to ₹17.87 crores divided into 8,93,25,569 shares of ₹ 2 each.
- vi In order to not alter the capital structure of the Company, ahead of the on-going composite scheme of arrangement amongst Indiabulls Integrated Services Limited ("the Company"), its direct and indirect subsidiaries and Indiabulls Pharmaceuticals Limited, and their respective shareholders and creditors, which was approved by the Board of Directors of the Company on 29 January 2019 ("Scheme"), on which the regulatory approvals are underway, and with a view to avoid any delay in implementation of the Scheme, which may occur due to change in share capital of the Company upon conversion of convertible warrants (which were issued by the Company on 02 January 2018 i.e. around a year prior to the approval of the Scheme), the warrant-holder promoter entities (namely Powerscreen Media Private Limited, Calleis Real Estate Private Limited, Calleis Constructions Private Limited and Calleis Properties Private Limited) decided to forego their rights of conversion of their entire outstanding convertible warrants into equity shares of the Company.
  - With this, in accordance with the terms of issuance of these warrants, the entire outstanding convertible warrants stood lapsed, and the aggregate of ₹ 44.22 Crores (being 25% upfront money paid by the warrant-holders to the Company at the time of allotment of these warrants) has been forfeited by the Company.
  - vii The Company does not have any shares issued for consideration other than cash during the immediately preceding five years. Company did not buy back any shares during immediately preceding five years.
  - viii Rights, preferences and restrictions attached to equity shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

### ix Details of shareholder holding more than 5% share capital

Name of the equity shareholder	Number of shares As at 31 March 2020	Number of shares As at 31 March 2019
Jyeshta Infrastructure Private Limited	8,330,412	8,330,412
Kritikka Infrastructure Private Limited	8,553,576	8,553,576
Steadview Capital Mauritius Limited	8,253,187	8,253,187
Calleis Real Estate Private Limited	5,400,000	5,400,000
Calleis Constructions Private Limited	5,400,000	5,400,000
Calleis Properties Private Limited	5,400,000	5,400,000
Powerscreen Media Private Limited	5,400,000	5,400,000

(All amount in ₹ crores, unless otherwise stated)

#### B Preference share capital

	Authorised	31 March 2020		31 March 2019	
		Number	(₹ in crores)	Number	(₹ in crores)
	Preference shares of face value of ₹10 each	30,000,000	30.00	30,000,000	30.00
		30,000,000	30.00	30,000,000	30.00

#### Note - 17

##### Other Equity

Particulars	31 March 2020	31 March 2019
<b>Reserves and Surplus</b>		
General reserve	501.50	501.50
Capital reserve	53.64	9.42
Deferred employee compensation reserve	10.33	6.71
Securities Premium	980.28	980.28
Retained earnings	54.69	77.13
<b>Others</b>		
Share Warrant Money	-	44.22
<b>Total</b>	<b>1,600.44</b>	<b>1,619.26</b>

##### Nature and purpose of other reserves

###### *General reserve*

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

###### *Capital reserve*

The Company has issued share warrants in the earlier years. This reserve is created on account of forfeiture of share application money received on account of issuance of share warrants as share warrants holders did not exercise their rights.

###### *Deferred employee compensation reserve*

The reserve is used to recognize the expenses related to stock option issued to employees under Holding Company's employee stock option plans.

###### *Securities premium*

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

###### *Share Warrant Money*

The Company has issued share warrants to certain promoter group companies and taken advance at 25% of the exercise price as on grant date. As per the terms of issue of these warrants, and upon payment of exercise price as reduced by 25% upfront money paid at the time of allotment of warrants, the warrant holders were entitled to apply for and obtain allotment of one equity share of ₹2 each fully paid up of the Company against each warrant held, within a period of eighteen months from the date of allotment of the said warrants. Upon conversion, the said share warrant money gets adjusted with the equity share capital and securities premium as per the warrant grant terms.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 18**

**Lease Liabilities (Refer note-37)**

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>A</b>	<b>Non-Current</b>		
	Office Premises	2.31	-
	<b>Total</b>	<b>2.31</b>	-
<b>B</b>	<b>Current</b>		
	Office Premises	0.50	-
	<b>Total</b>	<b>0.50</b>	-

**Note - 19**

**Provisions**

<b>Particulars</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>A</b>	<b>Non-current</b>		
	Provision for employee benefits:		
	Gratuity	0.21	0.17
	Compensated absences	0.09	0.02
	<b>Total</b>	<b>0.30</b>	<b>0.19</b>
<b>B</b>	<b>Current</b>		
	Provision for employee benefits:		
	Gratuity	0.01	0.00
	Compensated absences	0.00	0.00
	<b>Total</b>	<b>0.01</b>	<b>0.00</b>

**Note - 20**

**Borrowings - current**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Loans and advances from related parties	220.97	-
<b>Total</b>	<b>220.97</b>	-

**Note - 21**

**Trade payables - current**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Due to micro and small enterprises*	-	-
Due to others	-	2.56
<b>Total</b>	<b>-</b>	<b>2.56</b>

(All amount in ₹ crores, unless otherwise stated)

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

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

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

#### Note - 22

##### Other financial liabilities - current

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Interest accrued but not due on inter-corporate borrowings	15.02	-
Expenses payable -		
Related parties	0.00	-
Others	0.55	0.51
Security deposits	0.01	0.01
Unpaid dividend on equity shares*	0.05	0.05
<b>Total</b>	<b>15.63</b>	<b>0.57</b>

\* In respect of amount as mentioned under section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.

#### Note - 23

##### Other current liabilities

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Payable to statutory authorities	1.71	0.60
Advance from customers	0.24	0.90
<b>Total</b>	<b>1.95</b>	<b>1.50</b>

#### Note - 24

##### Current tax liabilities, net (Refer note-48)

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Provision for income tax	0.15	5.25
<b>Total</b>	<b>0.15</b>	<b>5.25</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 25**

**Revenue from operations**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Revenue from real estate project	-	0.02
<b>Other operating income</b>		
Interest income	-	0.01
Others	0.04	-
Referral Commission	0.02	-
<b>Total</b>	<b>0.06</b>	<b>0.03</b>

**Note - 26**

**Other income**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Dividend Income	0.18	0.18
Interest Income	5.48	16.99
Interest income on NCD	0.84	-
Interest on Commercial Papers	0.45	0.33
Finance Income	0.00	-
Profit on sale of investments, net	0.45	25.71
Income on fair valuation of financial instruments	0.56	0.01
Balance written back	0.58	1.08
<b>Total</b>	<b>8.54</b>	<b>44.30</b>

**Note - 27**

**Cost of revenue**

<b>Particulars</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Cost incurred during the year	-	-
(Increase) / decrease in inventory of finished goods		
Opening stock	0.38	0.30
Closing stock	(0.38)	(0.38)
<b>Total</b>	<b>-</b>	<b>(0.08)</b>

(All amount in ₹ crores, unless otherwise stated)

**Note - 28**

**Employee benefits expense**

Particulars	31 March 2020	31 March 2019
Salaries and wages	2.18	1.18
Bonus and ex-gratia	0.09	-
Gratuity and compensated absences	0.11	0.05
Contribution to provident fund	0.01	0.01
Staff welfare expenses	0.02	0.01
Share based payment expense (refer note - 44)	3.62	5.15
<b>Total</b>	<b>6.03</b>	<b>6.39</b>

**Note - 29**

**Finance costs**

Particulars	31 March 2020	31 March 2019
Interest expenses on taxation	1.39	0.14
Interest on inter-corporate borrowings	16.88	-
Interest on finance lease	0.12	-
Others	-	0.00
<b>Total</b>	<b>18.39</b>	<b>0.14</b>

**Note - 30**

**Other expenses**

Particulars	31 March 2020	31 March 2019
Advertisement expenses	0.04	5.77
Auditor's remuneration - as auditor (refer note (i) below)	0.28	0.20
Director sitting fees (Paid to Independent Directors)	0.08	0.11
Bank charges	0.00	0.00
Communication expenses	0.22	0.14
Corporate social responsibility expenses (refer note - 43)	0.23	0.03
Power and fuel expenses	0.01	-
Legal and professional charges	0.72	0.91
Printing and stationery	0.06	0.02
Rates and taxes	0.13	0.25
Property plant and equipment written-off	0.01	0.00
Repairs and maintenance		
Buildings	0.04	-
Vehicles	0.03	0.02
Others	0.13	0.02
Brokerage and marketing expenses	0.00	0.02
Security Expenses	0.08	0.04
Traveling and conveyance expenses	0.02	0.03
Insurance expenses	0.05	-
Customer incentive and other charges	0.00	0.01
Miscellaneous expenses	0.03	0.10
<b>Total</b>	<b>2.16</b>	<b>7.68</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
<b>(i) Details of auditor's remuneration</b>		
<b>Auditor's remuneration</b>		
Audit fee	0.26	0.20
Others	0.02	-
<b>Total</b>	<b>0.28</b>	<b>0.20</b>

**Note - 31**

**Income tax**

Particulars	31 March 2020	31 March 2019
<b>Tax expense comprises of:</b>		
Current tax, including earlier years tax expenses	1.60	9.34
Less: Minimum alternate tax credit entitlement	0.38	-
Deferred tax charge/ (credit) (refer note - 9)	1.43	(1.43)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3.41</b>	<b>7.91</b>
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2019: 27.82%) and the reported tax expense in statement of profit and loss are as follows:		
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Accounting (loss)/ profit before income tax	(19.04)	29.79
At statutory income tax rate of 25.168% (31 March 2019 : 27.82%), computed tax expense	-	8.29
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of exempted income	-	(0.05)
Tax impact of earlier years	1.60	0.35
Tax impact of expenses which will never be allowed	-	1.47
Deferred tax reversed/ (recognised)	1.81	(1.43)
Tax impact on brought forward losses	-	(0.60)
Others	-	(0.12)
<b>Income tax expense</b>	<b>3.41</b>	<b>7.91</b>

**Note - 32**

**Earnings per share (EPS)**

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

(All amount in ₹ crores, unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computation

Particulars	31 March 2020	31 March 2019
<b>Profit attributable to equity holders</b>	(22.45)	21.88
Weighted average number of equity shares for basic earnings per share	89,325,569	82,632,140
Add: Share Warrants	-	10,348,262
Weighted average number of equity shares adjusted for diluted earnings per share	<b>89,325,569</b>	<b>92,980,402</b>
<b>Earnings per equity share of face value ₹2/-</b>		
(1) Basic (₹)	(2.51)	2.65
(2) Diluted (₹)	(2.51)	2.35

#### Note - 33

##### Fair value measurements

###### (i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability.

###### (ii) Financial assets measured at fair value

31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	2.35	-	-	2.35
Non-convertible debentures	16.56	-	-	16.56
<b>Total financial assets</b>	<b>18.91</b>	-	-	<b>18.91</b>

##### Financial assets measured at fair value

31 March 2019	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	5.71	-	-	5.71
<b>Total financial assets</b>	<b>5.71</b>	-	-	<b>5.71</b>

###### (iii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include -

- (i) Investments in equity instruments of subsidiaries are stated at cost as per IND AS 27, separate financial statements.
- (ii) Use of net asset value for mutual funds on the basis of the statement received from investee party.
- (iii) Unit price of bonds/non-convertible debentures on the last trading day of the respective financial year as per the Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines.
- (iv) Unit price of Bonds on the last trading day of the respective financial year in secondary market.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note - 34**

**Financial risk management**

**i) Financial instruments by category**

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial assets</b>						
Investments						
Mutual funds	2.35	-	-	5.71	-	-
Non-convertible debentures	16.56	-	-	-	-	-
Commercial Papers	-	-	-	-	-	443.68
Trade receivables	-	-	0.72	-	-	0.71
Loans	-	-	945.08	-	-	452.59
Cash and cash equivalents	-	-	0.72	-	-	0.33
Security deposits	-	-	0.39	-	-	0.27
Other financial assets	-	-	-	-	-	0.14
<b>Total financial assets</b>	<b>18.91</b>	-	<b>946.91</b>	<b>5.71</b>	-	<b>897.72</b>

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	235.99	-	-	-
Trade payables	-	-	-	-	-	2.56
Security deposits	-	-	0.01	-	-	0.01
Other financial liabilities			0.60			0.56
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>236.60</b>	<b>-</b>	<b>-</b>	<b>3.13</b>

*Investment in subsidiaries and associates are measured at cost as per Ind AS 27, 'Separate financial statements'.*

\* These financial assets are mandatorily measured at fair value.

# These financial assets represents investment in equity instruments designated as such upon initial recognition.

**ii) Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

**iii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(All amount in ₹ crores, unless otherwise stated)

#### (A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

##### a) Credit risk management

###### i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, investments(current) and other financial assets	12 month expected credit loss/Life time expected credit loss
B: Moderate credit risk	Loans	12 month expected credit loss/Life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

###### Assets under credit risk –

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, security deposits, loans, investments(short -term), loans and other financial assets	20.74	903.43
B: Moderate credit risk	Loans	945.08	-

###### ii) Concentration of financial assets

The Company's principal business activities are real estate project advisory, construction and development of real estate projects and all other related activities. The Company's outstanding receivables are for real estate project advisory business. Loans and other financial assets majorly represents loans to subsidiaries and deposits given for business purposes.

##### b) Credit risk exposure

###### Provision for expected credit losses

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

###### As at 31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	904.78	-	904.78
Trade Receivables	0.72	-	0.72
Cash and cash equivalents	0.72	-	0.72
Loans	945.08	-	945.08
Security deposit	0.39	-	0.39

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**As at 31 March 2019**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	1,186.25	-	1,186.25
Trade Receivables	0.71	-	0.71
Cash and cash equivalents	0.33	-	0.33
Loans	452.59	-	452.59
Security deposit	0.27	-	0.27
Other financial assets	0.14	-	0.14

Expected credit loss for trade receivables under simplified approach

The Company's outstanding trade receivables are less than six months old and the Company expects that money will be received in due course.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

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

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings(including interest accrued thereon)	235.99	-	-	-	235.99
Trade payables	-	-	-	-	-
Other financial liabilities	0.61	-	-	-	0.61
<b>Total</b>	<b>236.60</b>	-	-	-	<b>236.60</b>

31 March 2019	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings(including interest accrued thereon)	-	-	-	-	-
Trade payables	2.56	-	-	-	2.56
Other financial liabilities	0.57	-	-	-	0.57
<b>Total</b>	<b>3.13</b>	-	-	-	<b>3.13</b>

**(C) Market risk**

**(i) Interest rate risk**

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Particulars	31 March 2020	31 Marchh 2019
Fixed rate borrowing	220.97	-
<b>Total borrowings</b>	<b>220.97</b>	-

(All amount in ₹ crores, unless otherwise stated)

#### Note - 35

The inter corporate deposit to subsidiaries has been extended to give the financial support. The Company have not credit impaired any of its inter corporate deposits. Since these loans are doubtful to be recovered, the Company has not accrued any interest on these loans.

#### Note-36

##### Revenue related disclosures

###### A Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	31 March 2020	31 March 2019
<b>Revenue from contracts with customers</b>		
(i) Revenue from operations		
Revenue from sale of properties	-	0.02
(ii) Other operating income	0.06	0.01
<b>Total revenue covered under Ind AS 115</b>	<b>0.06</b>	<b>0.03</b>

###### B Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	31 March 2020	31 March 2019
<b>Contract liabilities</b>		
Advance from customers	0.24	0.90
<b>Total contract liabilities</b>	<b>0.24</b>	<b>0.90</b>
<b>Receivables</b>		
Trade receivables	0.72	0.71
<b>Total receivables</b>	<b>0.72</b>	<b>0.71</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Particulars	31 March 2020	31 March 2019
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
<b>Opening balance</b>	<b>0.90</b>	<b>2.77</b>
Addition/ (Utilisation) during the year	(0.66)	(1.89)
Revenue recognised during the year	-	0.02
<b>Closing balance</b>	<b>0.24</b>	<b>0.90</b>

- D There are no unsatisfied performance obligations as at 31 March 2020 against the advance received from the customers, as the billing for the same has been done by the Company as on 31 March 2020.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**E Reconciliation of revenue recognised with contract revenue:**

Particulars	31 March 2020	31 March 2019
Contract revenue	-	0.02
<b>Revenue recognised</b>	<b>-</b>	<b>0.02</b>

**F** Ind AS 115 'Revenue from Contracts with Customers', mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. Since the Company's real estate projects were completed before 01 April 2018, hence the application of Ind AS 115 has not impacted the Company's accounting for recognition of revenue from real estate properties. The Company has applied prospective approach in adopting the new standard and accordingly the restatement of the previous period numbers basis completion of contract for all the real estate projects across India is not applicable.

**Note-37**

**Lease related disclosures**

The Company has leases for office premises. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

**A Lease payments not included in measurement of lease liability**

**The expense relating to payments not included in the measurement of the lease liability is as follows:**

Particulars	31 March 2020
Short-term leases	-
Leases of low value assets	-
Variable lease payments	-

**B** Total cash outflow for leases for the year ended 31 March 2020 was ₹ 0.53 crores.

**C** The Company has total commitment for short-term leases of ₹ 0.50 crores as at 31 March 2020.

**D Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2020	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	0.73	0.73	0.80	1.18	3.44
Interest expense	0.23	0.19	0.13	0.08	0.63
<b>Net present values</b>	<b>0.50</b>	<b>0.54</b>	<b>0.67</b>	<b>1.10</b>	<b>2.81</b>

**E** Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of ₹ Nil.

**F Information about extension and termination options**

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	2	4 to 5 years	4.5 years	2	-	2

**G** The total future cash outflows as at 31 March 2020 for leases that had not yet commenced is of ₹ Nil (office premises).

(All amount in ₹ crores, unless otherwise stated)

#### Note – 38

##### **Capital Management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the current liquidity and long term capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratio:

##### **Current ratio:**

Particulars	31 March 2020	31 March 2019
Current assets	1,172.99	1,110.16
Current liabilities	239.21	9.88
<b>Current ratio</b>	<b>4.90</b>	<b>112.32</b>

#### Note – 39

##### **Information about subsidiaries**

The information about subsidiaries of the Company is as follows. The below table includes the information about step down subsidiaries as well.

Name of subsidiary	Country of incorporation	Proportion of ownership interest as at 31 March 2020	Proportion of ownership interest as at 31 March 2019
SORIL Infra Resources Limited	India	64.71%	64.71%
Sentia Properties Limited	India	100%	100%
Lucina Infrastructure Limited	India	100%	100%
Albasta Wholesale Services Limited	India	100%	100%
Mahabala Infracon Private Limited	India	100%	100%
Ashva Stud and Agricultural Farms Limited	India	100%	100%
Indiabulls Life Insurance Company Limited	India	100%	100%
Indiabulls General Insurance Limited	India	100%	100%
Store One Infra Resources Limited	India	64.71%	64.71%
Airmid Aviation Services Limited	India	100%	100%
Indiabulls Enterprises Limited*	India	100%	100%
Indiabulls Pharmacare Limited**	India	100%	100%
Indiabulls Rural Finance Private Limited (Formerly known as Littleman Fiscal Services Private Limited)***	India	64.71%	64.71%

\* incorporated on 02 January 2019

\*\* incorporated on 17 January 2019

\*\*\* acquired on 25 January 2019

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

**Note – 40**

**Related party transactions**

**Subsidiaries**

Details in reference to subsidiaries are presented in Note – 39

**Key management personnel**

Mr. Manvinder Singh Walia (Whole Time Director of the Company)

**Summary of transactions with related parties**

**(With Subsidiary Companies)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loans and advances (given) / received back, net	(492.48)	(84.00)
Loans and Borrowings taken/ (repaid), net	220.97	-
Interest Expenses on loans and borrowings	16.88	-
Investment in equity shares	149.00	211.60
Dividend Income	0.18	0.18
Reimbursement of expenses*	-	0.40

\*Excluding taxes

**Statement of balance outstanding**

Particulars	31 March 2020	31 March 2019
Loans and advances given	945.08	452.59
Loans and Borrowings taken	220.97	-
Interest Payable on Borrowings	15.02	
Other receivables	-	0.14
Corporate Guarantees Given	275.55	309.57

(All amount in ₹ crores, unless otherwise stated)

#### Note - 41

##### Contingent liabilities and Commitment

###### A. Summary of contingent liabilities

Contingent liabilities, not acknowledged as debt, include:

Particulars	31 March 2020	31 March 2019
Income tax matters for assessment year 2010-11 in respect of which appeals have been filed*	-	0.25
Income tax matters for assessment year 2012-13 in respect of which appeals have been filed	1.56	-
Income tax matters for assessment year 2014-15 in respect of which appeals have been filed	0.49	0.49

\*The company has received order against this demand in its favour from Income Tax Appellate Tribunal (ITAT). The department has moved to High Court against the same.

The Company has given corporate guarantee for the secured term loans availed by the subsidiary company- SORIL Infra Resources Limited (Formerly known as Store One Retail India Limited). Outstanding amount of loans as on 31 March 2020 is ₹31.97 crores (31 March 2018: ₹65.99 crores).

The Company has given corporate guarantee for the secured term loans availed by the step down subsidiary company- Airmid Aviation Services Limited. Outstanding amount of loans as on 31 March 2020 is ₹243.58 crores (31-March-2019 243.58 crores).

The Company has certain litigation cases pending. However, based on legal advice, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the Company.

As per 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.

###### B. Commitments

The Company has committed to provide the financial support to all its subsidiaries.

#### Note - 42

##### Employee benefits

###### Defined contribution plan

The Company has made ₹ 0.00 crores (31 March 2019 ₹ 0.00 crores) contribution in respect of provident fund.

###### Defined benefit plan

The Company has following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

###### Risks associated with plan provisions

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

###### Compensated absence

The leave obligations cover the Company's liability for permitted leaves. The amount of provision of ₹0.00 crores (31 March 2019 - ₹0.00 crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 20.11 years (31

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

(All amount in ₹ crores, unless otherwise stated)

March 2019: 17.84 years).

**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 20.11 years (31 March 2019: 17.84 years)

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

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Actuarial (gain)/loss on arising from change in demographic assumption	(0.00)	Nil	(0.00)	Nil
Actuarial (gain)/loss on arising from change in financial assumption	0.02	0.01	0.01	0.00
Actuarial (gain)/loss on arising from change in experience adjustment	(0.03)	0.04	0.02	0.00

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

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Service cost	0.05	0.02	0.03	0.01
Net interest cost	0.01	0.01	0.00	0.00
Actuarial (gain)/loss for the year	(0.01)	0.06	0.02	0.01
<b>Expenses recognized/ (reversed) in the statement of profit and loss</b>	<b>0.05</b>	<b>0.09</b>	<b>0.05</b>	<b>0.02</b>

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	0.16	0.10	0.04	0.02
Current Service Cost	0.05	0.02	0.02	0.01
Interest Cost	0.01	0.01	0.00	0.00
Actuarial (gain)/ loss on obligation	(0.01)	0.05	0.03	0.01
Benefits paid	-	(0.02)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>0.21</b>	<b>0.16</b>	<b>0.09</b>	<b>0.04</b>

(All amount in ₹ crores, unless otherwise stated)

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a) Current liability (amount due within one year)	0.00	0.00	0.00	0.00
b) Non - current liability (amount due over one year)	0.21	0.16	0.09	0.03
<b>Total projected benefit obligation at the end of the year</b>	<b>0.21</b>	<b>0.16</b>	<b>0.09</b>	<b>0.03</b>

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	6.99%	7.71%	6.99%	7.71%
Salary escalation rate	5.50%	5.50%	5.50%	5.50%
Mortality table	IALM (2012 - 14)	IALM (2006 - 08)	IALM (2012 - 14)	IALM (2006 - 08)

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

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

**Maturity plan of defined benefit obligation**

Year	31 March 2020		Year	31 March 2019	
	Gratuity	Compensated absence		Gratuity	Compensated absence
a) April 2020 – March 2021	0.00	0.00	April 2019 – March 2020	0.00	0.00
b) April 2021 – March 2022	0.00	0.00	April 2020 – March 2021	0.00	0.00
c) April 2022 – March 2023	0.00	0.00	April 2021 – March 2022	0.02	0.00
d) April 2023 – March 2024	0.00	0.00	April 2022 – March 2023	0.00	0.00
e) April 2024 – March 2025	0.00	0.00	April 2023 – March 2024	0.00	0.00
f) April 2025 – March 2026	0.00	0.00	April 2024 – March 2025	0.00	0.00
g) April 2026 onwards	0.19	0.08	April 2025 onwards	0.13	0.03

**Sensitivity analysis of the defined benefit obligation**

Particulars	31 March 2020		31 March 2019	
	Gratuity	Compensated absence	Gratuity	Compensated absence
<b>Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	0.21	0.09	0.16	0.04
a) Impact due to increase of 0.50 %	(0.02)	(0.01)	(0.01)	(0.0)
b) Impact due to decrease of 0.50 %	0.02	0.01	0.01	0.00
<b>Impact of the change in salary increase</b>				
Present value of obligation at the end of the year	0.21	0.09	0.16	0.04
a) Impact due to increase of 0.50 %	0.02	0.01	0.01	0.00
b) Impact due to decrease of 0.50 %	(0.02)	(0.01)	(0.01)	(0.00)

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

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Note – 43

#### Corporate social responsibility expenses

- (a) Gross amount required to be spent by the company during the year: ₹0.23 crores (31 March 2019: ₹0.03 crores).
- (b) Amount spent during the year on:

S. No.	Particulars	Year	Paid in cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	31 March 2020	-	-	-
		31 March 2019	-	-	-
(ii)	On purposes other than (i) above	31 March 2020	0.23	-	0.23
		31 March 2019	0.03	-	0.03

### Note – 44

#### Share based payments

##### Indiabulls Integrated Services Limited Employees Stock Options Scheme – 2011

The Company established the Indiabulls Integrated Services Limited Employees Stock Options Scheme - 2011 ("IBISL ESOS"). Under the Plan, the Company granted 45,66,600 equity settled options to its eligible employees during the financial year 2017-18 which gave them a right to subscribe up to 45,66,600 stock options representing an equal number of equity shares of face value of ₹2 each of the Company at an exercise price of ₹105.20 per option, subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 03 November 2018, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

The previous title of the Scheme, viz. Soril Holdings and Ventures Limited Employee Stock Option Scheme -2011 (SHVL ESOS), stands changed to Indiabulls Integrated Services Limited Employee Stock Option Scheme – 2011 (IBISL ESOS) in line with the revised certificate of incorporation dated 16 May 2018.

**Following is a summary of options granted under the plan:**

Particulars	31 March 2020	31 March 2019
Opening balance	45,66,600	45,66,600
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>45,66,600</b>	<b>45,66,600</b>
<b>Vested and exercisable</b>	<b>18,26,640</b>	<b>9,13,320</b>

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹15.52
Exercise price	₹105.20
Expected volatility	40.57%-54.28%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	8 years
Expected dividend yield	100%
Risk free interest rate	6.56%-7.01%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the recognized Stock Exchange.

During the financial year 2018-19, the Company further granted 10,00,000 equity settled options to its eligible employees which gave them a right to subscribe up to 10,00,000 stock options representing an equal number of equity shares of face value of ₹2 each of the Company at an exercise price of ₹489.35 per option, subject to the requirements of vesting. A compensation committee constituted by the

(All amount in ₹ crores, unless otherwise stated)

Board of Directors of the Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 09 August 2019, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

**Following is a summary of options granted under the plan:**

Particulars	31 March 2020	31 March 2019
Opening balance	10,00,000	-
Granted during the year	-	10,00,000
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>10,00,000</b>	<b>10,00,000</b>
<b>Vested and exercisable</b>	<b>2,00,000</b>	-

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹64.97
Exercise price	₹489.35
Expected volatility	30.05%-40.33%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	7.5 years
Expected dividend yield	100%
Risk free interest rate	7.68%-7.98%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the recognized Stock Exchange.

The total expense of share based payments recognized during the year ended 31 March 2020 is ₹3.62 crores (31 March 2019: ₹5.15 crores)

**Note – 45**

**Segment Reporting**

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. purchase, sale, real estate project advisory, construction and development of real estate projects and all other related activities which as per Ind AS 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company derives its major revenues from real estate project advisory business. The Company is operating in India which is considered as a single geographical segment.

**Note – 46**

**Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 – Cash flows**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Current borrowings
<b>Net debt as at 31 March 2018</b>	<b>251.77</b>
Proceeds from current borrowings	-
Repayment of current borrowings	(251.77)
<b>Net debt as at 31 March 2019</b>	<b>-</b>
Proceeds from current borrowings	263.44
Repayment of current borrowings	(42.47)
<b>Net debt as at 31 March 2020</b>	<b>220.97</b>
Interest Expenses on borrowings	16.88

## **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)**

*(All amount in ₹ crores, unless otherwise stated)*

### **Note – 47**

During FY 2019-20, the Company had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and filed the Company Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT in respect of the Scheme of Amalgamation and Arrangement amongst the Company, ("Transferee Company" or "Demerging Company 1"), Albasta Wholesale Services Limited ("Transferor Company 1"), Sentia Properties Limited ("Transferor Company 2"), Lucina Infrastructure Limited ("Transferor Company 3"), Ashva Stud and Agricultural Farms Limited ("Transferor Company 4"), Mahabala Infracon Private Limited ("Transferor Company 5"), SORIL Infra Resources Limited ("Transferor Company 6"), Store One Infra Resources Limited ("Transferor Company 7"), Indiabulls Enterprises Limited ("Resulting Company 1"), Indiabulls Pharmaceuticals Limited ("Demerging Company 2") and Indiabulls Pharmacare Limited ("Resulting Company 2") and their respective shareholders and creditors.

### **Note – 48**

In terms of hon'ble Income Tax Settlement Commission ('ITSC') dated 30 April 2019, an additional liability of Rs. 5.39 crore has been paid during the year. The said liability has been duly accounted for in the Financial Statements and paid during the year.

### **Note – 49**

The Hon'ble Supreme Court of India has passed a judgement dated 28 February 2019 and it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Currently, the Company has not considered any impact in these financial statements.

### **Note – 50**

#### **Other matters**

- a. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
- b. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.
- c. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2020, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

#### **For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

#### **Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

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

#### **Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

#### **Ajit Kumar Mittal**

Director

[DIN:02698115]

#### **Priya Jain**

Company Secretary

#### **Saurabh Garg**

Chief Financial Officer



## INDIABULLS INTEGRATED SERVICES LIMITED

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### **Registered Office**

Indiabulls House,  
Plot No. 448-451, Udyog Vihar,  
Phase V, Gurugram - 122016

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### **Corporate Office**

One International Centre,  
Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai - 400013

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