



October 20, 2020

Scrip Code – 532679

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

MUMBAI – 400 001

SORILINFRA

National Stock Exchange of India Limited

“Exchange Plaza”, Bandra-Kurla Complex,

Bandra (East),

MUMBAI – 400 051

Subject: Fifteenth Annual General Meeting of SORIL Infra Resources Limited (“the Company”)

Dear Sirs,

Pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Fifteenth Annual General Meeting of the Shareholders of the Company (“AGM”) will be held on **Thursday, November 12, 2020 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Visual Means, without the physical presence of Members at a common venue, in compliance with General Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, general order no. ROC/Delhi/AGM Ext./2020/11538, issued by Registrar of Companies, NCT of Delhi and Haryana, read with general circular no 28/2020, 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”).

We hereby enclose herewith Notice convening AGM and Annual Report for the financial year 2019-20. The said documents are also uploaded on the website of the Company viz. www.sorilinfraresources.com. Further, please note that the Company has, today i.e. 20th October 2020, completed the dispatch of the Notice of AGM and Annual Report for the financial year 2019-20, through e-mail, to all its shareholders, holding equity shares of the Company as on October 16, 2020 and whose email IDs are registered with the Company/Depositories, in compliance with aforementioned Circulars.

The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 10th November, 2020 to Thursday, 12th November, 2020 (both days inclusive), for annual closing (for the purpose of AGM).

This is for your information and record.

Thanking you,

Yours truly,

For **SORIL Infra Resources Limited**

Vikas Khandelwal
Company Secretary

Encl: as above

SORIL Infra Resources Limited

Registered Office: Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana | Tel: 0124 6681199 | Fax: 0124 6681111

Corporate Office: One International Center (formerly IFC), Tower - 1, 4th Floor, S. B. Marg, Elphinstone (W), Mumbai – 400013, Maharashtra | Tel: 022 62498580 | Fax: 022 61899600

CIN: L52190HR2005PLC077960, **Website:** www.sorilinfraresources.com, **E-mail:** helpdesk@indiabulls.com



INFRA RESOURCES

SORIL Infra Resources Limited

(CIN: L52190HR2005PLC077960)

Registered Office: Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana

Tel: 0124 6681199, Fax: 0124 6681111

Website: www.sorilinfraresources.com, E-mail: helpdesk@indiabulls.com

NOTICE

NOTICE is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of the Members of **SORIL INFRA RESOURCES LIMITED** will be held on Thursday, the 12th day of November, 2020 at 11:00 A.M. ("**AGM**") through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), to seek the consent of the shareholders of the Company ("**Members**"), on the agenda herein below through remote electronic voting ("**E-voting**"), pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India, in view of the pandemic situation of novel strain of corona virus COVID-19, in compliance with General Circular No 14/2020 dated April 8, 2020, read with General Circular No 17/2020 dated April 13, 2020, General Circular No 22/2020 dated June 15, 2020 and General Circular No 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs, general order no. ROC/Delhi/AGM Ext./2020/11538, issued by Registrar of Companies, NCT of Delhi and Haryana, read with general circular no 28/2020, issued by Ministry of Corporate Affairs ("**MCA Circulars**") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by SEBI ("**SEBI Circular**") and pursuant to applicable provisions of the Companies Act and Rules made thereunder.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company as at March 31, 2020, and the Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Mrs. Sargam Kataria (DIN: 07133394), Non-Executive Director, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

Item No. 3:

To consider and if thought fit, to pass the following resolution as a Special Resolution for the appointment of Mr. Munish Taneja (DIN: 08851660) as Whole-Time Director and Key Managerial Personnel of the Company, designated as Executive Director, for a period of five years, with effect from August 28, 2020:

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), Mr. Munish Taneja (DIN: 08851660), be and is hereby appointed as a director, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V to the Act and applicable Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the appointment of Mr. Munish Taneja (DIN: 08851660), as a Whole-time Director and Key Managerial Personnel of the Company, designated as Executive Director, for a period of five years, with effect from August 28, 2020, at a remuneration, as set out in the explanatory statement pursuant to Section 102 of the Companies Act, 2013, annexed to this Notice, subject however that the remuneration to be paid shall be as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company (the Board) from time to time, during his said tenure, which shall be within the overall ceiling of remuneration prescribed in the Act read with Schedule V and applicable Rules thereto, as amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things including modification of terms and conditions of his appointment and/or remuneration, as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid authorization, without being required to seek any fresh approval from the members of the Company."

Item No. 4:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, for appointment of Mrs. Supriya Bhatnagar (DIN: 08731453) as an Independent Director:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 and any other applicable provisions of the Companies Act, 2013 (the “Act”) including Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Mrs. Supriya Bhatnagar (DIN: 08731453), be and is hereby appointed as an Independent Director of the Company for a term of two years from March 31, 2020 till March 30, 2022 AND THAT she shall not be liable to retire by rotation.”

Item No. 5:

To consider and if thought fit, to pass the following resolution as a Special Resolution, for issue of Non-Convertible Debentures and/or Bonds of the Company, on private placement basis:

“RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, as amended, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, and subject to other applicable regulations/ guidelines, consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers conferred by this resolution) to issue Redeemable Non-Convertible Debentures (“NCDs”) and/or Bonds, secured or unsecured, for cash either at par or premium or discount, under one or more shelf disclosure documents and/or under one or more letters of offer, in one or more tranches /series, from time to time, on private placement basis upto an amount not exceeding Rs. 500 Crore, outstanding at any point of time during a period of one year from the date of passing of this Resolution, which shall be within the overall borrowing limits, as per shareholders’ existing authorization.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which NCDs/ Bonds shall be issued, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such other acts, deeds and things, as it may deem necessary, in its absolute discretion, including to execute all such agreements, documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred, to any Committee of Directors and/or directors and/or officers of the Company, to give effect to the authority of this resolution.”

By Order of the Board of Directors
For **SORIL Infra Resources Limited**

Place: Gurugram
Date: October 13, 2020

Sd/-
Vikas Khandelwal
Company Secretary
(Membership No. A18475)

NOTES:

1. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 10th November, 2020 to Thursday, 12th November, 2020 (both days inclusive), for annual closing (for Annual General Meeting). The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. KFin Technologies Private Limited (“KFintech”) (formerly known as “Karvy Fintech Private Limited”) having their office at Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.
2. In view of the outbreak of COVID-19 pandemic, and in compliance to the guidelines and notification issued by the Ministry of Home Affairs, Government of India, and General Circular No 14/2020 dated April 8, 2020, read with General Circular No 17/2020 dated April 13, 2020, General Circular No 22/2020 dated June 15, 2020 and General Circular No 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs, general order no. ROC/Delhi/AGM Ext./2020/11538, issued by Registrar of Companies, NCT of Delhi and Haryana, read with general circular no 28/2020, issued by Ministry of Corporate Affairs (“MCA Circulars”) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by SEBI (“SEBI Circular”) and pursuant to applicable provisions of the Companies Act, 2013 (the “Companies Act”) and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the 15th AGM of the shareholders of the Company is being held through VC / OAVM, without the physical presence of the Members or their proxies at a common venue. Members can attend and participate in AGM through VC / OAVM.

3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, in respect of the business as set out in the AGM Notice is annexed hereto.
5. This AGM Notice, along with the Annual Report 2019-20, is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on 16th October, 2020. In compliance with the aforesaid MCA Circulars and SEBI Circular, AGM Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ KFinTech/ Depositories. Members may note that the AGM Notice will also be available on the Company's website www.sorilinfraresources.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFinTech at <https://evoting.karvy.com>. For any communication, the Members may also send a request to the Company at cs.soril@indiabulls.com
6. Pursuant to the provisions of Section 105 of the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/ her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held through VC/ OAVM, pursuant to the applicable MCA Circulars and SEBI Circulars as mentioned hereinabove, physical attendance of Members has been dispensed with, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.
7. Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be provided by KFinTech.
8. Since the AGM will be held through VC/OAVM, the route map is not annexed to this AGM Notice.
9. The Board of Directors of the Company has appointed Mr. Nishant Mittal (Membership No. 553860), Proprietor of M/s. N Mittal & Associates, Chartered Accountants, Gurugram, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
10. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send a scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail through its registered email address to **nishantmittal1995@gmail.com** with a copy marked to **evoting@kfintech.com**.
11. The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
12. AGM through VC/OAVM:
Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFinTech. Members can join the AGM 15 minutes before and after the scheduled time of commencement of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on first come first served basis, in accordance with the MCA Circulars. Instructions for Members for attending the AGM through VC/OAVM are as under:
 - i. Attending the AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Private Limited. Members are requested to visit <https://evoting.karvy.com/> and click on the "e-AGM- Video Conference & Streaming" to join the Meeting by using the remote e-voting credentials.
 - ii. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in notes below.
 - iii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or

LAN connection to mitigate any glitches.

- iv. Members who need assistance before or during the AGM may contact Mr. P.S.R.C.H. Murthy, Manager – RIS, KFin Technologies Private Limited at Tel: +91 40 6716 2222 or Toll Free No.: 1800-345-4001; or send an email request at the email id: murthy.psrch@kfintech.com or evoting@kfintech.com.

13. Procedure for Remote E-voting

In compliance with the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and provisions of Regulation 44 of the Listing Regulations, the MCA Circulars and the circulars issued by the SEBI, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFinTech, on the Resolution set forth in this AGM Notice, through remote e-voting.

- i. The remote e-voting facility will be available during the following period:

Day, date and time of Commencement of remote e-voting	From:	Monday, 9th November, 2020 at 10:00 A.M.
Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed	To:	Wednesday, 11th November, 2020 at 05:00 P.M.

- ii. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFinTech upon expiry of the aforesaid period.

- iii. Details of Website for Remote E-voting: <https://evoting.karvy.com>

- iv. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

- v. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 16th October, 2020. Any person who acquires Equity Shares and becomes a Member after 16th October, 2020 and holds shares as on the cut-off date for voting, i.e. 5th November, 2020, may obtain the User ID and Password in the manner as mentioned below:

- a. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD<space> e-voting Event Number + Folio No. or DP ID Client ID to +91- 9212993399

Example for NSDL: MYEPWD<SPACE> e-voting Event Number + IN12345612345678

Example for CDSL: MYEPWD<SPACE> e-voting Event Number + 1402345612345678

Example for Physical: MYEPWD<SPACE> e-voting Event Number + XXXX1234567890

- b. If email address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call KFinTech's Toll free number 1800-345-4001.
- d. Member may send an email request to evoting@kfintech.com. However, KFinTech shall endeavor to send User ID and Password to those new Members whose email IDs are available.

- vi. Details of person(s) to be contacted for issues relating to e-voting:

Mr. P.S.R.C.H. Murthy, Manager - RIS,

KFin Technologies Private Limited

(formerly known as 'Karvy Fintech Private Limited')

[Unit: SORIL Infra Resources Limited]

Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032

Tel. No.: +91 40 6716 2222; Toll Free No.: 1800-345-4001;

Fax No.: +91 40 2300 1153/ 2342 0814.

E-mail: murthy.psrch@kfintech.com or evoting@kfintech.com

- vii. The instructions for remote e-voting are as under:

- a. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and

password for casting your vote.

- c. After entering these details appropriately, click on “LOGIN”.
- d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a- z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e. You need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the EVENT for SORIL Infra Resources Limited.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date for voting i.e. 5th November, 2020 under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as on the cut-off date.

Pursuant to Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India and approved by the Central Government, in case a Member abstains from voting on a Resolution i.e., the Member neither assents nor dissents to the Resolution, then his/her/its vote will be treated as an invalid vote with respect to that Resolution.

- h. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- i. Voting has to be done for each item of the AGM Notice separately.
- j. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- k. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID nishantmital1995@gmail.com with a copy to **evoting@kfintech.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVENT NO”.

In case of any query pertaining to e-voting, please visit Help & FAQs section and e-voting User Manual available at the download section of KFintech’s website <https://evoting.karvy.com> or e-mail at evoting@kfintech.com or call Toll free No. 1800-345-4001, for any further clarifications.

14. Instructions for Members for Voting during the AGM:

- i. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- iii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.
- iv. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

15. Procedure for registering the email addresses and obtaining the AGM Notice and e-voting instructions by the Members whose email addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with KFintech (in case of Members holding shares in physical form):

- i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.

- b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at the email ID ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
 - ii. To facilitate Members to receive this AGM Notice electronically and cast their vote electronically, the Company has made special arrangements with KFinTech for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFinTech are required to provide their email address to KFinTech, on or before 5:00 p.m. (IST) on 9th November, 2020.
16. Process to be followed for Registration of E-mail address:
- A. The process for registration of email address with KFinTech for receiving the AGM Notice and login ID and password for e-voting is as under:
 - i. Visit the link: https://ris.kfintech.com/email_registration
 - ii. Select the Company name viz. SORIL Infra Resources Limited.
 - iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
 - iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
 - v. Enter your email address and mobile number.
 - vi. The system will then confirm the email address for receiving this AGM Notice.
 - B. The process for registration of email address with the Company for receiving the AGM Notice and login ID and password for e-voting is as under:

Members are requested to visit the website of the RTA https://ris.kfintech.com/email_registration and click on "Click here for temporary registration of email-id of Members for AGM 2020" and follow the process as mentioned on the landing page to receive the AGM Notice and Voting Instructions.

 - i. After successful submission of the email address, KFinTech will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFinTech.
 - ii. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / KFinTech to enable servicing of notices / documents / Annual Reports and other communications electronically to their email address in future.
17. Submission of Questions / Queries prior to AGM:
- a. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write to the Company Secretary on the Company's investor email-id at cs.soril@indiabulls.com at least 3 (three) days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, Members' questions will be answered only if they hold the shares as on the cut-off date i.e. 5th November, 2020.
 - b. Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be closed 72 hours before the time fixed for the AGM.
18. Speaker Registration before AGM:
- a. In addition to the above, the speaker registration may also be allowed during the remote e-voting period. Members who wish to register as speakers are requested to visit <https://emeetings.kfintech.com> and click on "Speaker Registration" during this period. Members shall be provided with a "queue number" before the AGM. Members are requested to remember the same and wait for their turn to be called by the Chairman of the Meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to send their questions/ queries etc., in advance as provided in Note No. 17 above.
 - b. Members will be provided with the facility to attend the AGM through VC/OAVM through KFinTech's e-voting system and they may access the same at <https://emeetings.kfintech.com> by clicking "e-AGM- Video Conference & Streaming" and join the Meeting by using the remote e-voting credentials. Please note that the Members who do

not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the AGM Notice.

19. General Instructions/Information for Members for voting on the Resolution at the AGM:

- a. Members who are present at the AGM through VC/ OAVM facility and have not cast their votes on the Resolution through remote e-voting may cast their votes during the AGM through the e-voting system provided by KFintech during the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting.
- b. The voting rights of Members shall be in proportion to the paid-up value of their shares in the Equity Share capital of the Company as on the cut-off date i.e 5th November, 2020. Members are eligible to cast their vote either through remote e-voting or in the AGM, only if they are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this AGM Notice for information purposes only.
- c. The Scrutinizer after scrutinizing the votes through remote e-voting and e-votes cast at the Meeting will, not later than 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any and submit the same forthwith to the Chairman or a person duly authorized by the Chairman who shall counter sign the same and declare the results of the voting.

The results declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company and the website of KFintech: <https://evoting.karvy.com> immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares are listed.

- d. The Resolution shall be deemed to be passed on the date of the Meeting, i.e. 12th November, 2020, subject to receipt of the requisite number of votes in favour of the Resolution.
20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs.soril@indiabulls.com. The same will be replied by the Company suitably.
21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent M/s KFin Technologies Private Limited for assistance in this regard.

EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY/SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, READ WITH REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the ordinary/special business mentioned at Item Nos. 2 to 5 of the accompanying Notice dated October 13, 2020.

Item No. 2:

In accordance with the provisions of the Companies Act, 2013, and in terms of the Articles of Association of the Company, Mrs. Sargam Kataria (DIN: 07133394), Non-Executive Director, is liable to retire by rotation at the Fifteenth Annual General Meeting of the Company, and being eligible has offered herself for re-appointment.

Brief Profile of Mrs. Sargam Kataria (DIN: 07133394), Non-Executive Director, is as under:

Mrs. Sargam Kataria, aged about 42 years, has been working as Non-Executive Director of the Company since July 20, 2018. She is a multifaceted and goal-oriented professional with valuable experience in Human Resource Management, skilled in HR Consulting, Coaching, Culture Change, Organizational Design and Management. She is a strong human resource development professional with Master's in Business Administration (MBA) from FORE school of management and a Post Graduate in English Literature from Kurushetra University. Currently she is associated with one of the Indiabulls Group Company as Vice President- Business HR. As a focused Vice President in Human Resources, she has a track record of making positive changes in organization's culture, developing motivated staff, enhancing professionalism and leading HR activities to an increased organizational effectiveness.

She does not hold any shares in the Company and is not related to any other Director/KMP of the Company. She does not draw any remuneration from the Company. The number of meetings attended by Mrs. Kataria during the financial year ended 31st

March, 2020, is mentioned in Corporate Governance Report, forming part of the Annual Report 2019-20 of the Company.

She is also a director on the Board of Indiabulls Life Insurance Company Limited, Mackennas Minerals Private Limited, Agni Television Private Limited, Oliva Infrastructure Private Limited, Artemisia Buildwell Private Limited, Arizona Estates Private Limited, Thymus Buildcon Private Limited, Myrtus Infrastructure Private Limited, Eternal Projects Private Limited and Revati Infrastructure Private Limited. She is the member of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Compensation Committee, Management Committee and Reorganization Committee of the Company.

Keeping in view her experience in human resource and administration capabilities and to ensure the continuity of guidance from her, the Board recommends the resolution as set out at Item No. 2 of this Notice, for the approval by the shareholders, as an Ordinary Resolution to re-appoint Mrs. Sargam Kataria, as a Director, liable to retire by rotation. Except Mrs. Kataria, none of the Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of this Notice.

Item No. 3:

Mr. Munish Taneja, who has been working as business head for equipment hiring business of the Company since around 3 years and providing leadership and guidance to steer the Company's equipment hiring and other businesses through rapidly changing business environment, upon recommendation by the Nomination & Remuneration (N&R) Committee, was appointed as a Whole-Time Director (Additional Director) and Key Managerial Personnel of the Company designated as an Executive Director w.e.f. August 28, 2020 for a period of five years. In terms of the applicable provisions of the Companies Act, 2013, read with relevant rules made thereunder, Members' approval is required for Mr. Taneja to hold the office as such, at a remuneration, as may be recommended by the N&R Committee and approved by the Board, from time to time during his tenure, subject to the overall ceiling of remuneration prescribed in the Act read with Schedule V and applicable Rules thereto, as amended from time to time.

Brief profile of Mr. Munish Taneja is as under:

Mr. Munish Taneja, aged about 44 years, was appointed as a Whole-Time Director (Additional Director) and Key Managerial Personnel of the Company designated as its Executive Director w.e.f. August 28, 2020. He has been working as business head for equipment hiring business of the Company since around 3 years and providing leadership and guidance to steer the Company's equipment hiring and other businesses through rapidly changing business environment. He has deep operational knowledge, rich and varied experience of more than 22 years in various fields. Prior to joining SORIL, he has worked at senior positions in various multinational companies like, GE Capital, Ritchie Bros. Auctioneers (Canada), Gainwell Commonsales (Caterpillar dealer, India) and Larsen & Turbo Limited (Construction Division). During his career, Mr. Taneja has been instrumental in building equipment leasing, equipment sales and rental portfolios. He has extensive expertise on the process and operations in equipment life cycle management, residual management and O&M of construction equipment's, required for running the Company in professional manner. With more than two decades of experience, he brings on the Board his unique planning, execution and administration capabilities.

Mr. Taneja graduated with a Bachelor of Engineering from Institution of Engineers (India), Kolkata, and an MBA from IIM, Kozhikode with specialization in strategy and finance. He is not related to any other Director/KMP of the Company and holds 1350 equity shares in the Company. Presently, he is not on the Board of any other Company. Mr. Taneja attended all 3 (three) Board Meetings, conducted after his appointment till date of this AGM Notice.

The main terms and conditions for appointment of Mr. Taneja, as Executive Director and Key Managerial Personnel of the Company, are as under:

Period	5 (five) years with effect from August 28, 2020
Nature	Liable to retire by rotation
Designation	Executive Director
Remuneration	Last drawn remuneration, as an employee of the Company, immediately prior to his appointment on the Board, being Rs 56.25 lac per annum, excluding stock options, subject to an upward revision, as may be recommended by N&R Committee and approved by the Board.
Performance linked Incentive	Stock options or other share based benefits, in terms of the ESOP / ESBS Schemes of the Company.
Sitting Fees	Nil

Being an Additional Director, he holds office as such, upto the date of the ensuing Annual General Meeting. Keeping in view his vast experience and managerial skills, the Board recommends his appointment as director, liable to retire by rotation and as a Whole-time Director and Key Managerial Personnel on the Board of the Company, as set out at Item No. 3 of this Notice, for the approval of the Members of the Company by way of a Special Resolution.

Except Mr. Taneja, none of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of this Notice.

Item No. 4:

Upon recommendation by the Nomination & Remuneration Committee, Mrs. Supriya Bhatnagar (DIN: 08731453) was appointed as an Independent Director on the Board of the Company, for a term of two years, with effect from March 31, 2020.

The main terms and conditions of appointment of Mrs. Supriya Bhatnagar (DIN: 08731453), as Independent Director of the Company are as under:

Period	2 Years w.e.f. March 31, 2020
Nature	Director, not liable to retire by rotation
Designation	Independent Director
Remuneration	Apart from Sitting Fees- NIL
Performance linked Incentive	Apart from Sitting Fees- NIL
Sitting fees	Presently, Rs. 50,000/- per board meeting

Post appointment of Mrs. Supriya Bhatnagar, no meeting of Board of Directors was held during the FY 2019-20, therefore no sitting fees was paid to her.

Brief profile of Mrs. Supriya Bhatnagar is as under:

Mrs. Supriya Bhatnagar, aged about 31 years, is an Independent Director (Additional Director) on the Board of the Company since March 31, 2020. She holds Bachelor's degree in Business Administration from Rajasthan University. She is a committed professional having rich experience in the fields of marketing, strategic planning, Policy formulation and General Management. She brings with her unique vision, planning and administrative capabilities.

She does not hold any shares in the Company and is not related to any other director of the Company. She is also a Director on the Board of Store One Infra Resources Limited. Mrs. Bhatnagar has attended all 4 (four) Board Meetings, conducted after her appointment till date of this AGM Notice.

The proposed appointment of Independent Director, in the manner as set out in Item No. 4 of this Notice, is in compliance with the applicable provisions of the Companies Act 2013 ("Act") and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

The Company has received from the proposed appointee director a declaration to the effect that she fulfills the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, the proposed appointee fulfills the conditions specified in the Act and Rules made thereunder and SEBI LODR for her appointment as an Independent Director of the Company and she is independent of the Management of the Company. Further, the requisite Notice under Section 160 of the Act proposing the appointment of aforesaid independent director has also been received by the Company.

Keeping in view her excellent management skills, the Board is of the view that it will be in the interest of the Company that she is appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of two years w.e.f. March 31, 2020. Accordingly, the Board recommends the resolution, as set out at Item No. 4 of this Notice, for the approval of the Members of the Company by way of an Ordinary Resolution.

Except the proposed appointee, in resolution set out at Item No. 4 of this Notice, proposing her appointment, none of the Promoters, Directors and Key Managerial Personnel (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the resolution.

Item No. 5:

To fund its existing and new business ventures and proposed life and general insurance businesses, the Company may in future be required to borrow funds from different sources including by way of issuance of Non-Convertible Debentures ("NCDs") and Bonds (issuance of NCDs and/or Bonds shall not be in the nature of equity shares). NCDs represent a very cost-effective source of funding and a reliable means of diversification of funding sources. A diversified funding profile affords the Company multiple avenues of borrowing which from a cost and liquidity perspective are often complementary to one another enabling the Company to run a cost effective and efficient funding programme. NCDs and Bonds provide access to the widest set of investors and thus the deepest pools of funding. NCDs can be raised from domestic debt investors such as mutual funds, insurance companies, pension and provident funds, banks; Domestic retail NCDs can be raised from regular individuals and also High Net-worth Individuals (HNI's).

The shareholders of the Company at their last Annual General Meeting held on September 30, 2019 had authorized the Company to issue Non-Convertible Debentures (NCDs) and/or Bonds, however since, in accordance with the applicable laws, the said authorization was valid for one year from the date of approval i.e. up to September 29, 2020, approval of Members

is being sought, as an enabling authorization, for issue of Non-Convertible Debentures (NCDs) and/or Bonds, in one or more tranches /series from time to time on private placement, as set out in the resolution, upto an amount not exceeding Rs. 500 Crore, outstanding at any point of time during the period of one year from the date of passing of the resolution, and such NCDs or Bonds taken together with other borrowings of the Company shall be within the overall borrowing limits, as per shareholders' existing authorization.

The Board accordingly recommends, passing of the Special Resolution, as set out at Item No. 5 of this Notice, for the approval of the Members of the Company, pursuant to and in terms of the provisions of Section 42 of the Companies Act, 2013 read with the Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

None of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of this Notice.

By Order of the Board of Directors
For **SORIL Infra Resources Limited**

Place: Gurugram
Date: October 13, 2020

Sd/-
Vikas Khandelwal
Company Secretary
(Membership No. A18475)

To,
KFin Technologies Private Limited
(formerly known as 'Karvy Fintech Private Limited')
[Unit: SORIL Infra Resources Limited]
Selenium Building, Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Phone No.: +91 40 6716 2222
E-mail: einward.ris@kfintech.com
Dear Sir / Madam,

I hereby register/update my e-mail address provided below for receiving all communications from SORIL Infra Resources Limited ("the Company") through electronic mode:

Folio No. / DP ID & Client ID	
Name of the First Registered Holder	
Registered Address	
Email ID (to be Registered)	
Signature of the First Registered Holder	
Date:	

Notes:

1. On registration/ updation, all the communications will be sent to the registered e-mail Id.
2. The form is also available on the website of the Company at www.sorilinfraresources.com under the heading "Investor Relations > AGM 2019-20" by the name "E-Communication Registration Form".
3. Members holding shares in electronic mode are requested to ensure to keep their e-mail Id updated with the Depository Participants with whom they are holding their Demat Account.
4. Members are requested to keep their Depository Participants/Company's Registrar 'KFin Technologies Private Limited' informed, as and when there is any change in the e-mail Id. Unless the e-mail Id given hereinabove is changed by you, by sending another communication in writing, the Company will continue to send all the communication to you on the above mentioned e-mail Id.

ANNUAL REPORT 2019 2020



SORIL
INFRA RESOURCES

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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. Anil Malhan, Executive Director
Mr. Munish Taneja, Executive Director
Mrs. Sargam Kataria, Non-Executive Director
Mr. Gurinder Singh, Independent Director
Brig. (Retd.) Labh Singh Sitara, Independent Director
Mr. Prem Prakash Mirdha, Independent Director
Mrs. Supriya Bhatnagar, Independent Director

Company Secretary

Mr. Vikas Khandelwal

Chief Financial Officer

Mr. Vijay Kumar Agrawal

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

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

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

Registered Office

Indiabulls House,
448-451, Udyog Vihar, Phase V,
Gurugram – 122016, Haryana
CIN: L52190HR2005PLC077960
Website: www.sorilinfraresources.com
E-mail: helpdesk@indiabulls.com
Tel: 0124-6681199, Fax: 0124-6681111

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
Kotak Mahindra Bank Limited
Axis Bank Limited
Yes Bank Limited
ICICI Bank Limited
RBL Bank Limited

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fifteenth Annual Report together with audited financial statement of SORIL Infra Resources 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 financial results of the Company for the financial year ended March 31, 2020 are as under:

(Amount in ₹)

Particulars	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
Profit before tax and depreciation	189,984,338	347,053,297
Less: Depreciation and amortisation	238,839,922	196,485,247
(Loss)/Profit before tax	(48,855,584)	150,568,050
Less: Prior period tax adjustments	-	-
Less: Current period tax adjustments	-	465,732
(Loss)/Profit after tax	(48,855,584)	150,102,318
Add: Other Comprehensive Income	2,257,038	6,544,805
Add: Adjustment of transition of Ind AS 116	1,512,715	-
Add: Brought forward Losses	(1,344,224,166)	(1,497,645,103)
Amount available for appropriation	(1,389,309,997)	(1,340,997,980)
Less: Appropriations:		
Proposed dividend on preference shares	2,676,105	2,676,105
Corporate dividend tax thereon	550,081	550,081
Balance carried forward to Balance Sheet	(1,392,536,183)	(1,344,224,166)

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

BUSINESS OVERVIEW

The Company endeavours to create sustainable business for the benefit of its stakeholders. Currently, directly and through its subsidiaries, the Company is engaged in the businesses of equipment renting services, LED lighting, financing & related activities, management and maintenance services, etc.

During the year under review, business operations of the Company were progressive. The Company established distribution channels of LED Lighting business across the country, completed the first full year of operations of the financial services business, and performed reasonably well in equipment renting services during a tough year for the real estate and infrastructure sectors inflicted by the credit crisis.

Your Directors believe that all these businesses have huge potential and the Company shall focus on two core aspects of its businesses as we sail through these unprecedented times:

- 1) Ensuring that all business operations are gradually restored while supporting all stakeholders – employees, supply chain partners, and customers.
- 2) Focusing on triggering the next wave of business growth through an innovative and competitive approach towards products and services.

The Board has geared itself to navigate the challenges posed by Covid-19. The Company is focused in capital preservation, balance sheet protection, and operating expenses management.

The Company has made a detailed impact assessment of the pandemic based on internal and external information available (up to the date of approval of financial results), of its liquidity position, recoverability, and carrying values of receivables and other assets including financial assets. It has accordingly made provisions or impaired assets wherever required and accounted for it in the financial books. The impact assessment of Covid-19 is an on-going process and the Company will continue to monitor any material changes.

The management teams of the respective businesses regularly assess policy and programs of the economy to evaluate the impacts on income, operating costs, productivity, competitiveness and sustainability.

SEGMENT WISE BUSINESS REVIEW

Equipment renting services branded as “Indiabulls Store One”

The Company is pioneer in the field of equipment rental solutions in India. Primary equipment in the rental fleet are tower cranes, passenger hoists, piling rigs, excavators, dozers, motor graders, wheel loaders, mobile boom placers, transit mixers, dumpers, steel stir-up machines, concrete batching plants. All equipment is of reputed international & Indian manufactures.

Indiabulls store one is working with most of the reputed corporate infrastructure companies and providing them end to end solutions in operations and maintenance of rental equipment. The business operates from offices in Mumbai, Gurgaon, Kolkata, Hyderabad, Bangalore, Ahmedabad, Pune and Chennai. Its pan India presence helps to provide seamless services to customers and gives competitive advantage in the market. The professional team managing the business has vast experience and is committed to providing the best customer service.

Renting division started with sales and service of aerial work platform in financial year 2020 and received encouraging orders from eclectic customers. We are initially trading in electric scissor lifts, diesel scissor lifts, articulated boom lifts, and telescopic booms. We shall be gradually adding more variants of machines required by the construction and infrastructure sector. Aerial work platform equipment segment has huge potential in manufacturing, warehousing, airports, power, ports, and metro. The products offered by the Company are of highest safety standards and comply with European standards.

We are currently serving industry segments such as real estate, precast, infrastructure, metro, cement, mining, petroleum refinery, piling, industrial, and road. Our endeavour is to expand the customer base into new segments such as airports, steel, power, and ports. This will further strengthen our position as a leading equipment solution provider in the country.

During the year end, the renting division had a revenue of ₹ 75.37 crores which is a decrease of 11.32% in reference to the previous year primarily due to management adopting stricter credit controls policy in view of the liquidity position in the market.

We continue to pursue excellence in following areas:

- Customised leasing and rental solutions
- Ability to swiftly mobilise and execute projects across the country
- Design and execution capabilities to handle complex projects
- Professional team to manage O&M activities at project sites
- Highest safety standards
- Higher availability and reliability of rental machines, which helps customers to execute projects faster

Your company is fully poised to take advantage of government investment in the infrastructure sector. In Union Budget 2020-21, the Government has given a massive push to the infrastructure sector by allocating ₹ 1.82 lacs crore (US\$ 24.27 billion) to enhance the transport infrastructure. The logistics sector in India is growing at 10.5% annually and is expected to reach ₹ 16.13 lacs crores (US\$ 215 billion) in 2020.

India is expected to become the third largest construction market globally by 2022. India has a investment requirement of ₹ 58.32 lacs crores (US\$ 777.73 billion) towards infrastructure by 2022 for a sustainable development in the country.

In April 2020, the government set a target of constructing roads worth ₹ 15.96 lakh crore (US\$ 212.80 billion) in the next two years. ₹ 2.39 lacs crores (US \$ 31.81billion) will be invested in smart cities mission.

We are optimistic that the pandemic will prove to be a watershed moment in equipment renting demand as the government will be compelled to work on a very strict monitoring mechanism of infrastructure projects implementation to restore the GDP growth of at least 9% in the near future.

LED lighting branded as “Ib LED”

Indiabulls LED has created an exciting story in institutional and consumer LED Lighting segments in India with primary focus to provide reliable, sustainable and technologically advanced LED lighting products to Indian consumers and institutional buyers. All products are designed, developed and manufactured in India.

Having successfully positioned itself in the first two years of operations, Indiabulls LED completed the third year with a comprehensive product range, creating reach and presence in pan India markets. The revenue of ₹ 68.24 crores in the current year is an increase by 46.72% as compared to the previous year.

Business strategy has been to establish the distribution network across the country. The vision of the Company is to establish itself in the consumer product segments through LED Lights and scale up the operations to other products at the appropriate time.

The lighting division possesses one of the best talent pools in the LED Industry in R&D, development, design, supply chain management, and sales functions. We are determined to offer appropriate lighting solutions with an underlying emphasis on “Lights that understand you”.

The Company has state of the art contract manufacturing facilities located in Mumbai region, Daman, Hyderabad, Baddi, and Bangalore, and has set up a technologically advanced Lighting Innovation Centre in Mumbai, which aspires to be the best in class in the industry.

Our growth drivers:

- Very active centre of excellence in product innovation, adapting new technologies and providing cost effective LED lighting solutions to customers.
- Presence in over 150 town/cities of India through 300 channel partners and more than 9000 retailer points for customers and consumers.
- Consistency of quality. We shall continue to adopt the best practices for product reliability. We are an ISO 9001:2015 certified Company.
- Delivering on customer service as per promise.

Customers

In the previous year, the team had many celebrations on winning prestigious accounts. We shall strive to grow further in IT / ITES, banking and financial institutions, real estate, manufacturing, pharmaceutical industries, and infrastructure project space in the institutional LED segment and service residential consumers through the consumer LED segment.

Financing & related activities, branded as “Indiabulls Rural Finance”

The Company forayed into financial services business in financial year 2019 by acquiring 100% stake in Littleman Fiscal Services Limited, a Non-Banking Finance Company registered with RBI. Subsequently the name of the company was changed to Indiabulls Rural Finance Private Limited on 24th April, 2019.

The NBFC was acquired on 25th January 2019. Upon acquisition, we started operations and in a short span of time, the management proved its profound capabilities by establishing 24 branches; recruiting 285 employees; implementing new age loan origination and management system; and building a loan portfolio of ₹ 235.45 crores comprising 3200 clients with very insignificant NNPA. We had above average profitability in first year of operations. The Company has a capital adequacy ratio of 59.88% and networth of ₹ 123.96 crores as on March, 20.

The Company shall continue to perform and transform credit delivery by virtue of its people, technology, and understanding of customer profile.

The Company is focused on providing largely secured term loans to MSME, small business, and traders for business purposes. We will also offer home loans in affordable and low ticket size categories, largely to the MSME sector employees and business owners in Tier II and Tier III cities, who are drivers of economic growth in the country.

Brief overview of MSME sector:

The Micro, Small and Medium Enterprises (MSMEs) Sector contributes significantly to the Indian Economy in terms of GDP in exports and generating employment.

MSME Units (#)	Jobs created	Contribution to exports	% of GDP
6.34 crores	12 crores	48.10% of total exports	30.74% of the GDP

The MSME sector has consistently maintained a growth rate of over 10%. About 20% of the MSMEs are based in rural areas, which indicates a significant rural workforce in the MSME sector, and exhibits the importance of these enterprises in promoting sustainable and inclusive development. (Source: CII Website)

Particulars	Micro	Small	Medium	Total
Debt demand	13,32,000	24,57,000	3,75,000	41,64,000
Debt Supply	11,68,000			11,68,000
Debt gap	29,96,000			29,96,000

Debt Demand Growth	Debt Demand- sector wise
21% CAGR	47% Manufacturing
	53% service sector

(Data Source: marketreportsonindia.com)

The Company shall pursue the above opportunity and is confident in ability to capitalise on the present NBFC environment through its approach to business and abrestness on governance of rural economies and MSME credit policies.

Management and maintenance services:

The Company has developed expertise in all avenues of management and maintenance of properties. The Company currently manages and maintains residential properties in Mumbai and NCR for which the revenue was ₹ 24.76 crores.

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, the Board of Directors of the Company has approved the composite Scheme of Arrangement amongst the Company, its holding company Indiabulls Integrated Services Limited ("IBULISL") and their subsidiaries (viz, 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 public shareholders of the Company, in lieu of their shareholding in the Company, will also get the benefit of having the direct ownership in the life and non-life insurance businesses, being carried out under IBULISL.

Pursuant to the Scheme, the public shareholders of the Company will get extra shares of IBULISL, free of any cost, in lieu of their shareholding in the Company. With this, post effectiveness of the Scheme, they will have shares of two listed entities –

- (1) IBULISL, shares of which are listed on NSE and BSE, focusing on insurance and related businesses, and
- (2) Indiabulls Enterprises Limited, shares of which will be listed on NSE and BSE, focusing on non-insurance businesses of the Company and of IBULISL and their 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.

DIVIDEND

In view of the accumulated losses and for business requirements of the Company, your Directors do not recommend any dividend for the FY 2019-20.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the FY 2019-20, in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Supriya Bhatnagar (DIN: 08731453) was appointed as an Non-executive Independent Woman Director (Additional Director), on the Board of the Company for a period of two years, w.e.f. March 31, 2020.

Further, subsequent to the year end, w.e.f. August 28, 2020, Mr. Munish Taneja (DIN: 08851660) has been appointed as Whole-time Director (Additional Director) and Key Managerial Personnel of the Company, designated as Executive Director, for a period of five years on such remuneration as detailed in the Notice convening the 15th Annual General Meeting of the Company.

Being Additional Directors, Mr. Munish Taneja and Mrs. Supriya Bhatnagar, hold office as such upto the date of ensuing Annual General Meeting. Keeping in view their skill sets, unique planning, execution, management and administration capabilities, the Board recommends appointment of (a) Mr. Munish Taneja as Whole-time Director and Key Managerial Personnel of the Company, designated as Executive Director, liable to retire by rotation, for a period of five years w.e.f. August 28, 2020; (b) Mrs. Supriya Bhatnagar as an Independent Director of the Company, not liable to retire by rotation, for a term of two years w.e.f. March 31, 2020. In the opinion of the Board, they are persons of integrity and possess requisite skills for discharging their duties as such. Keeping in view, the experience and knowledge of Mr. Taneja and Mrs. Bhatnagar, the Board is of the view that their appointment as such will be in the interest of the Company.

Upon getting approval of the shareholders for appointment of Mrs. Bhatnagar as an Independent Director her appointment shall be formalized by issuing a letter of appointment to her, which shall be open for inspection by the members at the registered office of the Company, in terms of applicable provisions of the Companies Act, 2013.

Further, Mr. Divyesh Bharatkumar Shah, Non-executive Director (DIN: 00010933) resigned from the directorship of the Company w.e.f. August 28, 2020. The Board places on record its appreciation for the contribution made by him during his tenure on the Board of the Company.

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, Mrs. Sargam Kataria (DIN: 07133394), Non-Executive Director, retire by rotation, and being eligible, offer herself for re-appointment at the ensuing the Annual General Meeting. The Board of Directors recommends her re-appointment.

The matter relating to appointment/ re-appointment of aforementioned directors have been included in the Notice convening the 15th Annual General Meeting of the Company. The brief resume of the Directors proposed to be appointed/ reappointed, nature of their 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, are provided in the Notice convening the 15th Annual General Meeting of the Company.

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.

SHARE CAPITAL/ STOCK OPTIONS

The paid up equity share capital of the Company as on March 31, 2020, was ₹ 31,50,00,000 comprising of 3,15,00,000 equity shares of ₹ 10/- each. An aggregate of 45,00,000 stock options, granted under Company's ESOP Schemes were in force as on March 31, 2020, 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; 'SORIL Infra Resources Limited Employee Stock Option Scheme - 2009' and 'SORIL Infra Resources Limited Employee Stock Option Scheme – 2009(II)' (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 "SORIL Infra Resources 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.sorilinfraresources.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:INE034H01016) of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 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 Fourteenth Annual General Meeting, held on September 30, 2019, for a period of five years i.e. until the conclusion of the Nineteenth 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 Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Rules made thereunder the Company has appointed M/s NP Gupta & Associates, 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 this 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.sorilinfraresources.com/files/1575020422.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 the 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.

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.sorilinfraresources.com/files/157502020.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 COMMITTEES 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, 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 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.sorilinfraresources.com/files/1575020280.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 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.sorilinfraresources.com/files/1589435017.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. Wherever required, the internal audit efforts are supplemented by audits conducted by specialized consultants/audit firms. Based on the reports of the Internal Auditors, process owners undertake corrective actions, in their respective areas and thereby strengthen the controls.

MATERIAL CHANGES AND COMMITMENTS

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 continues to explore collaboration with contractors/partners that ensure conservation of energy and resources. The Company also undertake all necessary steps to conserve energy at its offices and business operations / projects / sites etc. 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. Some of the steps undertaken for the conservation of energy are (a) using energy saving LED light fixtures at all of its offices/sites etc by replacing lighting system with LEDs, (b) installation of star energy conservation air conditioning systems, (c) installation of automatic power controllers to save maximum demand charges and energy, (d) installation of TFT monitors that saves power, (e) usage of advance latest technology products, machines, equipment, techniques and (f) 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 best of the class infrastructure to manage its business processes to achieve higher efficiency. It has helped it in implementing best business practices and customer services, at reduced operational costs.

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 satisfaction & employee efficiency. The Company's endeavor is to use upgraded, advance and latest technology machines, equipment etc, which improves customer delight and employee efficiency. Deployment of upgraded / advanced machines, equipment etc 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 further 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.

Company's LED business has created an exciting story in institutional and consumer LED Lighting segments in India with primary focus to provide reliable, sustainable and technologically advanced LED lighting products to Indian consumers and institutional buyers. All products are designed, developed and manufactured in India. The Company has state of the art contract manufacturing facilities located in Mumbai region, Daman, Hyderabad, Baddi, and Bangalore, and has set up a technologically advanced Lighting Innovation Centre in Mumbai, which aspires to be the best in class in the industry.

Company's equipment renting business also continuously adopt new technologies to achieve better productivity in project execution space.

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 utilization of scheduling and planning, efficient practices, usage of improved, advanced and latest technology machines, equipment etc. Some of the initiatives are: In-depth planning, organising/ scheduling/ structuring the work in tandem with job descriptions to ensure efficiency, engaging specialized contractors/ consultants to complete 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 were no earnings in the foreign exchange during the year under review, the foreign exchange outgo is given in the table below:

(Amount in ₹)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Foreign Exchange Outgo		
Purchase of fixed assets and spares and services	6,653,679	22,48,75,730
Purchase of inventory of LED	29,098,417	1,60,46,953
Travelling and conveyance	-	6,54,452
Foreign Exchange Earnings		
Export sale of LED Lighting	-	5,01,840

BUSINESS RISK MANAGEMENT

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

PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in Annexure 5, forming part of this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, read with the said rules, the 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 or at its Corporate Office, at Gurugram, 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.sorilinfraresources.com/files/1575019101.pdf>

SUBSIDIARY COMPANIES

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements along with its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its Fifteenth 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, forms part of this Annual Report.

For the performance and financial position 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 are in compliance with the requirements of the relevant provisions of applicable laws and statutes:

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

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

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

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 of the Company. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website: www.sorilinfraresources.com of the Company. The Audit committee set by the Board constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

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 15th 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 15th 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 15th 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 13, 2020
Place: Gurugram

Anil Malhan
Executive Director
DIN: 01542646

Sargam Kataria
Director
DIN: 07133394

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,
SORIL Infra Resources 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 SORIL Infra Resources 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

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), Women Director(s) 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:

- (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 holding company Indiabulls Integrated Services Limited and their subsidiaries (viz, 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 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 NP Gupta & Associates
Company Secretaries

Neha Gupta
Membership No.: 47714
CP No: 17685
UDIN: A047714B000621540

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.

To,
The Members,
SORIL Infra Resources Limited
Plot No. 448-451, Udyog Vihar,
Phase-V, Gurugram-122016, Haryana

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 NP Gupta & Associates
Company Secretaries

Neha Gupta
Membership No.: 47714
CP No: 17685

Place: New Delhi
Date: August 27, 2020

ANNEXURE – 1(ii)

Secretarial Compliance Report of SORIL Infra Resources Limited for the year ended 31st March, 2020

We, NP Gupta & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by SORIL Infra Resources 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 our 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 NP Gupta & Associates
Company Secretaries

Neha Gupta
Membership No.: 47714
CP No: 17685
UDIN: A047714B000487527

Place: New Delhi
Date: July 22, 2020

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 Rural Finance Private Limited
(formerly Littleman Fiscal Services Private Limited)
One International Center,
Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W),
Mumbai – 400013, Maharashtra

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls Rural Finance Private 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) **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.
- (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

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 and Independent Director. 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 name of the Company was changed from "Littleman Fiscal Services Private Limited" to "Indiabulls Rural Finance Private Limited" vide fresh Certificate of Incorporation dated April 12, 2019, issued by Registrar of Companies, Maharashtra, Mumbai.

For NP Gupta & Associates
Company Secretaries

Neha Gupta
Membership No.: 47714
CP No: 17685
UDIN: A047714B000621551

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.

'ANNEXURE A'

To,
The Members,
Indiabulls Rural Finance Private Limited
(formerly Littleman Fiscal Services Private Limited)
One International Center,
Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W),
Mumbai – 400013, Maharashtra

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 NP Gupta & Associates
Company Secretaries

Neha Gupta
Membership No.: 47714
CP No: 17685

Place: New Delhi
Date: August 27, 2020

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

CSR Policy is as posted at the company's website at web link: http://www.sorilinfraresources.com/dir/investor/28.CSR_Policy_Store_One.pdf

2. Composition of the CSR Committee

Brig. Labh Singh Sitara, Chairman (Independent Director)

Mrs. Sargam Kataria, Member (Non-Executive Director)

Mr. Anil Malhan, Member (Executive Director)

3. Average Net Profit of the Company for last three financial years: ₹ 2152.46 lacs.
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 43,04,929
5. Details of CSR expenditure for the financial year 2019-20:
- Total amount spent for the financial year: ₹ 43,04,929
 - Amount unspent, if any: Nil
 - Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

1	2	3	4		5	6		7	8
Sr. No.	CSR Sector in which the project is covered	Sector in which the project is covered	Projects or Programs		Amount outlay (budget) projects or programs wise	Amount spent on projects or programs Sub Heads:		Cummulative expenditure up to 31st March, 2020	Amount spent directly or through implementing agency
			District	State		Direct Exp. on Project or programswise	Overheads		
1	Cleft and Palate Surgeries (Smile Train India)	Health	PAN India	PAN India	43,04,929	-	-	-	Implementing Agency (Indiabulls Foundation)
	Total				43,04,929	-	-	-	-

6. 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 ₹ 43,04,929 to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf.

7. 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 was environmental friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For SORIL Infra Resources Limited

Date : October 13, 2020
Place : Gurugram

Anil Malhan
Executive Director
Member-CSR Committee
DIN: 01542646

Sargam Kataria
Director
Member-CSR Committee
DIN: 07133394

Brig. Labh Singh Sitara
Independent Director
Chairman – CSR Committee
DIN: 01724648

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 Company
(Management & Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

i.	CIN	L52190HR2005PLC077960
ii.	Registration Date (Date of Incorporation)	18-March-2005
iii.	Name of the Company	SORIL Infra Resources 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, Gurugram 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: SORIL Infra Resources Limited Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Tel : 040-6716 2222 - 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	Management and Maintenance Services	81100	14.27%
2	Equipment Hiring Services	43900	43.46%
3	Trading goods- LED Lighting	27400	39.35%

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	Indiabulls Integrated Services Limited Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram 122016, Haryana	L51101HR2007PLC077999	Holding	64.71 %	Section 2(46) of Companies Act, 2013
2	Store One Infra Resources Limited Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram 122016, Haryana	U33100HR2015PLC078058	Subsidiary	100.00%	Section 2(87) of Companies Act, 2013
3	Indiabulls Rural Finance Private Limited (formerly Littleman Fiscal Services Private Limited) One International Center, Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W) Mumbai-400013	U74140MH1993PTC074596	Subsidiary	100.00%	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	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	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	20,383,310	0	20,383,310	64.71	20,383,310	0	20,383,310	64.71	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL: (A) (1)	20,383,310	0	20,383,310	64.71	20,383,310	0	20,383,310	64.71	0.00
(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
SUB TOTAL: (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	20,383,310	0	20,383,310	64.71	20,383,310	0	20,383,310	64.71	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	211	0	211	0.00	0.00
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs/FPIs	4,233,173	0	4,233,173	13.44	4,007,442	0	4,007,442	12.72	(0.72)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
SUB TOTAL (B)(1):	4,233,173	0	4,233,173	13.44	4,007,653	0	4,007,653	12.72	(0.72)
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	1,491,610	0	1,491,610	4.73	1,025,119	0	1,025,119	3.25	(1.48)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	2,917,126	484	2,917,610	9.26	3,296,614	482	3,297,096	10.47	1.21
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	2,252,283	0	2,252,283	7.15	2,472,340	0	2,472,340	7.85	0.70

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Non-Resident Indians	167,245	0	167,245	0.53	217,670	0	217,670	0.69	0.16
ii) Clearing Members	52,609	0	52,609	0.17	96,312	0	96,312	0.31	0.14
iii) NBFC registered with RBI	2,160	0	2,160	0.01	500	0	500	0.00	(0.01)
SUB TOTAL (B)(2):	6,883,033	484	6,883,517	21.85	7,108,555	482	7,109,037	22.57	0.72
Total Public Shareholding (B)=(B)(1)+(B)(2)	11,116,206	484	11,116,690	35.29	11,116,208	482	11,116,690	35.29	0.00
C. Share held by Custodian for ADRs & GDRs									
Promoter and Promoter group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	31,499,516	484	31,500,000	100.00	31,499,518	482	31,500,000	100.00	0.00

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	Indiabulls Integrated Services Limited	20,383,310	64.71	0.00	20,383,310	64.71	0.00	0.00
2.	Sameer Gehlaut	0	0.00	0.00	0	0.00	0.00	0.00
3.	Kritikka Infrastructure Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
4.	Jyestha Infrastructure Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
5.	Powerscreen Media Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
6.	Calleis Real Estate Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
7.	Calleis Constructions Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
8.	Calleis Properties Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
9.	Karanbhumi Estates Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
10.	Meru Minerals Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
11.	Dahlia Infrastructure Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
12.	Galax Minerals Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
	Total	20,383,310	64.71	0.00	20,383,310	64.71	0.00	0.00

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

	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	20,383,310	64.71		
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)*				
At the end of the year	20,383,310	64.71		

*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*	3,143,600	9.98	3,143,600	9.98
2	ABG Capital*	781,500	2.48	586,076	1.86
3	KRG Polychem Private Limited [§]	0	0.00	273,000	0.87
4	Alfa Exim Private Limited [§]	0	0.00	219,000	0.69
5	Ashish Damani*	205,101	0.65	204,101	0.65
6	Antara India Evergreen Fund Ltd. [§]	29,559	0.09	167,766	0.53
7	Atul Goel*	165,000	0.52	165,000	0.52
8	Rachna Damani*	111,423	0.35	111,423	0.35
9	Mona Damani*	111,000	0.35	111,000	0.35
10	Citrine Fund Limited [§]	69,972	0.22	110,000	0.35
11	Padma Bahety [§]	0	0.00	110,000	0.35
12	Ankit Bahety & Sons HUF [§]	0	0.00	110,000	0.35
13	Shubhi Consultancy Services LLP [#]	731,572	2.32	0	0.00
14	Nomura Singapore Limited [#]	197,022	0.63	0	0.00
15	Govind Das Damani [#]	107,726	0.34	107,726	0.34
16	Mukul Mahavir Agrawal [#]	96,758	0.31	0	0.00

* Top 10 shareholders as on April 1, 2019 and March 31, 2020

Top 10 Shareholders as on April 1, 2019 only

§ Top 10 Shareholders as on March 31, 2020 only

^99.998% of paid-up Equity share capital of the Company are 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
A.	Shareholding of Directors						
1.	Mr. Anil Malhan Executive Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
2.	Mr. Divyesh Bharatkumar Shah ^{##} Non-Executive Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
3.	Mrs. Sargam Kataria Non-Executive Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
4.	Mr. Gurinder Singh Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
5.	Mr. Prem Prakash Mirdha Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
6.	Mr. Labh Singh Sitara Independent Director	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
7.	Mrs. Supriya Bhatnagar [#] Independent Director	01-Apr-2019	-	-	-	-	-
		31-Mar-2020	0	0.00	-	0	0.00
B.	Shareholding of KMPs other than MD/WTD/Manager						
1.	Mr. Vijay Agrawal Chief Financial Officer	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00
2.	Mr. Vikas Khandelwal Company Secretary	01-Apr-2019	0	0.00	-	0	0.00
		31-Mar-2020	0	0.00	-	0	0.00

[#] Appointed as director on the Board of the Company during FY 2019-20

^{##} resigned from the directorship of the Company w.e.f. August 28, 2020.

Note: Mr. Munish Taneja was appointed as an Executive Director w.e.f. August 28, 2020 and he held 1350 equity shares of the Company as on the date of his appointment.

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	985,446,753	0	0	985,446,753
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2,904,768	0	0	2,904,768
Total (i+ ii+ iii)	988,351,521	0	0	988,351,521
Change in Indebtedness during the financial year				
Additions / (Reduction)				
Additions	10,206,250	1,854,500,000	0	1,864,706,250
Reduction	(444,378,212)	(1,757,803,756)	0	(2,202,181,968)
Net Change	(434,171,962)	96,696,244	0	(337,475,718)
Indebtedness at the end of the financial year				
i) Principal Amount	551,955,096	85,500,000	0	637,455,096
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2,224,463	11,196,244	0	13,420,707
Total (i+ ii+ iii)	554,179,559	96,696,244	0	650,875,803

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S I . No.	Particulars of Remuneration	Mr. Anil Malhan, Executive Director	Total Amount (in ₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission (as % of profit/others)	-	-
5	Others	-	-
	Total (A)	-	-
	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.	

* Subsequent to FY 2019-20, Mr Munish Taneja was appointed as an Executive Director w.e.f. August 28, 2020.

B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
1	Independent Directors	Mr. Prem Prakash Mirdha	Mr. Gurinder Singh	Mr. Labh Singh Sitara	Mrs. Supriya Bhatnagar#	
	(a) Fee for attending board/ committee meetings	2,00,000	1,50,000	2,00,000	-	5,50,000
	(b) Commission	-	-	-	--	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	2,00,000	1,50,000	2,00,000	-	5,50,000
2	Other Non-Executive Director	Mrs. Sargam Kataria		Mr. Divyesh Bharatkumar Shah		
	(a) Fee for attending board/ committee meetings	-		-		-
	(b) Commission	-		-		-
	(c) Others, please specify	-		-		-
	Total (2)	-		-		-
	Total (B)=(1+2)					5,50,000
	Total Managerial Remuneration					5,50,000
	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.				

Appointed during FY 2019-20 w.e.f. March 31, 2020

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (in ₹)
		Mr. Vikas Khandelwal, Company Secretary	Mr. Vijay Agrawal, CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	48,45,544.00	43,06,228.00	91,51,772.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	21,600.00	0.00	21,600.00
	(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
	Total	48,67,144.00	43,06,228.00	91,73,372.00

*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)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Date: October 13, 2020
Place: Gurugram

Anil Malhan
Executive Director
DIN: 01542646

Sargam Kataria
Director
DIN: 07133394

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, except sitting fees, 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 during the FY 2019-20.

There was no increase in remuneration of Company Secretary and Chief Financial Officer 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 2.45%

Number of permanent employees on the rolls of Company

The Company had 278 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 4.35%, while there was no increase in the remuneration of key managerial personnel.

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 13, 2020
Place: Gurugram

Anil Malhan
Executive Director
DIN: 01542646

Sargam Kataria
Director
DIN: 07133394

ECONOMIC OVERVIEW

The financial year 2020 started off with rising issues in trade between the world's two largest economies – the U.S. and China. The U.S. and China together account for 40% of the global GDP, and trade disputes between the countries had an adverse effect on the global economy. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also in the output and profitability of firms, which led to businesses deferring investment decisions. The year ended with the outbreak of the Covid-19 global pandemic, which has had a material impact on the world economy, including on the Indian economy. In most countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and safety measures: the impact of which will be felt for a long time to come. However, to prevent a complete economic breakdown, several governments, including the Indian government, have released unprecedented monetary support. The global trade volumes are projected to decline between 13% to 32% in the financial year 2021 as a result of the economic impact of Covid-19.

The Indian economy started financial year 2020 on a cautious note, owing to the ongoing liquidity crisis and initial anxiety around the outcome of the general elections. In May, the NDA coalition was renewed for another term. The government announced a bold vision of making India a USD 5 trillion economy by 2025. Midyear, the finance ministry slashed domestic corporate tax rates to 25%. The Union Budget 2020 estimated the real GDP growth at 5.5% for the financial year 2020. Before the outbreak of Covid-19, the economy was on a recovery path from lower demand positions.

To combat the pandemic, the government ordered a phase-wise lockdown of the country starting March 2020. On the one hand, government measures for safety have relatively contained the pandemic. On the other hand, the lockdown impacted distribution channels and sales. Core industries output contracted by 15% in June, 2020, when the lockdown started being lifted.

To reduce the impact of the pandemic, the government and RBI announced a slew of measures to address the liquidity concerns of financial institutions by means of liberalizing sectors to attract foreign direct investments, upfront capital infusion in public sector banks to alleviate liquidity concerns, reduced corporate tax rates to revive private investment, and targeted long term repo operations to help ease liquidity of NBFCs. The government unveiled ₹ 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. With the easing of lockdown conditions, early signs of recovery are visible in the most recent economic data.

As the impact of the pandemic recedes, the Indian economy is expected to rebound in the second half of 2020. High consumer spending of the young and working population coupled with rapid urbanisation of one of the largest fast-growing middle class shall be key indigenous advantages in achieving a stronger economic growth rate.

BUSINESS OVERVIEW

The Company endeavours to create sustainable business for the benefit of its stakeholders. Currently, directly and through its subsidiaries, the Company is engaged in the businesses of equipment renting services, LED lighting, financing & related activities, management and maintenance services, etc.

During the year under review, business operations of the Company were progressive. The Company established distribution channels of LED Lighting business across the country, completed the first full year of operations of the financial services business, and performed reasonably well in equipment renting services during a tough year for the real estate and infrastructure sectors inflicted by the credit crisis.

Your Directors believe that all these businesses have huge potential and the Company shall focus on two core aspects of its businesses as we sail through these unprecedented times:

- 1) Ensuring that all business operations are gradually restored while supporting all stakeholders – employees, supply chain partners, and customers.
- 2) Focusing on triggering the next wave of business growth through an innovative and competitive approach towards products and services.

The Board has geared itself to navigate the challenges posed by Covid-19. The Company is focused in capital preservation, balance sheet protection, and operating expenses management.

Management Discussion and Analysis (contd.)

The Company has made a detailed impact assessment of the pandemic based on internal and external information available (up to the date of approval of financial results), of its liquidity position, recoverability, and carrying values of receivables and other assets including financial assets. It has accordingly made provisions or impaired assets wherever required and accounted for it in the financial books. The impact assessment of Covid-19 is an on-going process and the Company will continue to monitor any material changes.

The management teams of the respective businesses regularly assess policy and programs of the economy to evaluate the impacts on income, operating costs, productivity, competitiveness and sustainability.

SEGMENT WISE BUSINESS REVIEW

Equipment renting services branded as “Indiabulls Store One”

The Company is pioneer in the field of equipment rental solutions in India. Primary equipment in the rental fleet are tower cranes, passenger hoists, piling rigs, excavators, dozers, motor graders, wheel loaders, mobile boom placers, transit mixers, dumpers, steel stir-up machines, concrete batching plants. All equipment is of reputed international & Indian manufactures.

Indiabulls store one is working with most of the reputed corporate infrastructure companies and providing them end to end solutions in operations and maintenance of rental equipment. The business operates from offices in Mumbai, Gurgaon, Kolkata, Hyderabad, Bangalore, Ahmedabad, Pune and Chennai. Its pan India presence helps to provide seamless services to customers and gives competitive advantage in the market. The professional team managing the business has vast experience and is committed to providing the best customer service.

Renting division started with sales and service of aerial work platform in financial year 2020 and received encouraging orders from eclectic customers. We are initially trading in electric scissor lifts, diesel scissor lifts, articulated boom lifts, and telescopic booms. We shall be gradually adding more variants of machines required by the construction and infrastructure sector. Aerial work platform equipment segment has huge potential in manufacturing, warehousing, airports, power, ports, and metro. The products offered by the Company are of highest safety standards and comply with European standards.

We are currently serving industry segments such as real estate, precast, infrastructure, metro, cement, mining, petroleum refinery, piling, industrial, and road. Our endeavour is to expand the customer base into new segments such as airports, steel, power, and ports. This will further strengthen our position as a leading equipment solution provider in the country.

During the year end, the renting division had a revenue of ₹ 75.37 crores which is a decrease of 11.32% in reference to the previous year primarily due to management adopting stricter credit controls policy in view of the liquidity position in the market.

We continue to pursue excellence in following areas:

- Customised leasing and rental solutions
- Ability to swiftly mobilise and execute projects across the country
- Design and execution capabilities to handle complex projects
- Professional team to manage O&M activities at project sites
- Highest safety standards
- Higher availability and reliability of rental machines, which helps customers to execute projects faster

Your company is fully poised to take advantage of government investment in the infrastructure sector. In Union Budget 2020-21, the Government has given a massive push to the infrastructure sector by allocating ₹ 1.82 lacs crore (US\$ 24.27 billion) to enhance the transport infrastructure. The logistics sector in India is growing at 10.5% annually and is expected to reach ₹ 16.13 lacs crores (US\$ 215 billion) in 2020.

India is expected to become the third largest construction market globally by 2022. India has a investment requirement of ₹ 58.32 lacs crores (US\$ 777.73 billion) towards infrastructure by 2022 for a sustainable development in the country.

In April 2020, the government set a target of constructing roads worth ₹ 15.96 lakh crore (US\$ 212.80 billion) in the next two years. ₹ 2.39 lacs crores (US \$ 31.81billion) will be invested in smart cities mission.

Management Discussion and Analysis (contd.)

We are optimistic that the pandemic will prove to be a watershed moment in equipment renting demand as the government will be compelled to work on a very strict monitoring mechanism of infrastructure projects implementation to restore the GDP growth of at least 9% in the near future.

LED lighting branded as “Ib LED”

Indiabulls LED has created an exciting story in institutional and consumer LED Lighting segments in India with primary focus to provide reliable, sustainable and technologically advanced LED lighting products to Indian consumers and institutional buyers. All products are designed, developed and manufactured in India.

Having successfully positioned itself in the first two years of operations, Indiabulls LED completed the third year with a comprehensive product range, creating reach and presence in pan India markets. The revenue of ₹ 68.24 crores in the current year is an increase by 46.72% as compared to the previous year.

Business strategy has been to establish the distribution network across the country. The vision of the Company is to establish itself in the consumer product segments through LED Lights and scale up the operations to other products at the appropriate time.

The lighting division possesses one of the best talent pools in the LED Industry in R&D, development, design, supply chain management, and sales functions. We are determined to offer appropriate lighting solutions with an underlying emphasis on “Lights that understand you”.

The Company has state of the art contract manufacturing facilities located in Mumbai region, Daman, Hyderabad, Baddi, and Bangalore, and has set up a technologically advanced Lighting Innovation Centre in Mumbai, which aspires to be the best in class in the industry.

Our growth drivers:

- Very active centre of excellence in product innovation, adapting new technologies and providing cost effective LED lighting solutions to customers.
- Presence in over 150 town/cities of India through 300 channel partners and more than 9000 retailer points for customers and consumers.
- Consistency of quality. We shall continue to adopt the best practices for product reliability. We are an ISO 9001:2015 certified Company.
- Delivering on customer service as per promise.

Customers

In the previous year, the team had many celebrations on winning prestigious accounts. We shall strive to grow further in IT / ITES, banking and financial institutions, real estate, manufacturing, pharmaceutical industries, and infrastructure project space in the institutional LED segment and service residential consumers through the consumer LED segment.

Financing & related activities, branded as “Indiabulls Rural Finance”

The Company forayed into financial services business in financial year 2019 by acquiring 100% stake in Littleman Fiscal Services Limited, a Non-Banking Finance Company registered with RBI. Subsequently the name of the company was changed to Indiabulls Rural Finance Private Limited on 24th April, 2019.

The NBFC was acquired on 25th January 2019. Upon acquisition, we started operations and in a short span of time, the management proved its profound capabilities by establishing 24 branches; recruiting 285 employees; implementing new age loan origination and management system; and building a loan portfolio of ₹ 235.45 crores comprising 3200 clients with very insignificant NNPA. We had above average profitability in first year of operations. The Company has a capital adequacy ratio of 59.88% and networth of ₹ 123.96 crores as on March, 20.

The Company shall continue to perform and transform credit delivery by virtue of its people, technology, and understanding of customer profile.

The Company is focused on providing largely secured term loans to MSME, small business, and traders for business purposes. We will also offer home loans in affordable and low ticket size categories, largely to the MSME sector employees and business owners in Tier II and Tier III cities, who are drivers of economic growth in the country.

Management Discussion and Analysis (contd.)

Brief overview of MSME sector:

The Micro, Small and Medium Enterprises (MSMEs) Sector contributes significantly to the Indian Economy in terms of GDP in exports and generating employment.

MSME Units (#)	Jobs created	Contribution to exports	% of GDP
6.34 crores	12 crores	48.10% of total exports	30.74% of the GDP

The MSME sector has consistently maintained a growth rate of over 10%. About 20% of the MSMEs are based in rural areas, which indicates a significant rural workforce in the MSME sector, and exhibits the importance of these enterprises in promoting sustainable and inclusive development. (Source: CII Website)

Particulars	Micro	Small	Medium	Total
Debt demand	13,32,000	24,57,000	3,75,000	41,64,000
Debt Supply			11,68,000	11,68,000
Debt gap			29,96,000	29,96,000

Debt Demand Growth	Debt Demand- sector wise
21% CAGR	47% Manufacturing
	53% service sector

(Data Source: marketreportsonindia.com)

The Company shall pursue the above opportunity and is confident in ability to capitalise on the present NBFC environment through its approach to business and abrestness on governance of rural economies and MSME credit policies.

Management and maintenance services:

The Company has developed expertise in all avenues of management and maintenance of properties. The Company currently manages and maintains residential properties in Mumbai and NCR for which the revenue was ₹ 24.76 crores.

COMPANY'S STRENGTHS - DISTINGUISHING ATTRIBUTES OF OUR BUSINESS OPERATIONS

- Deep domain knowledge in every business undertaken to exceed customer expectations.
- Emphasis on better project management through continuous development of domain expertise in all businesses.
- Endeavour to lower costs while maintaining quality and managing complexity.
- Focus on improving working capital level and optimum treasury activities.
- Continued focus on reducing working capital levels by emphasis on speedy customer collections, accelerating invoicing of work and supplies completed, and reducing inventory levels.
- Promoting innovative disruptions of business models through digitization and technology.
- Actively investing in people, products and processes to accelerate business vision.

OPPORTUNITIES

Equipment renting services

Opportunity drivers:

- Infrastructure demand of the young demographic in India and impetus to develop new areas.
- Continuously adopting new technologies to achieve better productivity in project execution space.
- Company's presence in all regions and opening branches in major cities of the country.
- Service differentiation by keeping simple performance matrices.

Management Discussion and Analysis (contd.)

Although the equipment rental industry is highly fragmented and diverse, the Company believes that it is well positioned to take advantage of this environment. As a large company, it has extensive resources and compelling advantages. The Company's size gives it greater purchasing power and the resources to provide customers with a broader range of equipment and services. The Company is also able to transfer equipment across various regions and sites to satisfy customer needs.

LED Lighting business:

Opportunity drivers:

- Favourable macroeconomic conditions and expected market growth by virtue of government push on electrification and improvement of infrastructure and housing.
- Pan-India distribution network of products ensure that the Company is able to increase its market position and introduce varied products for all segments.
- Undersaturation of LED product range. With change in demographic pattern and urbanisation, there is a lot of opportunity to grow in this market.
- Wide product portfolio in both consumer and institutional categories.

Financing & related activities

Opportunity drivers:

- The market share of NBFC compared to banks continues to expand due to speed of delivery. The expansion will be supported by NBFC's ability to customise products, price the risk and manage ultimate credit costs, especially related to small-ticket loans viz small ticket housing loans and loan against property.
- Increasing aspiration of people to own homes and expand business due to rapid change in social and physical infrastructure across the country.
- Low credit penetration in semi-urban and rural India.
- Government policy support on affordable housing. India still faces a huge shortage of houses. The increasing urbanisation will enhance financial literacy and quality of living, which will boost demand for housing in urban areas. Apart from the urban segment, Tier II and III cities and rural areas are also likely to witness considerable improvement in finance coverage mainly due to the government's efforts to provide housing for all.
- Faster growth in demand for financial products from semi-urban and rural areas will be seen, because of increasing financial literacy and awareness, mobile penetration, and the Pradhan Mantri Jan Dhan Yojana bank accounts (the scheme is aimed at bringing the unbanked under the formal banking system).
- Government and regulators continuously supporting the sector through various measures. RBI announced several measures to improve liquidity and mitigate impact on credit quality due to the lockdown.

RISK, CHALLENGES, AND RISK MANAGEMENT SYSTEM

Risk is an essential part of business and taking risk is a fundamental driving force in business. In fact, it is the unique differentiator between companies who thrive and those who merely survive or otherwise. This has never been more important than in today's VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world. There are several rapid, unprecedented and unpredictable changes taking place all the time. The size, scale and scope of these changes in today's world are enormous. Many of these are driven by changes in technology and have consequential impacts on supply chain, logistics and costs. The aforementioned uncertainties warrant robust process and framework to minimize threats and capture opportunities to create sustainable value for the organization. The risk horizon considered includes long term strategic risks, short to medium term risks, as well as single events.

Key business risks identified by the Company:

Credit risk

This is the risk of loss arising from a default and is also known as default risk. Each of the businesses has distinct policies and monitoring mechanisms for managing credit risk.

Management Discussion and Analysis (contd.)

Credit risk is managed by capping exposures on the basis of customer profile and security offered. The Company ensures portfolio diversification, stringent approval processes, and periodic remedial measures to maintain the asset quality. The Company's NBFC has a strong framework for the appraisal and execution of credit facilities that involves detailed evaluation of industry, business, financial (including sponsor's financials strengths), and defined approach to risk identification and mitigation.

Interest rate risk

Interest rate risk is the risk of changes in market interest rates and its impact of net interest income or net operating income as per the business model.

The Company manages the interest rate risk by regularly reviewing the re-pricing characteristic of balance sheet positions. The management keeps a good balance of floating rate and blended rate structures to manage the market dynamics.

Business/ Strategy risk

Business/ strategic risk is the current or prospective impact on the company's earnings, capital, reputation, or standing arising from faulty decisions, improper execution of decisions, or lack of responsiveness to industry, regulatory, economic, or technological developments.

The Company's management of this risk is guided by certain core principles:

- 1) Diversification – The Company constantly maintains a diversification in its business through various products, customer segments, and geographies.
- 2) Technology risk – The Company continuously reviews the potential losses due to technology obsolescence in LED inventory and EHB machines.
- 3) Balanced growth – The Company strives to grow and gain market share while maintaining asset quality and margin.
- 4) Prudent Provisioning – The Company management ensures that the books reflect the true financial position by ensuring correct provision of bad assets.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.

The company has built into its operations process proper segregation of functions, clear reporting structures and well-defined processes. The risk that the purchase of various goods and services is not managed at economical cost. Efficiency of operations is a key thrust area for the Company. The Company continuously develops and collaborates with suppliers to ensure that operations are not affected by any delays and optimum schedule of procurement and payment is followed to manage the operations. The Company's technology team ensures that all procurements are futuristic and value centric to the Company.

The Company has a well-designed business continuity plan to meet any operational exigencies.

Legal and Compliance

The risk that the Company is found to have inadvertently violated laws covering business conduct. The country's regulatory framework is ever evolving and the risk of non-compliance and penalties may increase for the Company, leading to reputational risks.

Hiring professionals & experts and periodic and ad-hoc reporting to the management for oversight ensures effectiveness of managing compliance.

Competition Risks

The risk that the Company may face stiffer completion for growth of its businesses. With the expanding capacities of existing players and also the emergence of new entrants, competition is a sustained risk.

Strategic initiatives to enhance brand equity through enhanced marketing activities and continuous efforts in enhancing the product portfolio and value adding services have been the thrust areas of the Company.

Management Discussion and Analysis (contd.)

Financial Risks

The risk of exposure to interest rates, foreign exchange rates, and the requirements of cash for operations.

The Company has elaborate financial risk management policies which are followed for every transaction undertaken. The Company's policies to counter such risks are reviewed periodically and keep a track of the operations to ensure consistent cash conversion cycle.

Information Technology Risks

Risks related to Information Technology systems, data integrity, and physical asset. The Company deploys Information Technology systems including ERP, SCM, CRM and Mobile Solutions to support its business processes, communications, sales and logistics. Risks could primarily arise from unavailability of systems and/or loss or manipulation of information.

To mitigate these risks, the Company uses back up procedures and stores information at two different locations. Systems are upgraded regularly with the latest security standards.

HUMAN RESOURCES

The Company's human resources provide a business edge. The Company continuously builds a talent pipeline at the entry, junior and middle level for its businesses. Further the Company has initiated various training and development programmes for its employees to capitalize on business opportunities.

The Company is enhancing its HR processes for scale, agility, and consistent employee experience. The HR environment ensures that the Company houses P&L and operations leaders. As on March 31, 2020, the Company had a strong team of 278 employees, who are aligned and dedicated towards the Company's goals.

INTERNAL CONTROL SYSTEMS

The Company has a sound and adequate system of internal controls commensurate with the size of the Company and the nature of its business to ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded, and reported correctly and adequately by appropriate empowered authorities. These are routinely tested and certified by statutory and internal auditors and cover all offices, warehouses and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

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:

Ratios	2019-20	2018-19	Explanation to major change
Debtor Turnover Ratio	2.28	2.37	No significant change
Inventory Turnover	6.18	8.97	Improvement due to better working capital focus
Current Ratio	0.85	0.84	No significant change
Interest Coverage Ratio	0.46	3.45	The reason is lower profit margin which was due to multiple factors viz COVID; Led channel establishment and liquidity situation in market forced us to take hard credit decisions.
Debt Equity Ratio	0.22	0.02	
Operating Profit Margin	36%	50%	
Net Profit Margin	(-)3%	9%	
Return on net worth	(-)2%	13%	

Change in net worth:	2019-20	2018-19	Explanation to major change
Net worth (₹ Cr.)	226.78	229.95	No significant change

Management Discussion and Analysis (contd.)

CAUTIONARY STATEMENT

Statements in this Report on Management's Discussion and Analysis describing the Company's objectives, estimates and expectations may be forward looking statements based on certain assumptions and expectations of future events. Actual results may 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.

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

SORIL Infra Resources 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 Directors and Independent Directors with demonstrated skill sets and relevant experience. The Board members have excellent leadership and guidance abilities, wide and rich professional knowledge and experience in diverse fields.

Presently, as on the date of this report, the Board consist of Seven (7) directors of whom two are Executive Directors, and the remaining five directors are non-executive directors (two of them are Woman Directors) with four of such directors being Independent Directors (one of them is a Woman Independent 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 finance management, facility management, property management, administrative skills, leadership skills, expertise

Corporate Governance Report (contd.)

in service industry and projects execution, regulatory compliances, business strategy, business development, resource mobilization, credit control, collections, Economics, Business Management, Risk Management, Human Resources etc. The Directors of the Company have mapped their skills based on the board skill matrix.

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 Directors^	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 this Company)**	
						As Member#	As Chairperson
1.	Mr. Anil Malhan (DIN: 01542646)	Executive Director	Facility management, Property management, Administrative skills, Leadership skills, Expertise in service industry and projects execution, Regulatory compliances, Human Resources and Finance Management	5	Indiabulls Commercial Credit Limited*** (Non-Executive Director)	4	1
2.	Mr. Divyesh Bharatkumar Shah (DIN: 00010933)	Non-Executive Director	Finance Management, Business Development, Resource Mobilization, Credit Control, Collections, Business Management and Risk Management	7	Indiabulls Ventures Limited (Whole-Time Director)	1	0
3.	Mrs. Sargam Kataria (DIN: 07133394)	Non-Executive Director	Human Resources, Risk Management Business Strategy, Business Development and Resource Mobilization	10	Nil	2	0
4.	Mr. Gurinder Singh (DIN: 08183046)	Non-Executive Independent Director	Administrative skills, Leadership skills and Regulatory compliances	1	Indiabulls Real Estate Limited (Non-Executive Independent Director)	1	0

Corporate Governance Report (contd.)

Sl. No.	Name of the Directors [^]	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 this Company)**	
						As Member [#]	As Chairperson
5.	Mr. Prem Prakash Mirdha (DIN: 01352748)	Non-Executive Independent Director	Administrative skills, Leadership skills, Risk Management and corporate governance etc	4	1. Indiabulls Housing Finance Limited (Non-Executive Independent Director) 2 Indiabulls Commercial Credit Limited*** (Non-Executive Independent Director)	7	2
6	Brig. Labh Singh Sitara (DIN: 01724648)	Non-Executive Independent Director	Administrative skills, Leadership skills, corporate governance etc	1	Indiabulls Consumer Finance Limited*** (Non-Executive Independent Director)	3	0
7	Mrs. Supriya Bhatnagar (DIN: 08731453)	Non-Executive Independent Director	Business Development, Business Management and Resource Mobilization	0	Nil	0	0

[^] During the FY 2019-20 on March 31, 2020, Mrs. Supriya Bhatnagar, was appointed as Independent Director on the Board of the Company. Subsequently, in the current FY, on August 28, 2020, Mr. Divyesh Bharatkumar Shah (DIN: 00010933) resigned from the office of director of the Company and Mr. Munish Taneja (DIN: 08851660) was appointed as Executive Director of the Company.

* Includes directorship(s) held in foreign companies and private limited 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.

*** Only debt securities of these companies are listed on NSE/BSE

[#] This includes the chairmanship in the Committees.

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.

Corporate Governance Report (contd.)

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.

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.sorilinfraresources.com/files/1575019101.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 being 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 Director	No. of Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. Anil Malhan (DIN: 01542646)	4	3 [^]	Yes
2.	Mr. Divyesh Bharatkumar Shah (DIN: 00010933)	4	4	No
3.	Mrs. Sargam Kataria (DIN: 07133394)	4	4	Yes
4.	Mr. Gurinder Singh (DIN: 08183046)	4	3 [^]	Yes
5.	Mr. Labh Singh Sitara (DIN: 01724648)	4	4	Yes
6.	Mr. Prem Prakash Mirdha (DIN: 01352748)	4	4	Yes
7.	Mrs. Supriya Bhatnagar* (DIN: 08731453)	0	0	N.A.

[^] Mr. Anil Malhan and Mr. Gurinder Singh could not attend the meeting held on August 14, 2019 and November 14, 2019, respectively, due to their travelling schedule.

* appointed as director on the Board of the Company w.e.f. March 31, 2020

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.

(A) Audit Committee Composition

The Audit Committee currently comprises of three members namely, Mr. Prem Prakash Mirdha as the Chairman, Brig. Labh Singh Sitara and Mrs. Sargam Kataria, as other two members. Two out of three members namely Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara are Independent directors.

Mr. Vikas Khandelwal, 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 the reviewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate; and
- 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 1, 2019.

Corporate Governance Report (contd.)

Meetings and Attendance during the year

During the FY 2019-20, the Audit Committee met four (4) 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 is as under:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Prem Prakash Mirdha	4	4
Brig Labh Singh Sitara	4	4
Mrs. Sargam Kataria	4	4

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 namely Mr. Prem Prakash Mirdha, as the Chairman, Brig. Labh Singh Sitara and Mrs. Sargam Kataria, as other two members. Two out of three members namely Mr. Prem Prakash Mirdha and Brig. Labh Singh Sitara are Independent directors.

Terms of reference

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

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

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Prem Prakash Mirdha	1	1
Brig. Labh Singh Sitara	1	1
Mrs. Sargam Kataria	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 shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company, at web-link: <https://www.sorilinfraresources.com/files/1575020280.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 entire Board of Directors except Director, 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

During FY 2019-20, Mr. Anil Malhan, Executive Director did not draw any remuneration from the Company.

(ii) Remuneration of Non-Executive Directors

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. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not issued any stock option to its Non-Executive Directors.

Corporate Governance Report (contd.)

(C) Stakeholders Relationship Committee

Composition

The Stakeholders Relationship Committee comprises of three members namely Mr. Prem Prakash Mirdha, an Independent Non-Executive Director, as the Chairman and Mrs. Sargam Kataria and Mr. Anil Malhan 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

During the FY 2019-20, the Committee met four (4) 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 is as under:

Name of the Member	No. of Meetings held during the Tenure	No. of Meetings Attended
Brig. Labh Singh Sitara	4	4
Mr. Anil Malhan	4	4
Mrs. Sargam Kataria	4	4

Name and designation of Compliance Officer

Mr. Vikas Khandelwal, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI LODR.

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	1	1	0
3.	Non-receipt of shares	0	0	0	0
4.	Non-receipt of Annual Report	0	1	1	0
	Total	0	2	2	0

Corporate Governance Report (contd.)

(D) Corporate Social Responsibility (CSR) Committee

Composition

The Corporate Social Responsibility Committee comprises of three members namely Brig. Labh Singh Sitara, an Independent Non-Executive Director, as the Chairman and Mrs. Sargam Kataria and Mr. Anil Malhan as other two members.

Terms of Reference

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; and
- 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
Brig. Labh Singh Sitara	2	2
Mr. Anil Malhan	2	2
Mrs. Sargam Kataria	2	2

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 considering, evaluating and implementing reorganization options.

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	Number of special resolutions passed
2016-17	12th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 28, 2017	10:00 A.M.	3
2017-18	13th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 29, 2018	10:00 A.M	9
2018-19	14th AGM	'The Pllazio Hotel', 292-296, Near City Center, Sector 29, South City, Gurugram-122001, Haryana	September 30, 2019	11:00 A.M	2

(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

Corporate Governance Report (contd.)

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	24395903	24395499	99.998	404	0.002
2	Approval of Trust Route and Secondary market acquisition for implementation of ESOP Scheme(s) of the Company.	Special	24395903	24395449	99.998	454	0.002
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	24395903	24395449	99.998	454	0.002

Scrutinizer:

The Board of Directors of the Company had appointed Mr. Nishant Mittal, Practicing Chartered Accountant (Membership No. 553860), 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.sorilinfraresources.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 Audio 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.sorilinfraresources.com and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate/ 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 'Investor Relations' and 'Media & Announcement' 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 L52190HR2005PLC077960.

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

The 15th AGM of the Company will 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 15th AGM of the Company.

(E) Dividend Payment date

No dividend has been recommended on equity shares of the Company by the Board for the financial year 2019-20.

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

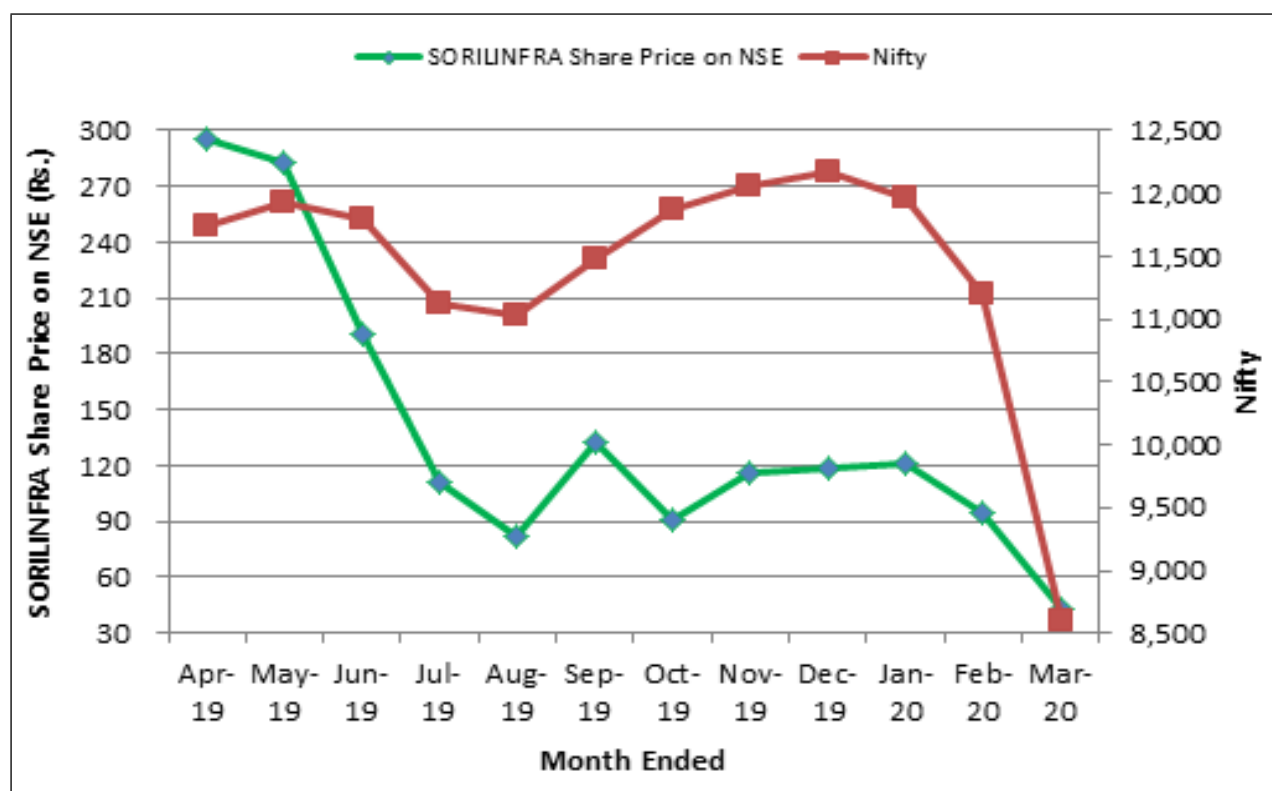
Corporate Governance Report (contd.)

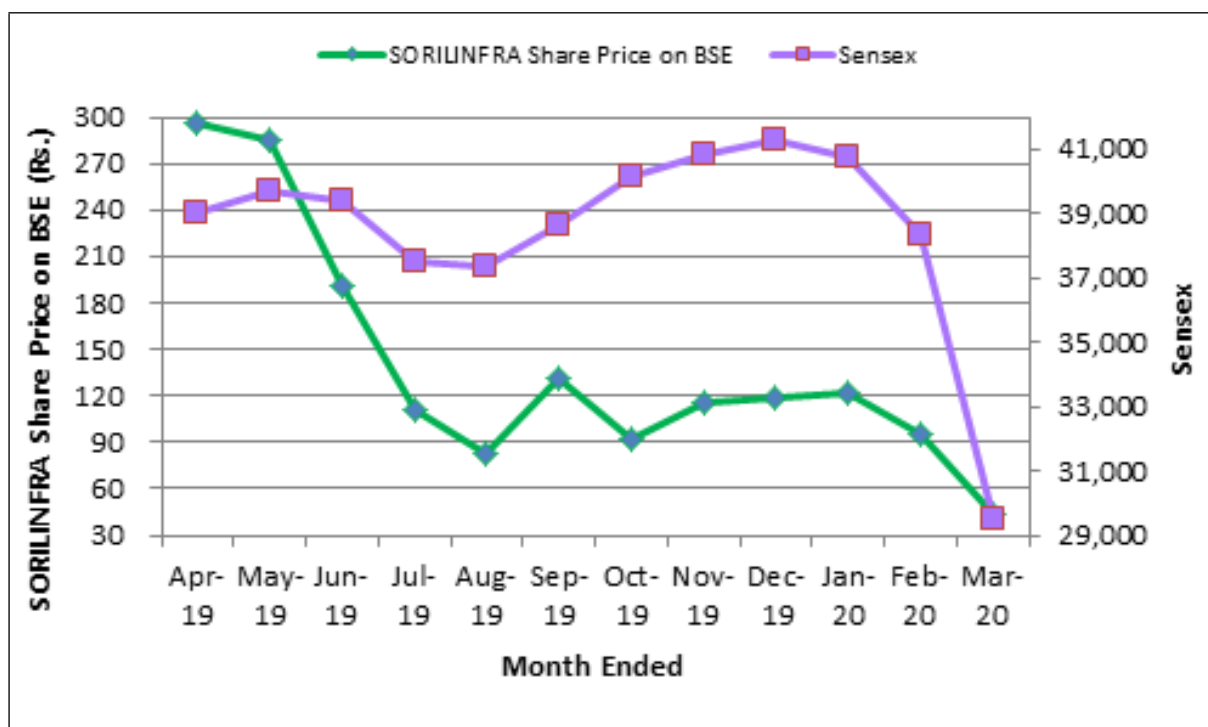
(H) Market Price Data

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	364.60	296.00	364.20	295.10
May 2019	313.25	237.45	313.15	238.30
June 2019	291.90	173.45	294.85	174.05
July 2019	206.65	111.05	206.15	110.70
August 2019	115.00	80.55	115.45	80.70
September 2019	153.55	78.00	152.80	78.10
October 2019	125.45	73.25	124.85	74.00
November 2019	134.50	89.15	134.60	89.65
December 2019	121.00	96.20	122.00	97.00
January 2020	150.50	115.80	150.35	115.00
February 2020	120.70	94.10	120.85	93.75
March 2020	104.80	42.80	104.50	42.90

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




(J) Registrar and Transfer Agents

M/s. KFin Technologies 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: SORIL Infra Resources 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.

Corporate Governance Report (contd.)

(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
1.	1 - 5,000	13114	90.22	1,29,54,990	4.11
2.	5,001 - 10,000	683	4.70	53,89,840	1.71
3.	10,001 - 20,000	341	2.35	51,90,500	1.65
4.	20,001 - 30,000	139	0.96	35,81,740	1.14
5.	30,001 - 40,000	55	0.38	19,60,930	0.62
6.	40,001 - 50,000	43	0.30	20,37,280	0.65
7.	50,001 - 100,000	69	0.47	51,01,220	1.62
8.	100,001 and Above	92	0.63	27,87,83,500	88.50
	Total	14536	100.00	31,50,00,000	100.00

(ii) Equity Shareholding pattern as on March 31, 2020

Sl. No.	Category	No. of shares	% holding
1	Promoters	20,383,310	64.71
2	Financial Institutions	211	0.00
3	Foreign Portfolio Investors	4,007,442	12.72
4	NBFCs Registered with RBI	500	0.00
5	Bodies Corporate	1,025,119	3.25
6	Indian Public	5,769,436	18.32
7	NRIs	217,670	0.69
8	Clearing Members	96,312	0.31
	Total	31,500,000	100.00

(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, 99.998% Equity shares of the Company representing 31,499,518 out of a total of 31,500,000 Equity shares were held in dematerialized form and the balance 482 shares representing 0.002% of the total equity capital of the Company were held in physical form.

Further, as on March 31, 2020, 2,973,450 Preference shares of face value ₹ 10/- each of the Company were held in physical mode. Same are presently not listed on any Stock Exchanges.

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

(N) Outstanding Convertible Instruments

As on March 31, 2020, an aggregate of 45,00,000 Employees Stock options are 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****(i) Registered Office:**

Plot No. 448-451, Udyog Vihar, Phase-V,
 Gurugram-122016, Haryana
 Tel: 0124-6681199, Fax: 0124-6681111
 Website: www.sorilinfraresources.com

(ii) 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 Fifteenth 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 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 ₹
Payment to Statutory Auditors	28,78,000

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 FY 2019-20	0

Corporate Governance Report (contd.)

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.sorilinfraresources.com/files/1575020380.pdf>

Indiabulls Rural Finance Private 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.sorilinfraresources.com/files/1589435017.pdf>

(iii) Executive Director / CFO Certification

- (a) 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.
- (b) The Executive Director and CFO have issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II of the SEBI LODR certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

(iv) (a) Code of Conduct and Ethics

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

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

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

(b) Code of Conduct for Prevention of Insider Trading

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

(v) Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company: www.sorilinfraresources.com. 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

Corporate Governance Report (contd.)

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 compliances with the discretionary requirements are 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 confirm.

(B) Shareholders Rights

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

ANNUAL DECLARATION BY THE EXECUTIVE DIRECTOR PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI LODR.

I confirm that for the year under review, Directors and Senior Management have affirmed their adherence to the provisions of the Code of Conduct.

for SORIL Infra Resources Limited

Anil Malhan
Executive Director
DIN: 01542646

Date : July 11, 2020
Place: Gurugram

Corporate Governance Report (contd.)

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
SORIL Infra Resources Limited

We have examined the compliance of conditions of Corporate Governance by SORIL Infra Resources 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 NP Gupta & Associates
Company Secretaries

Neha Gupta
C. P. No.: 17685
UDIN: A047714B000628932

Place: New Delhi
Date: August 28, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of SORIL Infra Resources Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of SORIL Infra Resources 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 profit and Consolidated total comprehensive income, its 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 43(iv) of the Consolidated Financial Statement, 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 one subsidiary company 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.

Key audit matter	How the matter was addressed in our audit
Information technology	
IT systems and controls 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.	Our audit procedures to assess the IT system access management included the following: General IT controls/user access management - 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. - 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 and preventative controls designed to enforce segregation of duties.

Key audit matter	How the matter was addressed in our audit
	- 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. - 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. - 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.

Key audit matter	How our audit addressed the key audit matter
Property, Plant and Equipment The Group's policies on the property, plant and equipment are set out in note 3.5 to the Consolidated Financial Statements. The Group carries property, plant and equipment with net written down value of ₹ 175.70 crores as at 31 March 2020, with the majority of value attributed to plant & machinery as disclosed in note- 4A of the Consolidated Financial Statements. However, due to their materiality in the contest 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.	Our Procedures in relation to the property, plant and equipment, but not limited to the following: - Assessed the appropriateness of the Group's accounting policy by comparing with applicable Ind AS. - We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing. - Enquired of the management and understood the internal controls related to completeness of the list of property, plant and equipment alongwith the process followed. - Performed test of details: 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; b. Obtaining management reconciliation of property, plant and equipment and agreeing to general ledger. Further, all the significant reconciling items were tested; c. Analysing management's plan for the assets in the future and the associated consideration of Ind AS 16; d. Reviewing the management impairment consideration documentation relating to the carrying value to property, plant and equipment; and e. Reviewing the appropriateness of the related disclosure within the Consolidated Financial Statements.

Key audit matter	How our audit addressed the key audit matter
De-recognition of financial asset The Group's policies on de-recognition of financial assets are set out in note 3.1(IV) to the Consolidated Financial Statements. 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 Group 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. The Group also records a servicing asset at their fair value for the right retained for servicing the financial asset for the service contract. 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.	Our Procedures in relation to the de-recognition of financial asset, but not limited to the following: - Assessed the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been met. - 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. - Tested the arithmetical accuracy of computation of the excess interest spread receivable and servicing asset. - 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.

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.

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 Group 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.
- (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 34 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: 20097848AAAABN9633

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 SORIL Infra Resources Limited on the Consolidated Financial Statements for the year ended 31 March 2020.

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of SORIL Infra Resources Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020,

based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No.: 005975N

Vikas Aggarwal

Partner

Membership No. 097848

UDIN: 20097848AAAABN9633

Place: Gurugram

Date: 11 July 2020

Consolidated Balance Sheet

as at 31 March 2020

		(₹ in crores)	
Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
1 Non-current assets			
Property, plant and equipment	4A	175.70	190.57
Right to use asset	4B	9.91	-
Goodwill on consolidation	4B	0.70	0.70
Other intangible assets	4B	3.70	0.87
Financial assets			
(i) Loans	5A	191.01	138.80
(ii) Other financial assets	6A	2.09	0.61
Deferred tax assets, (net)	7	0.36	0.72
Non-current tax assets, (net)	8	13.60	17.10
Other non-current assets	9A	0.15	3.51
		397.22	352.88
2 Current assets			
Inventories	10	13.09	6.00
Financial assets			
(i) Investments	11	0.00	91.74
(ii) Trade receivables	12	69.35	82.82
(iii) Cash and cash equivalents	13	8.70	9.64
(iv) Other bank balances	14	1.07	0.65
(v) Loans	5B	121.75	102.84
(vi) Other financial assets	6B	0.91	0.04
Other current assets	9B	12.26	12.91
		227.13	306.64
Total assets		624.35	659.52
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	15	31.50	31.50
Share premium and other equity	16	208.83	196.45
Total equity		240.33	227.95
2 Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17A	25.89	45.13
(ii) Other financial liabilities (including lease liabilities)	18A	7.71	-
Provisions	19A	3.57	2.13
Deferred tax liability, (net)	20	0.10	-
Other non-current liabilities	21	-	0.15
		37.27	47.41
Current liabilities			
Financial liabilities			
(i) Borrowings	17B	271.00	288.68
(ii) Trade payables	22		
a) Total outstanding dues of micro enterprises and small enterprises		9.40	5.04
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		19.15	12.26
(iii) Other financial liabilities (including lease liabilities)	18B	39.67	39.23
Other current liabilities	23	3.34	38.50
Provisions	19B	0.05	0.38
Current tax liabilities, (net)	24	4.14	0.08
		346.75	384.16
Total liabilities		384.02	431.57
Total equity and liabilities		624.35	659.52
Summary of significant accounting policies	3		
Commitments and contingencies	34		

The accompanying notes are integral part of consolidated financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

Place: Gurugram

Date : 11 July 2020

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Vijay Kumar Agrawal

Chief Financial Officer

Sargam Kataria

Director

[DIN : 07133394]

Vikas Khandelwal

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

SORIL

INFRA RESOURCES

(₹ in crores)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I Income			
Revenue from operations	25	212.50	150.54
Other income	26	18.56	18.25
Total income		231.06	168.79
II Expenses			
Cost of material and services	27	111.79	75.56
Employee benefits expense	28	51.60	34.82
Finance costs	29	13.52	6.27
Depreciation and amortisation expenses	30	25.15	19.65
Other expenses	31	18.61	18.78
Total expenses		220.67	155.08
III Profit before tax		10.39	13.71
IV Tax expense:	32		
Current tax (including earlier years)		3.27	0.12
Deferred tax		0.46	(0.36)
V Profit for the year		6.66	13.95
VI Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
(i) Change in fair value of FVOCI equity instruments		4.84	-
(ii) Income tax effect on above		(0.83)	-
(iii) Re-measurement gain on defined benefits plans		0.23	0.65
(iv) Income tax effect on above		(0.00)	-
Total other comprehensive income, (net of tax)		4.24	0.65
VII Total comprehensive income for the year		10.90	14.60
VIII Earnings per equity share	33		
Equity share of par value of ₹ 10 each			
Basic (₹)		2.01	4.62
Diluted (₹)		2.01	4.62

Summary of significant accounting policies

3

Commitments and contingencies

34

The accompanying notes are integral part of consolidated financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

For and on behalf of the Board of Directors

Vikas Aggarwal

Partner

Anil Malhan

Whole Time Director

[DIN : 01542646]

Sargam Kataria

Director

[DIN : 07133394]

Place: Gurugram

Date : 11 July 2020

Vijay Kumar Agrawal

Chief Financial Officer

Vikas Khandelwal

Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(₹ in crores)

A) Equity share capital*

Particulars	Numbers	Amount
As at 01 April 2018	27600000	27.60
Add: Issue of equity share capital	3900000	3.90
As at 31 March 2019	31500000	31.50
Add: Issue of equity share capital	-	-
As at 31 March 2020	31500000	31.50

*refer note 15 for details

B) Share premium and other equity**

Particulars	Reserves and Surplus					FVOCI- Equity instru- ments	Total
	Securities Premium	Special reserve u/s 45IC	Deferred Employee Compen- sation reserve	Impair- ment Reserve	Retained Earnings		
Balance as at 01 April 2018	121.49	0.02	1.91	-	(150.72)	-	(27.29)
Profit for the year	-	-	-	-	13.95	-	13.95
Other comprehensive income for the year							
Re-measurement gain on defined benefits plans (net of tax)	-	-	-	-	0.65	-	0.65
Total Comprehensive income for the year							(12.69)
Securities premium on issue of equity share capital	206.31	-	-	-	-	-	206.31
Dividend on preference shares	-	-	-	-	(0.27)	-	(0.27)
Dividend distribution tax thereon	-	-	-	-	(0.06)	-	(0.06)
Share issue expenses	(0.39)	-	-	-	-	-	(0.39)
Deferred employee compensation expenses	-	-	3.54	-	-	-	3.54
Balance as at 31 March 2019	327.42	0.02	5.46	-	(136.44)	-	196.45
Profit for the year	-	-	-	-	6.66	-	6.66
Other comprehensive income for the year							
Re-measurement gain on defined benefits plans (net of tax)	-	-	-	-	0.23	-	0.23
Change in fair value of FVOCI equity instruments	-	-	-	-	-	4.84	4.84
Deferred tax on above	-	-	-	-	-	(0.83)	(0.83)
Total Comprehensive income for the year							207.35
Adjustment of transition of Ind AS 116	-	-	-	-	0.15	-	0.15
Deferred employee compensation expenses	-	-	1.66	-	-	-	1.66
Impairment Reserve	-	-	-	0.04	(0.04)	-	-
Transfer to Special Reserve @ 20% U/s 45IC	-	1.60	-	-	(1.60)	-	-
Dividend on preference shares	-	-	-	-	(0.27)	-	(0.27)
Dividend distribution tax thereon	-	-	-	-	(0.06)	-	(0.06)
Balance as at 31 March 2020	327.42	1.62	7.12	0.04	(131.37)	4.01	208.83

**refer note 16 for details

Summary of significant accounting policies	3
Commitments and contingencies	34

The accompanying notes are integral part of consolidated financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

Place: Gurugram

Date : 11 July 2020

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Vijay Kumar Agrawal

Chief Financial Officer

Sargam Kataria

Director

[DIN : 07133394]

Vikas Khandelwal

Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

SORIL
INFRA RESOURCES

(₹ in crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from operating activities:		
Profit before tax	10.39	13.71
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortization of PPE, ROU and Other intangible assets	25.15	19.65
Finance costs	13.52	6.14
Interest income	(7.81)	(13.88)
Interest income from financing and related activities	(32.66)	(0.13)
Net gain on derecognition of assigned loans	(3.10)	-
Income from mutual funds	(0.34)	(2.62)
Share issue expenses	-	0.41
Liabilities written back	(0.49)	(3.05)
Unrealised foreign exchange loss/(gain), net	-	0.01
Profit on financial Instruments	(6.11)	-
(Gain)/Loss on fair value of investments	(3.42)	0.35
Profit on disposal of property, plant and equipment	(0.29)	(0.09)
Share based payment expenses	1.66	3.54
Provision for warranties of LED Lighting	0.18	0.18
Obligation under operating lease	-	0.06
Provision for employee benefits	1.57	0.78
Provision for impairment of financial assets	0.74	0.35
Sub-Total Adjustments	(11.40)	11.70
Operating (loss)/profit before working capital changes and other adjustments:	(1.01)	25.41
<i>Movement in working capital and other adjustments:</i>		
- Decrease/(Increase) in trade receivables	12.87	(38.53)
- Increase in other financial assets	(0.02)	(0.02)
- Decrease/(Increase) in other assets	3.15	(5.16)
- Increase in loans (Financing and related activities)	(59.16)	(143.49)
- Increase in inventories	(7.09)	(3.46)
- Increase in trade payables	10.45	2.04
- Increase in other financial liability	4.33	4.99
- (Decrease)/Increase in other liabilities and provisions	(35.22)	32.73
Sub-Total Adjustments	(70.69)	(150.90)
Cash flow used in operating activities	(71.70)	(125.49)
Change in fair value of FVOCI equity instruments	4.85	-
Income received from financial Instruments	6.11	-
Interest received from Financing and related activities	31.03	-
Interest paid on borrowings from Financing and related activities	(1.54)	-
Income taxes refund/(paid), (net)	4.25	(3.04)
Net cash used in operating activities	(27.00)	(128.53)

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2020

(₹ in crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
B Cash flow from investing activities :		
Payment for purchase of Property, plant and equipment and Other intangible assets (including capital advances)	(10.64)	(68.13)
Proceeds from sale of Property, plant and equipment	1.96	0.84
Loan (given)/received back to/from subsidiaries and others (net)	(7.10)	22.78
Interest received	3.59	12.54
Redemption/ (Purchase) of investments (net)	95.11	(86.09)
Consideration paid for acquisition of subsidiary	-	(2.84)
Income from investments	0.38	2.62
Movement in fixed deposits (net)	0.07	(0.98)
Net cash flow from/(used in) investing activities	83.37	(119.26)
C Cash flow from financing activities :		
Proceeds from issue of shares	-	210.21
Payment of share issue expenses	-	(0.80)
Borrowing /(repayment) of loans (net)	(43.35)	47.46
Payments of lease liability (refer note-37(g)(ii))	(3.62)	-
Interest paid	(10.02)	(5.95)
Dividend paid on preference share capital (including corporate dividend tax)	(0.32)	(0.32)
Net cash (used in)/flow from financing activities	(57.31)	250.60
D Cash and cash equivalents of subsidiary acquired	-	2.12
E Net (decrease)/increase in cash and cash equivalents (A+B+C+D)	(0.94)	2.81
F Cash and cash equivalents at the beginning of the year	9.64	4.71
G Cash and cash equivalents at the end of the year (D+E)	8.70	9.64
H Cash and cash equivalents includes: (refer note-13)		
(a) Cash on hand	0.15	0.26
(b) Balances with banks		
- in Current Accounts	8.55	9.38
Total Cash and cash equivalents	8.70	9.64

Note:

- Consolidated Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
- Previous year figures have been regrouped/ reclassified wherever applicable.

The accompanying notes are integral part of consolidated financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

Place: Gurugram

Date : 11 July 2020

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Vijay Kumar Agrawal

Chief Financial Officer

Sargam Kataria

Director

[DIN : 07133394]

Vikas Khandelwal

Company Secretary

1. Corporate information

SORIL Infra Resources Limited (“the Holding Company”) and its subsidiaries (collectively referred to as “the Group”) provides Equipment Renting Services, Management and Maintenance Services, Financing and related activities and LED Lighting.

The Holding Company is a public limited Group incorporated and domiciled in India. Having its registered office at Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram - 122016, Haryana from M-62 & 63, First Floor, Connaught Place, New Delhi-110001. Indiabulls Integrated Services Limited owning 64.71% of the equity share capital as on 31st March, 2020.

The Board of Directors approved the consolidated financial statements for the year ended 31 March 2020 and authorised for issue on 11 July 2020.

2. Basis of consolidation and preparation of consolidated financial statements

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The Group has uniformly applied the accounting policies during the period presented in this consolidated financial statements.

The Holding Company has acquired 100% Shareholding of Indiabulls Rural Finance Private Limited (Formerly known as Littleman Fiscal Services Private Limited) on 25 January 2019 vide RBI approval DNBS.CMD.NO. 829/13.12.037/2018-19 dated 12 December 2018 which is a Non Banking Financial Company (‘NBFC’). Indian Accounting Standards (Ind AS) were applicable to the Holding Company w.e.f., 01.04.2017, consequently Ind AS were applicable on all the subsidiaries of the Holding Company from the said date.

For the previous year ended 31 March 2019, the consolidation was done by preparing Ind AS compliant financial statements for NBFC which have been prepared solely for the purposes of preparation of consolidated financial statements (however mandatory reporting was done by NBFC as per Accounting Standards (‘AS’) specified in Annexure to Companies (Accounting Standards) Rules, 2006 keeping in view the clarification given by the Ministry of Corporate Affairs vide its Press Release No. 11/10/2009 CL-V dated 18 January 2016 wherein it has been stated that NBFCs shall not be allowed to voluntarily adopt Ind AS unless they fulfil the criteria prescribed in Para (I) and (II) of the above mentioned press release). For the year ended 31 March 2020 the NBFC has also mandatorily prepared its financial statements as per Ind AS from 01 April 2019 having date of transition to Ind AS as 01 April 2018.

The consolidated financial statements are presented in Indian Rupees (INR)(₹) and all values are rounded to the nearest crores, except when otherwise indicated.

b) Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values at the end of each reporting period, as explained in relevant accounting policies.

c) Basis of consolidation

The Holding Company consolidates all entities which are controlled by it.

The Group control an entity when the Group 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 relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-Group transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Holding Company’s interests in subsidiaries that do not result in a loss of control are accounted

for as equity transactions. The carrying amount of the Holding Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

These consolidated financial statements are prepared by applying uniform accounting policies across the Group.

d) Current and Non-Current classification

The Group presents assets and liabilities in the Balance sheet on Current/ Non-current classification.

As asset is treated as Current when it is-

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised with twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All others assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading ;
- It is due to be settled within twelve months after the reporting period; or
- There are no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

e) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

(f) Significant management judgments in applying accounting policies and estimates and assumptions

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, related disclosures, and the disclosure of contingent liabilities.

Significant management judgements

Share based payment payments

Estimating fair value for share based payments transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield making assumptions about them.

Provisions

At each balance sheet date on the basis of 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 judgement.

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.

Business model assumption

Classification and measurement of financial assets depends on the results of the SPPI ("Solely Payments of Principal and Interest") and the business model test. The Group determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are de-recognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Impairment loss on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at FVTPL, requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances.

- The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:
- The Group's model, which assigns Probability of Defaults (PDs)
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Long Term ECL (LTECL) basis
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at Default (EADs) and Loss Given Default (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Effective interest rate method

The Group's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Group's base rate and other fee income/expense that are integral parts of the instrument.

Impairment of non-Financial assets

The Group uses judgment for impairment testing at the end of each reporting period.

Significant estimates

Defined employee benefit assets and liabilities

The cost of defined benefit pension plans is determined by using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and standard rates of inflation. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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.

Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Warranty

The Group periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

3. Summary of significant accounting policies

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

3.1. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

I. Financial assets

i) Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii) Classification and subsequent measurement

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- a) business model for managing the financial assets, and

- b) the contractual cash flow characteristics of the financial asset.

A financial Asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial Asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

II. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

- i) Initial recognition and measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

ii) Classification and subsequent measurement

Financial liabilities are classified, as subsequently measured, at amortised cost.

Financial liabilities, other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

III. Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

IV. De-recognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Group has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk of trade receivable. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. At every reporting date, the historically observed default are observed and changes in the forward looking estimates are done.

V. Overview of the ECL principles for Loan assets

The Group is recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under IND AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on individual and collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition.

Based on the above process, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12m ECLs. Stage 1 loans also include cases where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include cases where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, Property Price Index, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit and loss account.

VI. Hedge Accounting- Cash flow hedges

The Group designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies of the Group and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group and its subsidiaries.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

3.2. Fair value Measurement

All assets and liabilities for which fair value is measured and disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

- a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- c) Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3. Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (₹). The Consolidated Financial Statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to nearest crores upto two decimal places, unless otherwise stated.

Transactions and Balances

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

Monetary foreign currency assets and liabilities remained unsettled on reporting date are translated at the spot rates of exchange prevailing at the reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

3.4. Revenue Recognition

i. Revenue from supply of goods and services

The Group earns revenue primarily from providing equipment renting services, management and maintenance services, sale of LED Lightings and financing and related activities.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

- Revenue is recognised either at a point in time (when the customer obtains control over the promised product or service) or over a period of time (as the customer obtains control over the promised product or service). Control refers to the customer's ability to direct the use of and obtain necessary benefits from the product or service sold.
- At the end of each reporting period, for each performance obligation satisfied over time, revenue is recognised by measuring the progress towards complete satisfaction of that performance obligation. If a performance obligation is not satisfied over time, then an entity defers revenue and recognises revenue at the point in time at which it transfer controls of the good or service to the customer.
- Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions etc.
- The Group uses judgement to determine an appropriate standalone selling price for a performance

obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Revenues in excess of invoicing are classified as unbilled revenue (contract assets), while invoicing in excess of revenues are classified as unearned revenues (contract liabilities).

ii. Interest income, expenses and other charges

• Interest income

The Group earns revenue primarily from giving loans. 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.

iii. Others

- Profit on sale of fixed assets is recognized on the date the recipient obtains control of the sold asset.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- 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 on date of sale.

3.5. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of improvements to assets, if recognition criteria are met, has been capitalised.

An item of property, plant and equipment and any significant part 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 property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of Profit and Loss. The residual values are not more than 5% of the original cost of the asset.

Depreciation on all tangible assets is provided on straight line method at the rates computed on the basis of useful life provided in Schedule II of the Companies Act, 2013. Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or change in circumstances indicated at their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e the higher of the fair value less cost to sell and the value-in-use) is determined on an individual's asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such cases, there recoverable amount determined for the Cash Generating unit (CGU) to which the asset belongs. An Impairment loss to be recognized in the Statement of Profit and Loss is measured by the amount by which carrying value of the assets exceeds the estimated recoverable amount of the asset. The impairment loss is reversed in the statement of profit and loss if there has been change in the estimate used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount provide that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.6. Goodwill:

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

3.7. Intangible Assets:

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits

that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from de-recognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

Amortisation

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

Description of asset	: Estimated life
Computer software	: 4 years
Land – Leasehold	: 11 years (as per terms of agreement)

3.8. Leases

Effective from 1 April 2019, the Group has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Group has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Group at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Group has selectively elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. There are no finance lease contracts in the group.. For contracts entered into before 1 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been presented separately and lease liabilities have been reported as other financial liabilities.

3.9. Inventories

Inventories are valued at the lower of cost (including non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate

Cost of inventories is determined using the weighted average cost method and includes purchase price, and all direct costs incurred in bringing the inventories to their present location and condition.

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

3.10. Stock Based Compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in share-based compensation (SBC) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

On the exercise of the employee stock options, the employees of the Group will be allotted equity shares of the Group.

3.11. Employee benefits

Short-term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans- Gratuity

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 recognised in the balance sheet for defined benefit plans is 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 gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Other long-term employee benefits- Compensated absences

The benefits under compensated expenses are accounted as other long-term employee benefits. The Group's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

3.12. Income tax

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 comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

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 loss 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 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. 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 or Loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognised 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 recognised 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 the carrying amount of MAT credit entitlement written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

3.13. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Group who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3.14. 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.

Product warranties: The Group gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made against warranties represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two years from the date of balance sheet.

Contingent liability is disclosed for:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

3.15. Borrowing costs

Borrowing costs includes interest and other costs incurred in connection with the borrowing of funds and charged to the statement of Profit & Loss on the basis of effective interest rate(EIR) method. Borrowing costs shall also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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.

3.16. 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 or any other share transactions that changes the number of shares outstanding.

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.

3.17. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, balances with banks, short term demand deposits with original maturity upto three months 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.

3.18. Share issue Expenses

Share issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 52(2) of the Companies Act, 2013, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

3.19. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2020.

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

(₹ in crores)

Note - 4A

Property, plant and equipment

Particulars	Plant and equip-ment	Furniture and fixtures	Vehicles	Office equip-ment	Comput-ers	Leasehold Improve-ment	Tempo-rary building	Total
Gross carrying amount (at cost)								
As at 01 April 2018	190.51	20.91	7.58	0.45	1.62	-	0.03	221.10
Additions	46.06	0.05	21.45	0.08	0.48	-	-	68.12
Disposals/adjustments	(1.58)	-	-	-	-	-	-	(1.58)
Balance as at 31 March 2019	234.99	20.96	29.03	0.53	2.10	-	0.03	287.63
Additions	3.02	0.31	1.90	0.71	1.06	1.28	-	8.29
Disposals/adjustments	(3.14)	-	(0.90)	-	-	-	-	(4.03)
Balance as at 31 March 2020	234.88	21.27	30.03	1.24	3.17	1.28	0.03	291.89
Accumulated depreciation								
As at 01 April 2018	55.84	17.15	4.11	0.26	0.99	-	0.03	78.38
Charged for the year	15.09	1.66	2.34	0.07	0.36	-	-	19.51
Disposals/adjustments	(0.83)	-	-	-	-	-	-	(0.83)
Balance as at 31 March 2019	70.10	18.81	6.45	0.33	1.35	-	0.03	97.07
Charged for the year	16.64	0.56	3.44	0.15	0.60	0.09	-	21.48
Disposals/adjustments	(1.58)	-	(0.78)	-	-	-	-	(2.36)
Balance as at 31 March 2020	85.16	19.37	9.11	0.48	1.96	0.09	0.03	116.19
Net carrying amount as at 31 March 2020	149.71	1.91	20.92	0.76	1.21	1.19	-	175.70
Net carrying amount as at 31 March 2019	164.89	2.15	22.58	0.20	0.75	-	-	190.57

Note:-

Property, plant and equipment pledge as security:

Hypothecation of plant and equipment and vehicles as per the respective loan agreement disclosed in note no 17A.

Note - 4B

(₹ in crores)

Right to use asset, Goodwill and Other intangible assets

Particulars	Right to use asset*	Goodwill#	Computer software	Land-leasehold	Total
Gross carrying amount					
As at 01 April 2018	-	-	0.08	1.17	1.25
Additions	-	0.70	0.08	-	0.78
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2019	-	0.70	0.17	1.17	2.03
Additions	13.20	-	3.21	-	16.41
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2020	13.20	0.70	3.37	1.17	18.44
Accumulated amortisation					
As at 01 April 2018	-	-	0.02	0.31	0.33
Charged for the year	-	-	0.03	0.11	0.14
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2019	-	-	0.05	0.41	0.46
Charged for the year	3.29	-	0.27	0.11	3.66
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2020	3.29	-	0.31	0.52	4.13
Net carrying amount as at 31 March 2020	9.91	0.70	3.06	0.64	14.31
Net carrying amount as at 31 March 2019	-	0.70	0.12	0.75	1.57

*Refer note- 37

#During the FY 2018-19, the Holding Company acquired 100% shareholding of Indiabulls Rural Finance Private Limited (from 25 January 2019) (formerly known as Littleman Fiscal Services Private Limited).

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 5		
A. Loans - non-current		
(Considered good, Unsecured unless otherwise stated)		
Loans		
Secured by tangible assets	172.00	111.77
Unsecured	19.19	26.53
	<u>191.19</u>	<u>138.30</u>
Less : provision for Impairment loss allowance	<u>0.44</u>	<u>0.35</u>
Net loans	190.75	137.95
Security deposits	0.26	0.84
	<u>191.01</u>	<u>138.80</u>
B. Loans - current		
(Considered good, Unsecured unless otherwise stated)		
Loans		
Secured by tangible assets	7.72	2.31
Unsecured	0.72	-
	<u>8.44</u>	<u>2.31</u>
Less : provision for Impairment loss allowance	<u>0.06</u>	<u>-</u>
Net loans	8.38	2.31
Interest accrued on above	2.05	0.13
Security deposits	3.77	3.16
Inter-corporate loans given*	103.00	95.90
Interest accrued on Inter-corporate loans given*	4.55	1.34
	<u>121.75</u>	<u>102.84</u>

*Refer note- 40 for related party transactions

Note:

- All loans given to customers are secured/partly secured by :
 - Equitable mortgage of property and / or
 - Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or
 - Hypothecation of assets and /or
 - Company guarantees and / or
 - Personal guarantee and /or
 - Negative lien and / or undertaking to create a security.
- The above loans are after de recognition of assets amounting to ₹ 41.51 crore towards assignments deals as per accounting policy 3.1(IV)
- Impairment loss allowance calculated as per ECL principles given in policy 3.1(V)

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 6		
A. Other financial assets - non-current		
(Unsecured, considered good)		
Bank deposits with more than 12 months maturity*	0.13	0.61
EIS receivable**	1.96	-
	<u>2.09</u>	<u>0.61</u>
*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.		
B. Other financial assets - current		
(Unsecured, considered good)		
EIS receivable**	0.91	-
Others receivables	-	0.04
	<u>0.91</u>	<u>0.04</u>
** Under Ind AS, with respect to Assignment deals, the NBFC subsidiary 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 - 7		
Deferred tax assets, (net)		
Net deferred tax asset (refer note 32)	0.36	0.72
	<u>0.36</u>	<u>0.72</u>
Note - 8		
Other non-current assets		
Advance income tax, including tax deducted at source (net of provisions)	13.60	17.10
	<u>13.60</u>	<u>17.10</u>
Note - 9		
A. Other non-current assets		
(Unsecured, considered good)		
Capital advance	0.02	0.88
Others:		
Prepaid expenses	0.13	2.63
	<u>0.15</u>	<u>3.51</u>

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

	(₹ in crores)	
	As at 31 March 2020	As at 31 March 2019
B. Other current assets		
(Unsecured, considered good)		
Advances other than capital advances:		
Advances for materials and services	6.48	5.57
Others:		
Balances with statutory authorities	3.71	7.27
Prepaid expenses	1.94	-
Others	0.13	0.07
	12.26	12.91

Note - 10

Inventories

(Valued at lower of cost and net realisable value unless otherwise stated)

{refer accounting policy 3.9}

Traded goods		
Stock of LED Lighting	11.11	5.35
Stock of trading goods	1.51	-
Stores and spares	0.47	0.65
	13.09	6.00

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. {Refer note -17(v)}

Note - 11

Investments - current

Investment in non convertible debentures (quoted)#

10.75% Indiabulls Consumer Finance Limited	-	34.65
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Investment in mutual funds (quoted)

Indiabulls Liquid Fund - Direct Plan - Growth [Nil (31 March 2019: 287051.967) units]	-	52.39
Reliance Liquid Fund - Direct Plan - Growth [Nil (31 March 2019: 5156.75) units]	-	2.35
SBI Liquid Fund - Direct Plan - Growth [Nil (31 March 2019: 8034.48) units]	-	2.35
	0.00	91.74
Aggregate book value of unquoted investments	-	-
Aggregate book value of quoted investments	0.00	91.74
Aggregate market value of quoted investments	0.00	91.74

(₹ in crores)

Method of fair value

Class of Investment	Method	Fair value at	
		31 March 2020	31 March 2019
Liquid mutual fund units	Quoted Price	-	50.05
Non convertible debentures	Quoted Price	-	34.65

Investments designated at fair value through profit and loss

Particulars	Face value	Numbers	31 March 2020	31 March 2019
10.75% Indiabulls Consumer Finance Limited	1000	350000	-	34.65

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
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Note - 12

Trade receivables - current

(Unsecured)

Trade receivables - considered good	69.35	82.82
Trade receivables - credit impaired	0.59	-
Trade receivables (gross)*	69.94	82.82
Less : Impairment allowance for trade receivables - credit impaired	0.59	-
Trade receivables (net)	69.35	82.82

*The cash credit facility is secured against includes book debts.{Refer note -17(v)}

Note - 13

Cash and cash equivalents

Cash on hand	0.15	0.26
Balances with banks:		
In current accounts	8.55	9.38
	8.70	9.64

Note

- There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.
- The changes in the Group's liabilities arising from financing activities can be classified as follows:

(₹ in crores)

Particulars	Lease Liability		Non-current and current borrowings (including current maturities)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance	5.70*	-	360.21	312.75
Transition impact on account of adoption of Ind AS 116 {refer Note 37(b)}	3.45	-	-	-
Addition on account of new leases during the year {refer Note 37(g)(i)}	3.97	-	-	-
Cash flows	(2.61)	-	(43.35)	47.46
Interest expense	1.01	-	12.07	6.14

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

(₹ in crores)

Particulars	Lease Liability		Non-current and current borrowings (including current maturities)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Net accrued interest	-	-	(2.05)	(0.19)
Interest paid	(1.01)	-	(10.02)	(5.95)
Closing balance	10.51	-	316.86	360.21
Borrowing (Long term and short term)	-	-	296.89	333.81
Non-current financial liability {refer note 18 (A)}	7.71	-	-	-
Current maturity of long term borrowing {refer note 18 (B)}	-	-	19.97	26.40
Current maturity of long term lease liability {refer note 18 (B)}	2.80	-	-	-

*{refer Note 37}

	As at 31 March 2020	As at 31 March 2019
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Note - 14

Other bank balances

Bank deposits *	1.07	0.65
With maturity of more than three months and upto twelve months	<u>1.07</u>	<u>0.65</u>

*Bank deposit amounting to ₹ 1.06 crore (excluding accrued interest) (31 March 2019 ₹ 0.65 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.

(₹ in crores)

Note - 15	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity share capital				
i Authorised				
Equity share capital of face value of ₹ 10 each	75000000	75.00	75000000	75.00
Preference shares of face value ₹ 10 each (refer note (vii) & (viii) below)	4000000	4.00	4000000	4.00
		79.00		79.00
ii Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10 each fully paid up	31500000	31.50	31500000	31.50
		31.50		31.50
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	31500000	31.50	27600000	27.60
Add: increased during the year	-	-	3900000	3.90
	31500000	31.50	31500000	31.50
iv Details of shareholder holding more than 5% share capital				
Indiabulls Integrated Services Limited	20383310	20.38	20383310	20.38
Equity shares of face value ₹ 10 each				
Steadview Capita Limited	3118500	3.12	3118500	3.12
Equity shares of face value ₹ 10 each				
v 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, 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.				
vi	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.			
vii	9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each fully paid up issued at premium of ₹ 870 each is presented as unsecured borrowings.			
viii	Dividend on preference share @ 9% per annum has to be accrued and paid on approval by the Board of Directors. Preference dividend is presented as finance cost in congruence with the presentation of preference share as unsecured borrowings.			

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 16		
Share premium and other equity		
Securities premium	327.42	327.42
Special reserve u/s 45IC	1.62	0.02
Deferred employee compensation reserve	7.12	5.46
Impairment reserve	0.04	-
Retained earnings	(131.37)	(136.44)
Items of Other Comprehensive Income		
FVOCI- Equity instruments	4.01	-
	208.83	196.45
Details:		
a) Securities premium		
Opening balance	327.42	121.49
Add: Shares issued during the year	-	206.31
Less: Share issue expenses	-	(0.39)
Closing balance	327.42	327.42
b) Special reserve u/s 45IC		
Opening balance	0.02	0.02
Add: Addition during the year	1.60	-
Closing balance	1.62	0.02
c) Deferred employee compensation reserve		
Opening balance	5.46	1.91
Add: Share based payment expenses (Refer note- 41)	1.66	3.54
Closing balance	7.12	5.46
d) Impairment reserve		
Opening balance	-	-
Add: Addition during the year	0.04	-
Closing balance	0.04	-
e) Retained earnings		
Opening balance	(136.44)	(150.72)
Net profit for the year	6.66	13.95
Adjustment of transition of Ind AS 116	0.15	
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gain on defined benefits plans (net of tax)	0.23	0.65
Transfer to reserves		
Transfer to Special Reserve @ 20% U/s 45IC	(1.60)	-
Impairment Reserve	(0.04)	-

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Dividends		
Dividend on preference shares	(0.27)	(0.27)
Dividend distribution tax on above	(0.06)	(0.06)
Closing balance	<u>(131.37)</u>	<u>(136.44)</u>
f) FVOCI- Equity instruments		
Opening balance	-	-
Add: Addition during the year	4.84	-
Less: Deferred tax effect	(0.83)	-
Closing balance	<u>4.01</u>	<u>-</u>

Nature and purpose of other reserves

(a) Securities premium

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of Companies Act, 2013.

(b) Special reserve u/s 45IC

Special reserve as per section 45IC of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund, the transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit & loss account before any dividend is declared.

(c) Deferred employee compensation reserve

The reserve is used to recognize the expenses related to stock options issued to employees under the Holding Company's employee stock option scheme.

(d) Impairment reserve

As per RBI circular no. RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 the subsidiary has created impairment reserve for excess of provision between IRACP and ECL.

(e) Retained earning

Retained earnings are created from the profit/loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

(f) FVOCI - Equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within other equity.

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 17		
A Borrowings non-current		
Secured borrowings:		
Term loans from banks	35.34	56.89
Less: Current maturities of long-term borrowings (refer note 18)	15.53	22.28
Term loans from other financial institution	10.53	14.64
Less: Current maturities of long-term borrowings (refer note 18)	4.45	4.11
	25.89	45.13

Repayment terms (including current maturities) and security details

Name of the bank and others	As at	Loan outstanding	Rate of interest	Repayment terms	Nature of Security
Kotak Mahindra Bank Limited	31 March 2020	2.12	8.30%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.06			
	31 March 2020	-	10.25%	36 equated monthly instalment from date of disbursal.	
	31 March 2019	0.41			
ICICI Bank Limited	31 March 2020	3.02	9.40%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.98			
	31 March 2020	-	9.36%	35 equated monthly instalment from date of disbursal.	
	31 March 2019	0.10			
HDFC Bank Limited	31 March 2020	-	8.31%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	0.40			
	31 March 2020	-	8.10%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Integrated Services Limited, (Holding Company).
	31 March 2019	2.22			
	31 March 2020	0.39	8.50%	37 equated monthly instalment from date of disbursal.	
	31 March 2019	0.72			
	31 March 2020	4.07	9.00 to 9.01%	30 equated monthly instalment from date of disbursal.	
	31 March 2019	6.92			
	31 March 2020	18.16	8.50 to 9.10%	47 equated monthly instalment from date of disbursal.	
	31 March 2019	24.11			
	31 March 2020	-	9.05 to 9.10%	Repayable within 3 to 4 months	
	31 March 2019	5.00			
Yes Bank Limited	31 March 2020	1.81	9.78%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	2.58			
Axis Bank Limited	31 March 2020	5.75	8.31 to 8.42%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	5.56			
	31 March 2020	-	8.41%	46 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	1.83			
SREI Equipment Finance Limited	31 March 2020	10.53	7.7 to 7.85%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	14.64			
Total	31 March 2020	45.86			
	31 March 2019	71.53			

(₹ in crores)

		As at 31 March 2020	As at 31 March 2019
B Borrowings-current			
Secured borrowings:			
Working capital loan from bank (refer note (v) below)		9.34	27.02
Unsecured borrowings:			
Preference Shares	Number		Number
9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each	2973450	261.66	2973450
		<u>271.00</u>	<u>288.68</u>
i Reconciliation of number of preference shares outstanding at the beginning and at the end of the year			
Balance at the beginning of the year	2973450	261.66	2973450
Add: increased during the year	-	-	-
Balance at the end of the year	<u>2973450</u>	<u>261.66</u>	<u>2973450</u>
ii Rights, preferences and restrictions attached to preference shares			
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.			
iii Details of preference shareholder holding more than 5% share capital			
Name of the preference shareholder		Number of shares	Number of shares
- Indiabulls Integrated Services Limited		1979500	1979500
- Albasta Wholesale Services Limited		993950	993950
iv	9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each fully paid up issued at premium of ₹ 870 each is presented as unsecured borrowings as per Indian accounting standard.		
v	The Holding Company has working capital facility with RBL Bank Limited. Cash Credit Facility of ₹ 9.34 crore (31 March 2019: 27.02 crore) having an interest rate of 10.10% (31 March 2019: 9.90%) per annum. The cash credit facility is secured against (i) first charge on all current assets includes book debts, inventory and plant and machineries of ₹ 35.00 crore at original cost (ii) Further Secured by corporate guarantee given by Indiabulls Integrated Services Limited, Holding Company.		
vi	The Group has not defaulted on any loans payable during the year.		
vii	No borrowing cost has been capitalised in Property, plant and equipment and Other intangible assets.		

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 18		
A Other non-current financial liabilities		
Lease liability (Refer note- 37)	7.71	-
	7.71	-
B Other financial liabilities - current		
Current maturity of long term lease liability (Refer note- 37)	2.80	-
Current maturities of non-current secured borrowings from banks and others	19.97	26.40
Interest accrued but not due on term loans from banks and others	0.22	0.29
Interest accrued but not due on loan assignment	0.29	-
Amount repayable for loan assignments	2.25	-
Security deposits-others	1.20	3.56
Expenses payable	12.94	8.98
	39.67	39.23
Note - 19		
A Provisions non-current		
(i) Provision for employee benefits:		
Gratuity (Refer note- 38)	1.70	1.11
Compensated absences (Refer note- 38)	1.51	0.84
(ii) Other Provisions:		
Provision for warranties of LED Lighting	0.36	0.18
	3.57	2.13
B Provisions -current		
(i) Provision for employee benefits:		
Gratuity (Refer note- 38)	0.02	0.01
Compensated absences (Refer note- 38)	0.03	0.02
(ii) Other Provisions:		
Provision on Standard Assets as per RBI Norms	-	0.35
	0.05	0.38
Note - 20		
Deferred tax liability, (net)		
Net Deferred tax liability (Refer note- 32)	0.10	-
	0.10	-
Note - 21		
Other non-current liabilities		
Obligation under operating lease (Refer note- 37)	-	0.15
	-	0.15

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 22		
Trade payables - current		
- Total outstanding dues of micro enterprises and small enterprises*	9.40	5.04
- Total outstanding dues of creditors other than micro enterprises and small enterprises	19.15	12.26
	28.55	17.30

(₹ in crores)

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

Particulars	31 March 2020 Amount	31 March 2019 Amount
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; and	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 and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note - 23

Other current liabilities

Advance payment from customers	0.81	5.06
Temporary overdrawn balance as per books	-	31.73
Payable to statutory authorities	2.44	1.64
Others payables	0.09	0.07
	3.34	38.50

Note - 24

Current tax liabilities, (net)

Provision for income tax, net of advance tax and tax deducted at source	4.14	0.08
	4.14	0.08

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

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Note - 25		
Revenue from operations		
Revenue from services:		
Income from equipment renting services	75.37	85.00
Income from management and maintenance services	24.76	15.21
Revenue from trading of goods:		
Revenue from LED Lighting	68.24	46.51
Revenue from trading - others	5.07	3.63
Revenue from financing and related activities:		
Interest income	33.90	0.13
Less : Interest on loan assignment	(1.24)	-
Processing fee	3.18	0.01
Dividend Income	0.11	0.05
Service fee on pool loan	3.11	-
	212.50	150.54

Note - 26

Other income

Interest income on loans*	6.74	13.84
Profit on financial Instruments	6.11	-
Profit on sale of investments (net)	3.42	-
Interest on income tax refund	1.00	0.00
Liabilities no longer required written back	0.49	1.66
Profit on disposal of Property, plant and equipment	0.29	0.09
Profit on sale of units of mutual fund	0.23	2.57
Interest income on fixed deposits	0.07	0.05
Miscellaneous income	0.21	0.04
	18.56	18.25

*Refer note 40 for related party transactions

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Note - 27		
Cost of Material and Services		
Cost of LED Lighting and others, sold	51.93	32.10
Property management and assets maintenance services	27.96	14.40
Labour charges	18.30	16.62
Consumables	7.02	6.20
Transportation charges	6.58	5.39
Others	-	0.85
	111.79	75.56
Note - 28		
Employee benefits expense		
Salaries and wages	46.94	29.56
Gratuity and leave encashment (refer note-38)	1.57	0.78
Contribution to provident fund and other funds	0.68	0.14
Share based payment expenses (refer note - 41)	1.66	3.54
Staff welfare expenses	0.75	0.80
	51.60	34.82
Note - 29		
Finance costs		
Interest on borrowings*	12.07	6.14
Interest on lease liability (refer note-37)	1.01	-
Interest on micro enterprises and small enterprises	0.18	0.06
Interest on taxes	0.22	0.00
Miscellaneous financial expenses	0.04	0.07
	13.52	6.27
*Refer note- 40 for related party transactions		
Note - 30		
Depreciation and amortisation expense		
Depreciation on property, plant and equipment	21.48	19.51
Amortisation on right to use asset (Refer note- 37)	3.29	-
Amortisation on other intangible assets	0.37	0.14
	25.15	19.65

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

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Note - 31		
Other expenses		
Travelling and conveyance expenses	4.55	3.19
Advertisement and marketing expenses	5.02	4.10
Legal and professional charges	1.69	2.61
Selling and credit verification cost	1.21	0.14
Insurance expenses	1.12	0.84
Rates and taxes	1.20	0.57
Rent expenses (Refer note- 37 for lease accounting)	0.13	4.34
Provision for impairment on financial assets	0.74	0.35
Corporate social responsibility expenses (refer note-ii below)	0.43	0.70
Communication expenses	0.38	0.26
Auditor's remuneration (refer note-i below)	0.29	0.21
Warranty expenses	0.18	0.18
Director sitting fees	0.06	0.09
Loss on fair value of investments	-	0.35
Share issue expenses	-	0.41
Miscellaneous expenses	1.61	0.44
	18.61	18.78

(i) Details of Auditor's remuneration

Auditor's remuneration

Audit fees*	0.26	0.21
Other services*	0.03	-
	0.29	0.21

*Excluding taxes

(ii) Corporate social responsibility expenses

The Group through its implementing agency "Indiabulls Foundation" in association with "Smile Train India" has planned to help underprivileged children with their surgeries of cleft or palate deformities in various states of India. These surgeries not only does the facial construct of the child comes back to normality but gives the child a new sense of being and confidence.

(a) Gross amount required to be spent by the group during the year ended 31 March 2020 : ₹ 0.43 crore (31 March 2019: ₹ 0.70 crore).

(b) Amount spent during the year on:

Particulars	Period	Paid in cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	31 March 2020	Nil	Nil	Nil
	31 March 2019	Nil	Nil	Nil
ii) On purposes other than (i) above	31 March 2020	0.43	Nil	0.43
	31 March 2019	0.70	Nil	0.70

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
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Note - 32

Tax expense

a) Tax expense comprises of:

Current tax (including earlier years)	3.27	0.12
Deferred tax (refer note-iii below)	0.46	(0.36)
Income tax expense reported in the statement of profit and loss	<u>3.73</u>	<u>(0.24)</u>

b) Other Comprehensive Income

Income tax related to items recognised in OCI during the year:

Change in fair value of FVOCI equity instruments	0.83	-
Re-measurement gain on defined benefit plans	0.00	-
Income tax related to items recognised in OCI during the year	<u>0.83</u>	<u>-</u>

Reconciliation of tax expenses and the accounting profit multiplied by Tax rate:

Accounting profit before income tax expenses	10.39	13.71
Computed tax (credit)/expenses	2.62	5.02
Tax impact of permanent difference	0.47	0.16
Tax impact of exempted income	(0.03)	(0.01)
Tax impact of temporary difference	0.79	(5.43)
Tax impact of earlier year items	0.13	0.04
set of loss from PY	(0.16)	(0.03)
Tax impact of capital loss/(gain) charged at different rate	(0.09)	-
Tax on Other comprehensive income	0.83	-
Effective income tax expenses	4.56	(0.24)

As on 01 April 2019, total losses consists of unabsorbed cash losses and unabsorbed depreciation of ₹ 134.94 crore (previous year: ₹ 152.27 crore) and ₹ 24.80 crore (previous year: ₹ 25.63 crore) respectively.

Deferred Tax charged to statement of profit and loss account:

	31 March 2020		31 March 2019	
	Profit and Loss	OCI	Profit and Loss	OCI
Net gain on derecognition of assigned loans	0.72	-	-	-
Provision for impairment of financial assets	(0.04)	-	(0.09)	-
Unamortized loan origination income, (net)	(0.19)	-	(0.27)	-
Provision for employee benefits	(0.15)	-	(0.00)	-
Difference between tax base and books for PPE and ROU and and Other intangible assets	(0.02)	-	-	-
Other adjustments	0.14	-	-	-
Deferred Tax charged to statement of profit and loss account	<u>0.46</u>	<u>-</u>	<u>(0.36)</u>	<u>-</u>

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

Deferred Tax liabilities / (assets)

(₹ in crores)

Particular	Year ended 31 March 2020*	Year ended 31 March 2019
Deferred tax liability		
Unamortized borrowings cost	-	-
Net gain on derecognition of assigned loans	(0.72)	-
Difference between tax base and books for PPE and ROU and and Other intangible assets	(0.17)	-
Other adjustments	(0.14)	-
Gross deferred tax liability	(1.02)	-
Deferred tax asset		
Provision for impairment of financial assets	0.13	0.09
Unamortized loan origination income, (net)	0.46	0.27
Provision for employee benefits	0.15	-
Difference between tax base and books for PPE and ROU and and Other intangible assets	0.18	-
Minimum Alternative Tax credit entitlement	0.36	0.36
Gross deferred tax asset	1.28	0.72
Net Deferred tax liability / assets	0.26	0.72

*In current year, out of net deferred tax liability /assets of ₹ 0.26 crore, Minimum Alternative Tax credit entitlement of ₹ 0.36 disclosed separately under deferred tax assets.

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for Income Tax for the period and year ended 31 March 2020 and re-measured its Deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognised the effect of change by revising the annual effective income tax rate.

Note - 33

Earnings per equity share (EPS) as per Indian Accounting Standard (IndAS)-33 "Earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit after tax	6.66	13.95
Less: Dividend on preference share including corporate dividend tax	(0.33)	(0.32)
Profit attributable to equity shareholders	6.33	13.63
Weighted average number of shares used in computing basic earnings per equity share	31500000	29501918
Add: Potential number of equity shares on exercise of ESOPs	-	-
Weighted average number of shares used in computing diluted earnings per equity share	31500000	29501918
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	2.01	4.62
Diluted earnings per equity share (₹)	2.01	4.62

Option granted to employees under the Schemes, SORIL Infra ESOS-2009, SORIL Infra ESOS-2009(II) and SORIL Infra ESOS-2018 are considered to be potential equity shares. They have been included in the determination of diluted earning per share to the extent they are dilutive. Details relating to the option are set out in note -41.

Note - 34

(₹ in crores)

Contingent liabilities and Commitment

Contingent liabilities, not acknowledged as debt, include:

- Bank guarantees: Performance Bank guarantees of ₹ 1.17 crore (31 March 2019: ₹ 1.21 crore).
- Claims (excluding interest) against the Group not acknowledged as debts: ₹ 24.56 crore (31 March 2019: ₹ 27.80 crore).
- There are no contingent liabilities in respect of income-tax demands for which appeals have been filed as at 31 March 2020 and 31 March 2019.
- There are certain others claims and 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, no amount has been provided in respect of the claims made against the Group under these cases. Group does not expect any liability and these litigations /lawsuits and claims may, individually or in aggregate, will not have any material adverse effect on the financial position of the Group.

Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 0.02 (31 March 2019: Nil).
- Estimated amount of Loans (Assets) undrawn as at year end is ₹ 1.58 crore (31 March 2019: ₹ 3.30 crore).

Note - 35

(a) The consolidated financial statement include the financial statements of following subsidiaries.

Name of subsidiary	Country of incorporation	Proportion %	Period of financial statements included in consolidation
Store One Infra Resources Limited	India	100%	01 April 2019 to 31 March 2020
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)	India	100%	01 April 2019 to 31 March 2020

(b) Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As percentage of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit and loss	Amount (₹ in crores)	As % of consolidated other comprehensive income	Amount (₹ in crores)	As % of total comprehensive income	Amount (₹ in crores)
Indian holding company								
SORIL Infra Resources Limited	94.36%	226.78	(73.42)%	(4.89)	5.19%	0.22	(42.84)%	4.67
Indian subsidiary								
Store One Infra Resources Limited	2.80%	6.74	53.30%	3.55	94.81%	4.02	69.45%	7.57
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)	2.84%	6.82	120.12%	8.00	0.00%	-	73.39%	8.00

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

Note - 36

(₹ in crores)

Restructuring of business

The Company has agreed to the restructuring of the businesses with Indiabulls Integrated Services Limited. The update and the list of the proposal is as follows:

To segregate the insurance and non-insurance business of the Group Companies of Indiabulls Integrated Services Limited ('the Holding Company'), an application has been filed for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the composite draft scheme of amalgamation and arrangement amongst Indiabulls Integrated 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 Integrated Services Limited ("Transferee Company" or "Demerging Company 1"), 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 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as amended.

Presently the Scheme is under approval at "NCLT-Chandigarh" after the approval of exchanges.

Note - 37

Leasing arrangements

The Group has leases for office building, warehouses and machine yards. With the exception of short-term leases and some of the leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

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 Group. 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 Group 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.

Impact on transition and accounting assumptions:

- The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at ₹ 0.15 crore at 01 April 2019.
- Impact on assessment of lease liability as on 01 April 2019.

Particulars	Amount
Lease commitments as at 31 March 2019	5.70
Add: contracts reassessed as lease contracts	3.45
Lease liabilities as on 1 April 2019	9.15

- On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a.
- 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.

(₹ in crores)

- f) The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount
Short-term leases	0.53
Leases of low value assets	0.16

- g) The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

Particulars	Amount
Increase in lease liability by	10.51
Increase in rights of use by	9.91
Increase in finance cost by	1.01
Increase depreciation by	3.29

Carrying value of right of use assets at the end of the reporting period

i. Right-of-use assets

Particulars	Amount
Balance as at 1 April 2019	9.15
Addition During the Year:	
Lease stated as ROU	3.97
Security deposits on lease reclassified as ROU	0.08
Total	13.20
Depreciation charged for the year	(3.29)
Balance as at 31 March 2020	9.91

ii. Lease liability

Particulars	Amount
Balance as at 1 April 2019	9.15
Addition During the Year	3.97
Total	13.12
Interest on lease liability	1.01
Repayment of lease liability	(3.62)
Balance as at 31 March 2020	10.51

Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Particulars	Lease payments	Interest expense	Net present values
Within 1 year	3.62	(0.83)	2.80
1-2 years	3.63	(0.57)	3.06
2-5 years	3.65	(0.71)	2.94
More than 5 years	1.98	(0.26)	1.72
Total	12.88	(2.37)	10.51

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

(₹ in crores)

h) Amounts recognised in profit or loss

Particulars	Amount
2020 – Leases under Ind AS 116	
Interest on lease liability	1.01
Depreciation charged for the year	3.29
Expenses relating to short term lease and low-value assets (includes in rent expenses)	0.69
Net present value of security deposits on lease recognised as other income	0.02
2019 – Operating leases under Ind AS 17	
Lease expenses (includes in Rent Expenses)	1.62

i) Amounts recognised in statement of cash flows

Particulars	Amount
Total cash outflow for Lease as per Ind AS 116	3.62

Note - 38

Employee benefits -retiral

Employee Benefits – Provident Fund, ESIC, Gratuity and Compensated Absences disclosures as per Ind AS 19 – Employee Benefits:

(i) Post retirement defined contribution plan

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees under applicable Acts. Both the employees and the Group make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Group has recognized the expense in the statement of profit and loss in respect of following contributions:

Particulars	31 March 2020	31 March 2019
Contribution made to employees' provident fund organisation	0.31	0.07
Contribution made to employees' state insurance corporation	0.05	0.00
Contribution to labour welfare fund	0.01	0.00
Contribution to employees' national pension scheme	0.31	0.06
Total	0.68	0.14

(ii) Post retirement defined benefit obligation

The Group has the following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', obligation are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosure in respect of Gratuity, Compensated Absences

(₹ in crores)

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Reconciliation of liability recognised in the Balance Sheet:				
Present Value of obligation (as per Actuarial valuation)	1.72	1.12	1.54	0.86
Fair value of plan assets	NA	NA	NA	NA
Net liability in the Balance sheet (as per Actuarial valuation)	1.72	1.12	1.54	0.86
Current	0.02	0.01	0.03	0.02
Noncurrent	1.70	1.11	1.51	0.84
Movement in net liability recognised in the Balance Sheet:				
Net liability as at the beginning of the year	1.12	1.53	0.86	0.79
Amount (paid) during the year/Transfer adjustment	(0.06)	(0.32)	-	(0.14)
Net expenses recognised / (reversed) in the Profit and Loss and OCI	0.66	(0.09)	0.68	0.21
Actuarial changes arising from changes in financial assumptions	-	-	-	-
Experience adjustments	-	-	-	-
Net liability as at the end of the year	1.72	1.12	1.54	0.86
Expenses recognised in the Statement of Profit and Loss:				
Current service cost	0.79	0.44	0.85	0.40
Past service cost	-	-	-	-
Interest Cost	0.10	0.12	0.07	0.06
Actuarial (gains) / losses	-	-	(0.24)	(0.25)
Expected return on plan assets	NA	NA	NA	NA
Expenses charged / (reversal) to the Statement of Profit and Loss	0.89	0.56	0.68	0.22
Return on Plan assets	NA	NA	NA	NA
Amount recognised in the other comprehensive income				
Actuarial gain/(loss) recognised during the year	(0.23)	(0.65)	-	-
Reconciliation of defined-benefit obligation :				
obligation as at the beginning of the year	1.12	1.53	0.86	0.79
Current service cost	0.79	0.44	0.85	0.40
Past service cost	-	-	-	-
Interest cost	0.10	0.12	0.07	0.06
(Paid benefits)	(0.06)	-	-	-
Actuarial (gains) / losses recognised in OCI	(0.23)	(0.65)	(0.24)	(0.25)
Actuarial changes arising from changes in financial assumptions	-	-	-	-
Acquisition adjustment	-	(0.32)	-	(0.14)
Experience adjustments	-	-	-	-
obligation as at the end of the year	1.72	1.12	1.54	0.86
Reconciliation of Plan assets	NA	NA	NA	NA

N.A. - not applicable

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

(₹ in crores)

The actuarial calculations used to estimate obligation and expenses in respect of unfunded Gratuity, Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	6.80%	7.71%	6.80%	7.71%
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Expected rate of salary increase	5.50%	5.50%	5.50%	5.50%
Mortality table	100 % of IALM (2012 - 14)	100 % of IALM (2006 - 08)	100 % of IALM (2012 - 14)	100 % of IALM (2006 - 08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Assumptions	Discount rate			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.12)	0.14	(0.08)	0.08

Gratuity

Assumptions	Expected rate of salary increase			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	0.13	(0.12)	0.09	(0.08)

Compensated absences

Assumptions	Discount rate			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.11)	0.12	(0.05)	0.06

Compensated absences

Assumptions	Expected rate of salary increase			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	0.12	(0.11)	0.06	(0.06)

The following payments are expected contributions to the defined benefit plan in future years:

Expected payment for future years	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting period)	0.02	0.01	0.03	0.02
Between 1 and 2 years	0.01	0.01	0.03	0.01
Between 2 and 6 years	0.15	0.06	0.13	0.07
Beyond 6 years	1.54	1.04	1.35	0.76
Total expected payments	1.72	1.12	1.54	0.86

(₹ in crores)

Note - 39

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 five 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.

The Group's primary business segments are reflected based on principal business activities carried on by the Group. Accordingly the Companies has four principal operating and reporting segments; viz; Equipment renting services, Management and maintenance services, Financing and related activities and LED Lighting.

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

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting.

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. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable assets and liabilities respectively.

B) Primary segment information (by business segments)

Particulars	Equipment renting services		Management and maintenance services		Financing and related activities		LED Lighting		Total	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Segment revenue										
External revenue	75.65	80.06	26.85	20.15	39.08	0.19	68.24	46.52	209.82	146.92
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	75.65	80.06	26.85	20.15	39.08	0.19	68.24	46.52	209.82	146.92
Segment result										
Segment expenses	61.54	57.91	32.21	17.75	19.50	1.65	90.03	59.82	203.28	137.13
Segment result	14.11	22.15	(5.36)	2.40	19.58	(1.46)	(21.79)	(13.30)	6.54	9.79
Segment assets	215.53	243.95	18.38	16.64	217.67	149.21	39.44	26.36	491.02	436.16
Segment liabilities	55.01	83.12	12.58	6.59	10.40	33.24	26.38	13.66	104.37	136.61
Other disclosure										
Depreciation and amortization expense	20.53	16.61	0.34	0.70	1.26	-	2.07	0.26	24.20	17.57
Depreciation and amortization expense (unallocable)									0.95	2.08
Capital expenditure	3.54	67.51	0.05	0.07	6.05	-	0.88	0.48	10.52	68.05
Capital expenditure (unallocable)									0.12	0.08
Non-cash expenditure other than depreciation	0.77	-	0.14	0.06	1.04	-	1.36	0.18	3.31	0.24
Non-cash expenditure other than depreciation (unallocable)									2.65	4.68

(₹ in crores)

C) Reconciliations to amounts reflected in the financial statements

Reconciliation of Revenue	Year ended 31 March 2020	Year ended 31 March 2019
Segment revenue	209.82	146.92
Unallocated revenue	2.68	3.62
Total revenue	212.50	150.54

Reconciliation of profit	Year ended 31 March 2020	Year ended 31 March 2019
Segment profit	6.54	9.79
Add: Unallocated other income net of unallocated expenditure	6.52	5.44
Less: Interest expense (managed as group level)	2.67	1.52
Profit before tax	10.39	13.71
Less: Income-tax	3.73	-0.24
Profit after tax	6.66	13.95

Reconciliation of assets	Year ended 31 March 2020	Year ended 31 March 2019
Segment operating assets	491.02	436.16
Unallocated corporate assets	132.63	222.66
Total assets	623.65	658.82

Reconciliation of liabilities	Year ended 31 March 2020	Year ended 31 March 2019
Segment operating liabilities	104.37	136.61
Unallocated corporate assets	279.65	294.96
Total liabilities	384.02	431.57

* Goodwill is excluded from segment reporting.

Note - 40

(₹ in crores)

Disclosures in respect of 'Related party'

a) Name and nature of relationship with related parties:

Relationship	Name of Related parties
i) Related Party exercising control :	
Holding Company	Indiabulls Integrated Services Limited
ii) Related Party where control exist:	
Wholly Owned Subsidiary	Store One Infra Resources Limited Indiabulls Rural Finance Private Limited (from 25 January 2019) (formerly known as Littleman Fiscal Services Private Limited)
iii) Other related parties:	
Fellow Subsidiary Company*	Albasta Wholesale Services Limited Airmid Aviation Services Limited Sentia Properties Limited

Key Management Personnel

Mr. Anil Malhan, Whole Time Director (from 20 July 2018)

* With whom transactions entered during the year (significant transaction)

(b) Summary of significant transactions with related parties:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Loan (given)/received back (net)		
Fellow Subsidiary Companies	95.90	22.78
Interest income on loans		
Fellow Subsidiary Companies	1.66	4.67
Travelling expenses		
Fellow Subsidiary Company	-	0.85
Interest on term loan		
Fellow Subsidiary Company	1.12	-

(c) outstanding balance:

Particulars	As at 31 March 2020	AS at 31 March 2019
Inter corporate loans given		
Fellow Subsidiary Company	-	95.90
Interest accrued on Inter corporate loans given		
Fellow Subsidiary Company	-	1.34

(d) Corporate guarantee

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Corporate Guarantee taken for Secured borrowings		
Holding Company	31.97	65.99

*Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

Note - 41

(₹ in crores)

Share Based Payments

Employees' Stock Option Schemes of the Holding Company:

1. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009

The Shareholders vide postal ballot passed a special resolution on 09 February 2009 for issue of 15,00,000 (fifteen lacs) 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 Holding 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 lacs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Holding 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	No of Options	
	31 March 2020	31 March 2019
Opening balance	1500000	1500000
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	1500000	1500000
Exercisable at the year ended	Nil	Nil

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 (₹)	168.3
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 Holding Company's shares listed on the National Stock Exchange of India Limited.

(₹ in crores)

2. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II)

Shareholder's of the 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 lacs) equity settled options for eligible employees of the Holding Company, its subsidiaries, its fellow subsidiaries and Indiabulls Integrated Services Limited.

The Compensation Committee, constituted by the Board of Directors of the Holding 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 lacs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Holding 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	No of Options	
	31 March 2020	31 March 2019
Opening balance	3000000	3000000
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	3000000	3000000
Exercisable at the year ended	Nil	Nil

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 (₹)	168.3
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 Holding Company's shares listed on the National Stock Exchange of India Limited.

During the year, the Group has recognised Share based payment expenses of ₹ 1.66 crore (31 March 2019: ₹ 3.54 crore).

(₹ in crores)

3. SORIL Infra Resources Limited Employee Stock option scheme -2018 ("SORIL Infra ESOS-2018")

On 29 September 2018, pursuant to the approval by the shareholders in the annual general meeting, the board (including a committee thereof) has been authorised to create, offer, issue and allot stock options to eligible employees and directors of the Holding Company of its existing and future subsidiaries upto 30,00,000 (Thirty lacs) 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 Group in any of the above schemes.

Note - 42

Financial instruments-accounting classification and fair value measurement

A Fair value measurements

(i) Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction, in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

(ii) Valuation governance

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product, initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

(iii) Fair value hierarchy :

The Group uses the hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole, as explained in Note no. 3.2

Financial assets measured at fair value

31 March 2020	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Investments (Mutual funds)	-	-	-	-
Investments (Non convertible debentures)	-	-	-	-

Financial assets measured at fair value

31 March 2019	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Investments (Mutual funds)	57.09	-	-	57.09
Investments (Non convertible debentures)	34.65	-	-	34.65

(iv) Valuation techniques

Mutual fund

Open ended mutual funds are valued at NAV declared by respective fund house as on the balance sheet date and are classified under Level 1.

(₹ in crores)

B Classification of Financial Assets and Financial Liabilities

i) Financial instruments by category

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI	Amortised cost	FVTPL*	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	8.70	-	-	9.64
Other bank balances	-	-	1.07	-	-	0.65
Trade receivables	-	-	69.35	-	-	82.82
Loans	-	-	312.76	-	-	241.64
Other financial assets	-	-	3.00	-	-	0.66
Investments (Mutual funds)	-	-	-	57.09	-	-
Investments (Non convertible debentures)	-	-	-	34.65	-	-
Total financial assets	-	-	394.88	91.74	-	335.40
Financial liabilities						
Borrowings	-	-	296.89	-	-	333.81
Trade payables	-	-	28.55	-	-	17.30
Other financial liabilities (including lease liabilities)	-	-	47.38	-	-	39.23
Total financial liabilities	-	-	372.82	-	-	390.34

* These financial assets are mandatorily measured at fair value.

The management has assessed that the carrying value of financial assets and financial liabilities measured at amortised costs (cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, Investments, borrowings, trade payables and other financial liabilities including lease liabilities) represents the best estimate of fair value largely due to the short term nature of these instruments.

Note - 43

Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's risk management policy is set by the Board. The Group primary focus is to foresee the unpredictability of financial markets and seek to minimise the potential adverse effects on its financial performance. A summary of the risks have been given below:

The Group's principal financial liabilities comprise of borrowings, trade and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade receivables, investments, cash and cash equivalents, other bank balances and other financial assets that arise directly from its operations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

(i) Credit risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

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

(₹ in crores)

The customer profile largely includes renowned private corporates and industries houses, accordingly Group's customer credit risk is very low. In case of equipment renting business the project cycle is around 9 to 24 Months. General payment terms provide for mobilisation advance, security deposit with a credit period of 30-90 days; for LED lighting business the Group collects earnest money deposits and has a credit rating mechanism.

The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Group has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined.

As per simplified approach, the Group will makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

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	8.70	-	8.70
Other bank balances	1.07	-	1.07
Trade receivables	69.94	0.59	69.35
Loans	313.26	0.50	312.76
Other financial assets	3.00	-	3.00

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	9.64	-	9.64
Other bank balances	0.65	-	0.65
Trade receivables	82.82	-	82.82
Loans	241.64	-	241.64
Other financial assets	0.66	-	0.66

Expected credit loss for trade receivables under simplified approach

The Group's trade receivables does not have any expected credit loss as registry of properties sold is generally carried out once the Group receives the entire payment. During the periods presented, the Group made no write-offs of trade receivables and no recoveries from receivables previously written off.

Reconciliation of loss provision	Trade receivables	Loans
Loss allowance as on 1 April 2018	-	-
Impairment loss recognised/reversed during the year	-	0.35
Loss allowance on 31 March 2019	-	0.35
Impairment loss recognised/reversed during the year	0.59	0.15
Loss allowance on 31 March 2020	0.59	0.50

(ii) **Liquidity risk**

(₹ in crores)

The Group manages liquidity risk by maintaining sufficient cash and investment in mutual funds and loan given to fellow subsidiaries and by having access to funding through an adequate amount of committed credit line. Given the need to fund diverse businesses, the Group maintains flexibility in funding by maintaining availability under committed credit line to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

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
Contractual maturities of financial liability					
Borrowings (including current maturities)	290.97	18.63	7.20	0.06	316.86
Trade payable	28.55	-	-	-	28.55
Other financial liabilities	14.36	-	-	-	14.36
Total	333.88	18.63	7.20	0.06	359.77

31 March 2019	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Contractual maturities of financial liability					
Borrowings (including current maturities)	315.08	19.79	18.43	6.91	360.21
Trade payable	17.30	-	-	-	17.30
Other financial liabilities	12.83	-	-	-	12.83
Total	345.21	19.79	18.43	6.91	390.34

(iii) **Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

(a) **Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. Equipment loans are on fixed rate basis and hence not subject to interest rate risk. The cash credit facility is on floating rate basis.

Interest Rate Exposure:

31 March 2019	31 March 2020	31 March 2019
Fixed rate borrowings	45.87	71.53
Floating rate borrowings	9.34	27.02
Total	55.21	98.54
Interest rate sensitivities for floating rate borrowings (impact of increase in 1%):	0.09	0.27

Note: If the rate is increase/decrease by 1%, the profit will decrease/increase by an equal amount.

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

(b) Foreign exchange risk:

(₹ in crores)

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the capital expenditure, LED lighting and spares parts.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

Foreign currency risk exposure:

Particulars	Currency	31 March 2020		31 March 2019	
		INR	Foreign Currency	INR	Foreign Currency
Trade payables	USD	0.27	36,400.00	0.01	1,325.00
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	0.00	0.00	(0.00)	(0.00)
Advances	USD	0.00	0.01	(0.00)	(0.01)

(iv) Impact of COVID

The Novel Corona virus (COVID-19) pandemic declared as such by the World Health Organisation on 11 March 2020, has contributed to a significant decline and volatility in the global and Indian markets, and a significant decrease in economic activity. The Group has made a detailed impact assessment of this pandemic based on internal and external information available up to the date of approval of financial results, of its liquidity position, recoverability / carrying values of its receivables, inventories and other assets including financial assets. It has accordingly appropriately made provisions / impaired assets wherever required and accounted for the same in these results as per applicable accounting standards. The impact assessment of COVID-19 is an on-going process and the Group will continue to monitor any material changes in the future conditions.

Note - 44

Capital management

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Group.

Debt equity ratio

(₹ in crores)

Particular	31 March 2020	31 March 2019
Total debt (bank and other borrowings)	55.21	98.54
Less: Current Investments (Mutual Funds)	(0.00)	(91.74)
Less: Cash and cash equivalents, other bank balances	(9.77)	(10.29)
Net debt	45.43	-
Total equity	240.33	227.95
Net debt to equity	0.19	-

Note - 45

Dividend on preference shares

Preference dividend for ₹ 0.27 crore (31 March 2019: ₹ 0.27 crore) which was declared and approved on 14 August 2019 and dividend distribution tax of ₹ 0.06 crore (31 March 2019: ₹ 0.06 crore), have been recognised.

Note - 46

The sitting fees paid to non-executive directors of ₹ 0.06 crore (31 March 2019: ₹ 0.09 crore).

Note - 47

- Previous year figures have been regrouped/reclassified wherever applicable.
- Current year and previous year figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure ₹ 0.00 wherever stated represents value less than ₹ 50,000/-.

Note - 48

Other Information

- There are no dues payable under section 125 of Companies Act, 2013 as at 31 March 2020 and 31 March 2019.
- In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on 31 March 2020 and 31 March 2019.
- In the opinion of the Board of Directors, all current assets and long term loans and advances, appearing in the balance sheet as at 31 March 2020 and 31 March 2019, 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 consolidated 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

For and on behalf of the Board of Directors

Vikas Aggarwal

Partner

Anil Malhan

Whole Time Director

[DIN : 01542646]

Sargam Kataria

Director

[DIN : 07133394]

Place: Gurugram

Date : 11 July 2020

Vijay Kumar Agrawal

Chief Financial Officer

Vikas Khandelwal

Company Secretary

To the Members of SORIL Infra Resources Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying Standalone Financial Statements of SORIL Infra Resources 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 Standalone 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 41D 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 are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current year. 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.

Key audit matter	How our audit addressed the key audit matter
Property, Plant and Equipment The Company's policies on the property, plant and equipment are set out in note 3.6 to the standalone Financial Statements. The Companies carries property, plant and equipment with net written down value of ₹ 173.10 Crores as at 31 March 2020, with the majority of value attributed to plant & machinery as disclosed in note- 4 of the Standalone Financial Statements. However, due to their materiality in the contest of the company's Standalone 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.	Our Procedures in relation to the property, plant and equipment, but not limited to the following: - Assessed the appropriateness of the company's accounting policy by comparing with applicable Ind AS. - We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing. - Enquired of the management and understood the internal controls related to completeness of the list of property, plant and equipment along with the process followed. - Performed test of details: - For all significant additions made during the year, underlying supporting documents were verified to ensure that the transaction has been accurately recorded in the Standalone Financial Statements;

Key audit matter	How our audit addressed the key audit matter
	b. Obtaining management reconciliation of property, plant and equipment and agreeing to general ledger. Further, all the significant reconciling items were tested; c. Analysing management's plan for the assets in the future and the associated consideration of Ind AS 16; d. Reviewing the management impairment consideration documentation relating to the carrying value to property, plant and equipment; and e. Reviewing the appropriateness of the related disclosure within the Standalone Financial Statements

Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

Our opinion on the Standalone 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 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 32 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: 20097848AAAABM1511

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 Standalone Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, 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 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, though there has been a slight delay in a few cases. 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) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, which have not been deposited.
- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank during the year. Further, the Company has no loans or borrowings payable to a debenture holder or government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand
- (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 Standalone Financial Statements etc., as required by the applicable Ind AS.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

(xv) 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: 20097848AAAABM1511

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 SORIL Infra Resources 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 Standalone 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: 20097848AAAABM1511

Place: Gurugram

Date: 11 July 2020

Balance Sheet

as at 31 March 2020

		(₹ in crores)	
Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
1 Non-current assets			
Property, plant and equipment	4	173.10	190.57
Right to use asset	5	6.73	-
Other intangible assets	5	0.81	0.87
Financial assets			
(i) Investments	6A	119.39	119.39
(ii) Loans	7A	0.21	0.80
(iii) Other financial assets	8A	0.13	0.61
Deferred tax assets (net)	9	0.36	0.36
Non-current tax assets (net)	10	12.43	16.07
Other non-current assets	11A	-	3.51
		313.16	332.18
2 Current assets			
Inventories	12	13.09	6.00
Financial assets			
(i) Investments	6B	-	84.69
(ii) Trade receivables	13	69.34	82.82
(iii) Cash and cash equivalents	14	4.63	8.28
(iv) Other bank balances	15	1.07	0.65
(v) Loans	7B	194.62	100.40
(vi) Other financial assets	8B	0.68	0.39
Other current assets	11B	11.54	12.88
		294.97	296.11
Total assets		608.13	628.29
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	16	31.50	31.50
Share premium and other equity	17	195.28	198.45
Total equity		226.78	229.95
2 Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18A	25.88	45.13
(ii) Other financial liabilities (including lease liabilities)	19A	4.75	-
Provisions	20A	3.00	2.13
Other non-current liabilities	21A	-	0.15
		33.63	47.41
Current liabilities			
Financial liabilities			
(i) Borrowings	18B	279.55	288.68
(ii) Trade payables	22		
a) Total outstanding dues of micro enterprises and small enterprises		9.36	5.04
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		18.65	12.19
(iii) Other financial liabilities (including lease liabilities)	19B	37.33	38.44
Other current liabilities	21B	2.79	6.55
Provisions	20B	0.04	0.03
		347.72	350.93
Total liabilities		381.35	398.34
Total equity and liabilities		608.13	628.29
Summary of significant accounting policies	3		
Commitments and contingencies	32		

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

Place: Gurugram

Date : 11 July 2020

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Vijay Kumar Agrawal

Chief Financial Officer

Sargam Kataria

Director

[DIN : 07133394]

Vikas Khandelwal

Company Secretary

Statement of Profit and Loss

for the year ended 31 March 2020



(₹ in crores)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I Income			
Revenue from operations	23	173.42	150.36
Other income	24	20.77	18.07
Total income		194.19	168.43
II Expenses			
Cost of material and services	25	111.79	75.55
Employee benefits expense	26	37.96	34.42
Finance costs	27	10.02	6.27
Depreciation and amortisation expenses	28	23.88	19.65
Other expenses	29	15.43	17.48
Total expenses		199.08	153.37
III (Loss)/Profit before tax		(4.89)	15.06
IV Tax expense:	30		
Current tax (including earlier years)		-	0.05
Deferred tax		-	-
V (Loss)/Profit for the year		(4.89)	15.01
VI Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
(i) Re-measurement gain on defined benefits plans		0.23	0.65
(ii) Income tax effect on above		-	-
Total other comprehensive income, (net of tax)		0.23	0.65
VII Total comprehensive income for the year		(4.66)	15.66
VIII Earnings per equity share	31		
Equity share of par value of ₹ 10 each			
Basic (₹)		(1.65)	4.98
Diluted (₹)		(1.65)	4.98

Summary of significant accounting policies 3

Commitments and contingencies 32

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Sargam Kataria

Director

[DIN : 07133394]

Place: Gurugram

Date : 11 July 2020

Vijay Kumar Agrawal

Chief Financial Officer

Vikas Khandelwal

Company Secretary

Statement of Changes in Equity

for the year ended 31 March 2020

(₹ in crores)

A) Equity share capital*

Particulars	Numbers	Amount
As at 01 April 2018	27600000	27.60
Add: Issue of equity share capital	3900000	3.90
As at 31 March 2019	31500000	31.50
Add: Issue of equity share capital	-	-
As at 31 March 2020	31500000	31.50

*refer note 16 for details

B) Share premium and other equity**

Particulars	Reserves and Surplus			Total
	Securities premium	Deferred employee compensation reserve	Retained earnings	
Balance as at 01 April 2018	121.49	1.91	(149.76)	(26.36)
Profit for the year	-	-	15.01	15.01
Other comprehensive income for the year				
Re-measurement gain on defined benefits plans (net of tax)	-	-	0.65	0.65
Total Comprehensive income for the year				(10.70)
Securities premium on issue of equity share capital	206.31	-	-	206.31
Dividend on preference shares	-	-	(0.27)	(0.27)
Dividend distribution tax thereon	-	-	(0.05)	(0.05)
Share issue expenses	(0.38)	-	-	(0.38)
Deferred employee compensation expenses	-	3.54	-	3.54
Balance as at 31 March 2019	327.42	5.45	(134.42)	198.45
Loss for the year	-	-	(4.89)	(4.89)
Other comprehensive income for the year				
Re-measurement gain on defined benefits plans (net of tax)	-	-	0.23	0.23
Total Comprehensive income for the year				193.79
Adjustment of transition of In AS 116	-	-	0.15	0.15
Deferred employee compensation expenses	-	1.66	-	1.66
Dividend on preference shares	-	-	(0.27)	(0.27)
Dividend distribution tax thereon	-	-	(0.05)	(0.05)
Balance as at 31 March 2020	327.42	7.11	(139.25)	195.28

**refer note 17 for details

Summary of significant accounting policies

3

Commitments and contingencies

32

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Sargam Kataria

Director

[DIN : 07133394]

Place: Gurugram

Date : 11 July 2020

Vijay Kumar Agrawal

Chief Financial Officer

Vikas Khandelwal

Company Secretary

Statement of Cash Flows

for the year ended 31 March 2020

SORIL

INFRA RESOURCES

(₹ in crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from operating activities:		
(Loss)/Profit before tax	(4.89)	15.06
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortization of PPE, ROU and Other intangible assets	23.88	19.65
Finance costs	10.02	6.14
Interest income	(16.66)	(13.90)
Income from mutual funds	(0.21)	(2.55)
Liabilities written back	-	(2.88)
Unrealised foreign exchange loss/(gain)	-	0.01
(Gain)/Loss on fair value of investments	(3.42)	0.35
Profit on disposal of property, plant and equipment	(0.29)	(0.09)
Provision for impairment on financial assets	0.59	-
Provision for warranties of LED Lighting	0.18	0.18
Obligation under operating lease	-	0.06
Provision for employee benefits	0.99	0.77
Share based payment expenses	1.66	3.54
Sub-Total Adjustments	16.74	11.28
Operating profit before working capital changes and other adjustments:	11.85	26.34
<i>Movement in working capital and other adjustments:</i>		
- Decrease/(Increase) in trade receivables	12.89	(38.53)
- Increase in other financial assets	(0.29)	(0.37)
- Decrease/(Increase) in other assets	3.97	(5.13)
- Increase in loans	(0.03)	(3.18)
- Increase in inventories	(7.09)	(3.46)
- Increase in trade payables	10.03	1.79
- Increase in other financial liability	1.79	6.87
- (Decrease)/Increase in other liabilities and provisions	(3.82)	(0.46)
Sub-Total Adjustments	17.45	(42.47)
Cash flow from/(used in) operating activities	29.30	(16.13)
Income taxes refund/(paid), (net)	4.65	(2.89)
Net cash flow from/(used in) operating activities	33.95	(19.02)
B Cash flow from investing activities :		
Investment in wholly owned subsidiaries	-	(119.34)
Payment for purchase of property, plant and equipment and other intangible assets (including capital advances)	(4.59)	(68.13)
Proceeds from sale of Property, plant and equipment	1.96	0.84
Loan (given)/received back to/from subsidiaries and others (net)	(90.40)	23.13

Statement of Cash Flows (contd.)

for the year ended 31 March 2020

(₹ in crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest received	12.45	12.56
Redemption/ (Purchase) of investments (net)	88.06	(79.04)
Income from investments	0.25	2.55
Movement in fixed deposits (net)	0.07	(0.98)
Net cash flow from/(used in) investing activities	7.80	(228.41)
C Cash flow from financing activities :		
Proceeds from issue of shares	-	210.21
Payment of Share Issue expenses	-	(0.39)
Borrowing/(repayment) of loans(net)	(43.35)	47.46
Loan taken/(repaid) from/to subsidiary and others (net)	8.55	-
Payments of lease liability	(2.82)	-
Interest paid	(7.46)	(5.95)
Dividend paid on preference share capital (including dividend distribution tax)	(0.32)	(0.32)
Net cash (used in)/flow from financing activities	(45.40)	251.01
D Net (decrease)/increase in cash and cash equivalents (A+B+C)	(3.65)	3.58
E Cash and cash equivalents at the beginning of the year	8.28	4.70
F Cash and cash equivalents at the end of the year (D+E)	4.63	8.28
G Components of cash and cash equivalents :(refer note-14)		
(a) Cash on hand	0.15	0.26
(b) Balances with banks		
- in Current Accounts	4.48	8.02
Total Cash and cash equivalents	4.63	8.28

Note:

- Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
- Previous year figures have been regrouped wherever applicable.

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal

Partner

Place: Gurugram

Date : 11 July 2020

For and on behalf of the Board of Directors

Anil Malhan

Whole Time Director

[DIN : 01542646]

Vijay Kumar Agrawal

Chief Financial Officer

Sargam Kataria

Director

[DIN : 07133394]

Vikas Khandelwal

Company Secretary

1. Corporate information

SORIL Infra Resources Limited ("the Company") is primarily engaged in the business to provides Equipment Renting Services, Management and Maintenance Services and LED Lighting.

The Company is a public limited company incorporated and domiciled in India and had shifted its registered office at Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram - 122016, Haryana from M-62 & 63, First Floor, Connaught Place, New Delhi-110001 with effect from 15 January 2019. The company has its listing on the BSE Limited and National Stock Exchange of India Limited. And as at 31 March 2019, Indiabulls Integrated Services Limited, the holding company owned 64.71% of the Company's equity share capital.

During the last year, the Company has invested ₹ 117.84 crore in Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited) and ₹ 1.50 crore in Store One Infra Resources Limited.

The Board of Directors approved the financial statements for the year ended 31 March 2020 and authorised for issue on 11 July 2020.

2. Basis preparation of financial statements

a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, these financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Current and Non-Current classification

The company presents assets and liabilities in the Balance sheet on Current/ Non-current classification.

As asset is treated as Current when it is-

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised with twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All others assets are classifies as non- current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading ;
- It is due to be settled within twelve months after the reporting period; or
- There are no unconditional rights to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non- current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

d) Significant management judgments in applying accounting policies and estimates and assumptions

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

Significant management judgements

Share based payment payments

Estimating fair value for share based payments transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield making assumptions about them.

Provisions

At each balance sheet date on the basis of 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.

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.

Impairment loss on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at FVTPL, requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. The company calculate Expected Credit Loss ("ECL") on Trade receivable using a provision matrix on the basis of its credit loss experience.

Effective interest rate method

The Company's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Company's base rate and other fee income/expense that are integral parts of the instrument.

Impairment of non-Financial assets

The Company uses judgment for impairment testing at the end of each reporting period.

Significant estimates

Defined employee benefit assets and liabilities

The cost of defined benefit pension plans is determined by using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and standard rates of inflation. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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.

Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Warranty

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past performance of such products.

3. 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.

3.1. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

I. Financial assets

i) Initial recognition and measurement

All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

ii) Classification and subsequent measurement

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- a) business model for managing the financial assets, and
- b) The contractual cash flow characteristics of the financial asset.

A financial Asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial Asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

II. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

i) Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

ii) Classification and subsequent measurement

Financial liabilities are classified, as subsequently measured, at amortised cost.

Financial liabilities, other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

III. Reclassification of financial assets and financial liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

IV. De-recognition of Financial Assets and Financial Liabilities

A financial asset(or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. At every reporting date, the historically observed default are observed and changes in the forward looking estimates are done.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit and loss account.

V. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously

VI. Hedge Accounting- Cash flow hedges

The Company designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Company uses hedging instruments that are governed by the policies of the Company and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have

been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

3.2. Fair value Measurement

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

- a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- c) Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3. Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (₹). The Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to nearest crores upto two decimal places, unless otherwise stated.

Transactions and Balances

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

Monetary foreign currency assets and liabilities remained unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

3.4. Revenue Recognition

The Company earns revenue primarily from providing equipment renting services, management and maintenance services and sale of LED Lightings.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Revenue is recognised either at a point in time (when the customer obtains control over the promised product or service) or over a period of time (as the customer obtains control over the promised product or service). Control refers to the customer's ability to direct the use of and obtain necessary benefits from the product or service sold.
- At the end of each reporting period, for each performance obligation satisfied over time, revenue is recognised by measuring the progress towards complete satisfaction of that performance obligation. If a performance obligation is not satisfied over time, then an entity defers revenue and recognises revenue at the point in time at which it transfer controls of the good or service to the customer.
- Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, price concessions etc.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Revenues in excess of invoicing are classified as unbilled revenue (contract assets), while invoicing in excess of revenues are classified as unearned revenues (contract liabilities).

Others

- Profit on sale of fixed assets is recognized on the date the recipient obtains control of the sold asset.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- Dividend income is recognized when the right to receive payment is established, at the balance sheet date.
- 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 on date of sale.

3.5. Investments in subsidiaries

Investment in equity instruments of subsidiaries are stated at cost as per Ind AS 27 'Separate Financial Statements'.

3.6. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of improvements to assets, if recognition criteria are met, has been capitalised.

An item of property, plant and equipment and any significant part 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 property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of Profit and Loss. The residual values are not more than 5% of the original cost of the asset.

Depreciation on all tangible assets is provided on straight line method at the rates computed on the basis of useful life provided in Schedule II of the Companies Act, 2013. Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or change in circumstances indicated at their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e the higher of the fair value less cost to sell and the value-in-use) is determined on an individual's asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such cases, there recoverable amount determined for the Cash Generating unit (CGU) to which the asset belongs. An Impairment loss to be recognized in the Statement of Profit and Loss is measured by the amount by which carrying value of the assets exceeds the estimated recoverable amount of the asset. The impairment loss is reversed in the statement of profit and loss if there has been change in the estimate used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.7. Intangible Assets:

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from de-recognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

Amortisation

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

Description of asset	: Estimated life
Computer software	: 4 years
Land – Leasehold	: 11 years (as per terms of agreement)

3.8. Leases

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company has selectively elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. There are no finance lease contracts in the Company.. For contracts entered into before 1 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been presented separately and lease liabilities have been reported as other financial liabilities.

3.9. Inventories

Inventories are valued at the lower of cost (including non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate

Cost of inventories is determined using the weighted average cost method and includes purchase price, and all direct costs incurred in bringing the inventories to their present location and condition.

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

3.10. Stock Based Compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in share-based compensation (SBC) reserves in equity, over the period in which the performance and/or

service conditions are fulfilled. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

On the exercise of the employee stock options, the employees of the Company will be allotted equity shares of the Company.

3.11. Employee benefits

Short-term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans- Gratuity

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 recognised in the balance sheet for defined benefit plans is 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 gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Other long-term employee benefits- Compensated absences

The benefits under compensated expenses are accounted as other long-term employee benefits. The Company's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

3.12. Income tax

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 comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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 loss 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 or Loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognised 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 recognised 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 the carrying amount of MAT credit entitlement written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

3.13. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of the Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3.14. 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.

Product warranties: The Company gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made against warranties represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two years from the date of balance sheet.

Contingent liability is disclosed for:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

3.15. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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.

3.16. 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 or any other share transactions that changes the number of shares outstanding.

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.

3.17. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, balances with banks, short term demand deposits with original maturity upto three months 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.

3.18. Share issue Expenses

Share issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 52(2) of the Companies Act, 2013, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.

3.19. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April, 2020.

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

(₹ in crores)

Note - 4

Property, plant and equipment

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Temporary building	Total
Gross carrying amount (at cost)							
As at 01 April 2018	189.30	20.91	7.58	0.45	1.62	0.03	219.89
Additions	46.06	0.05	21.44	0.08	0.48	-	68.11
Disposals/adjustments	(1.58)	-	-	-	-	-	(1.58)
Balance as at 31 March 2019	233.78	20.96	29.02	0.53	2.10	0.03	286.42
Additions	3.02	0.02	1.90	0.05	0.37	-	5.36
Disposals/adjustments	(3.14)	-	(0.90)	-	-	-	(4.04)
Balance as at 31 March 2020	233.66	20.98	30.02	0.58	2.47	0.03	287.74
Accumulated depreciation							
As at 01 April 2018	54.63	17.15	4.11	0.26	0.99	0.03	77.17
Charged for the year	15.09	1.65	2.34	0.07	0.36	-	19.51
Disposals/adjustments	(0.83)	-	-	-	-	-	(0.83)
Balance as at 31 March 2019	68.89	18.80	6.45	0.33	1.35	0.03	95.85
Charged for the year	16.64	0.54	3.44	0.07	0.46	-	21.15
Disposals/adjustments	(1.58)	-	(0.78)	-	-	-	(2.36)
Balance as at 31 March 2020	83.95	19.34	9.11	0.40	1.81	0.03	114.64
Net carrying amount as at 31 March 2020	149.71	1.64	20.91	0.18	0.66	-	173.10
Net carrying amount as at 31 March 2019	164.89	2.16	22.57	0.20	0.75	-	190.57

Note:

Property, plant and equipment pledge as security:

Hypothecation of plant and equipment and vehicles as per the respective loan agreement disclosed in note no 18A.

(₹ in crores)

Note - 5

Right to use asset and Other intangible assets

Particulars	Right to use asset*	Computer software	Land-leasehold	Total intangible assets
Gross carrying amount				
As at 01 April 2018	-	0.08	1.17	1.25
Additions	-	0.08	-	0.08
Disposals/adjustments	-	-	-	-
Balance as at 31 March 2019	-	0.16	1.17	1.33
Additions	9.29	0.11	-	9.40
Disposals/adjustments	-	-	-	-
Balance as at 31 March 2020	9.29	0.27	1.17	10.73
Accumulated amortisation				
As at 01 April 2018	-	0.02	0.30	0.32
Charged for the year	-	0.03	0.11	0.14
Disposals/adjustments	-	-	-	-
Balance as at 31 March 2019	-	0.05	0.41	0.46
Charged for the year	2.56	0.06	0.11	2.73
Disposals/adjustments	-	-	-	-
Balance as at 31 March 2020	2.56	0.11	0.52	3.19
Net carrying amount as at 31 March 2020	6.73	0.16	0.65	7.54
Net carrying amount as at 31 March 2019	-	0.11	0.76	0.87

*Refer note- 35

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

(₹ in crores)

Note - 6

	As at 31 March 2020	As at 31 March 2019
A Investments - non-current		
Investments in equity instruments of subsidiary companies (unquoted) (valued at cost, unless stated otherwise) {Refer note- 33}		
Store One Infra Resources Limited [1550000 (31 March 2019: 1550000) ordinary shares of ₹10 each fully paid up]	1.55	1.55
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)**	117.84	117.84
[41797400 (31 March 2019: 41797400) ordinary shares of ₹10 each fully paid up]		
Investment in trust***		
SORIL Infra Resources Limited – Employees Welfare Trust	0.00	-
	119.39	119.39
B Investments - current		
Investment in mutual funds (quoted)		
Indiabulls Liquid Fund - Direct Plan - Growth	-	50.04
[Nil (31 March 2019: 274166.157) units]		
Investment in non convertible debentures (quoted)#		
10.75% Indiabulls Consumer Finance Limited	-	34.65
	-	84.69
Aggregate value of unquoted investments	119.39	119.39
Aggregate book value of quoted investments	-	84.69
Aggregate market value of quoted investments	-	84.69

Method of fair value

Class of Investment	Method	Fair value at	
		31 March 2020	31 March 2019
Liquid mutual fund units	Quoted Price	-	50.04
Non convertible debentures	Quoted Price	-	34.65

Investments designated at fair value through profit and loss

Particulars	Face value	Numbers	31 March 2020	31 March 2019
10.75% Indiabulls Consumer Finance Limited	1000	350000	-	34.65

**On 25 January 2019, the company acquired 100% of the voting interest in Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited), to engage in rural finance business vide RBI approval letter no. DNBS.CMD.No. 829/13.12.037/2018-19 dated 12 December 2018. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of upto ₹ 2.84 crore against net worth of business of ₹ 2.14 crore. The Company made further investment of ₹ 15.00 crore and ₹ 100.00 crore, dated 21 February 2019 and 29 March 2019 respectively.

***During the year, the Company has created an employees welfare trust titled "SORIL Infra Resources Limited – Employees Welfare Trust" (the "Trust") to efficiently manage the current as well as any future share based employees benefits schemes.

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 7		
A Loans - non-current*		
(Unsecured, considered good)		
Security deposits	0.21	0.80
	<u>0.21</u>	<u>0.80</u>
B Loans - current*		
(Unsecured, considered good)		
Security deposits	3.77	3.16
Inter-corporate loans given**	186.30	95.90
Interest accrued on Inter-corporate loans given**	4.55	1.34
	<u>194.62</u>	<u>100.40</u>
* The Company does not have any loans and security deposits which are either credit impaired or where there is significant increase in credit risk.		
**Refer note- 38 for related party transactions		
Note - 8		
A Other financial assets - non-current		
Bank deposits with more than 12 months maturity*	0.13	0.61
Interest accrued on bank deposits	0.00	0.00
	<u>0.13</u>	<u>0.61</u>
B Other financial assets - current		
Others receivables**	0.68	0.39
	<u>0.68</u>	<u>0.39</u>
*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.		
**Refer note- 38 for related party transactions.		
Note - 9		
Deferred tax assets, (net)		
Deferred tax asset arising on account of : (Refer note 30)		
Minimum Alternative Tax credit entitlement	0.36	0.36
	<u>0.36</u>	<u>0.36</u>
Note - 10		
Non-current tax assets (net)		
Advance income tax, including tax deducted at source (net of provisions)	12.43	16.07
	<u>12.43</u>	<u>16.07</u>

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 11		
A Other non-current assets		
(Unsecured, considered good)		
Capital advance	-	0.88
Others:		
Prepaid expenses	-	2.63
	<u>-</u>	<u>3.51</u>
B Other current assets		
(Unsecured, considered good)		
Advances other than capital advances:		
Advances for materials and services	6.38	5.55
Others:		
Prepaid expenses	1.75	-
Balances with statutory authorities	3.29	7.26
Others	0.12	0.07
	<u>11.54</u>	<u>12.88</u>
Note - 12		
Inventories		
(Valued at lower of cost and net realisable value unless otherwise stated)		
{refer accounting policy 3.9}		
Traded goods		
Stock of LED Lighting	11.11	5.35
Stock of trading goods	1.51	-
Stores and spares	0.47	0.65
	<u>13.09</u>	<u>6.00</u>
Note:		
(a) The above includes goods in transit as under:		
Stock of LED Lighting	0.55	
(b) Inventories are hypothecated with the bankers against working capital limits. {Refer note -18(v)}		
Note - 13		
Trade receivables - current		
(Unsecured)		
Trade receivables - considered good	69.34	82.82
Trade receivables - credit impaired	0.59	-
Trade receivables (gross)*	<u>69.93</u>	<u>82.82</u>
Less : Impairment allowance for trade receivables - credit impaired	0.59	-
Trade receivables (net)	<u>69.34</u>	<u>82.82</u>
*The cash credit facility is secured against includes book debts. {Refer note -18(v)}		

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 14		
Cash and cash equivalents		
Cash on hand	0.15	0.26
Balances with banks:		
In current accounts	4.48	8.02
	4.63	8.28

Note

- a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.
- b) The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease Liability		Non-current and current borrowings (including current maturities)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance	5.70*	-	360.21	312.75
Transition impact on account of adoption of Ind AS 116 {refer Note 35(b)}	3.45	-	-	-
Addition on account of new leases during the year {refer Note 35(g)(i)}	0.14	-	-	-
Cash flows	(2.08)	-	(34.80)	47.46
Interest expense	0.74	-	9.09	6.14
Net accrued interest	-	-	(1.63)	(0.19)
Interest paid	(0.74)	-	(7.46)	(5.95)
Closing balance	7.22	-	325.41	360.21
Borrowing (Long term and short term)	-	-	305.43	333.81
Non-current financial liability {refer note 19 (A)}	4.75	-	-	-
Current maturity of long term borrowing {refer note 19 (B)}	-	-	19.98	26.40
Current maturity of long term lease liability {refer note 19 (B)}	2.47	-	-	-

*{refer Note 35}

Note - 15

Other bank balances

Bank deposits*	1.07	0.65
With maturity of more than three months and upto twelve months	1.07	0.65

*Bank deposit amounting to ₹ 1.06 crore (excluding accrued interest) (31 March 2019 ₹ 0.65 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.

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

(₹ in crores)

Note - 16	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity share capital				
i Authorised				
Equity share capital of face value of ₹ 10 each	75000000	75.00	75000000	75.00
Preference shares of face value ₹ 10 each (refer note (vii) & (viii) below)	4000000	4.00	4000000	4.00
		79.00		79.00
ii Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10 each fully paid up	31500000	31.50	31500000	31.50
		31.50		31.50
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	31500000	31.50	27600000	27.60
Add: increased during the year	-	-	3900000	3.90
	31500000	31.50	31500000	31.50
iv Details of shareholder holding more than 5% share capital				
Indiabulls Integrated Services Limited	20383310	20.38	20383310	20.38
Equity shares of face value ₹ 10 each				
Steadview Capita Limited	3118500	3.12	3118500	3.12
Equity shares of face value ₹ 10 each				
v 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, 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.				
vi	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.			
vii	9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each fully paid up issued at premium of ₹ 870 each is presented as unsecured borrowings.			
viii	Dividend on preference share @ 9% per annum has to be accrued and paid on approval by the Board of Directors. Preference dividend is presented as finance cost in congruence with the presentation of preference share as unsecured borrowings.			

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 17		
Share premium and other equity		
Securities premium	327.42	327.42
Deferred employee compensation reserve	7.11	5.45
Retained earnings	(139.25)	(134.42)
	195.28	198.45
Details:		
a) Securities premium		
Opening balance	327.42	121.49
Add: Shares issued during the year	-	206.31
Less: Share issue expenses	-	-0.38
Closing balance	327.42	327.42
b) Deferred employee compensation reserve		
Opening balance	5.45	1.91
Add: Share based payment expenses (Refer note- 39)	1.66	3.54
Closing balance	7.11	5.45
c) Retained earnings		
Opening balance	(134.42)	(149.76)
Net (loss)/profit for the year	(4.89)	15.01
Adjustment of transition of Ind AS 116	0.15	-
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gain on defined benefits plans (net of tax)	0.23	0.65
Dividends		
Dividend on preference shares	(0.27)	(0.27)
Dividend distribution tax on above	(0.05)	(0.05)
Closing balance	(139.25)	(134.42)

Nature and purpose of reserves

a) Securities premium

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of Companies Act, 2013.

b) Deferred employee compensation reserve

The reserve is used to recognize the expenses related to stock options issued to employees under the Company's employee stock option scheme.

c) Retained earning

Retained earnings are created from the profit/loss of the Company, as adjusted for distributions to owners, dividend distribution and transfers to other reserves etc.

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 18		
A Borrowings non-current		
Secured borrowings:		
Term loans from banks	35.33	56.89
Less: Current maturities of long-term borrowings (refer note 19)	15.53	22.28
Term loans from other financial institution	10.53	14.64
Less: Current maturities of long-term borrowings (refer note 19)	4.45	4.12
	25.88	45.13

Repayment terms (including current maturities) and security details

Name of the bank and others	As at	Loan outstanding	Rate of interest	Repayment terms	Nature of Security
Kotak Mahindra Bank Limited	31 March 2020	2.12	8.30%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.06			
	31 March 2020	-	10.25%	36 equated monthly instalment from date of disbursal.	
	31 March 2019	0.41			
ICICI Bank Limited	31 March 2020	3.02	9.40%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.98			
	31 March 2020	-	9.36%	35 equated monthly instalment from date of disbursal.	
	31 March 2019	0.10			
HDFC Bank Limited	31 March 2020	-	8.31%	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	0.40			
	31 March 2020	-	8.10%	23 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed and corporate guarantee given by Indiabulls Integrated Services Limited, (Holding Company).
	31 March 2019	2.22			
	31 March 2020	0.39	8.50%	37 equated monthly instalment from date of disbursal.	
	31 March 2019	0.72			
	31 March 2020	4.07	9.00 to 9.01%	30 equated monthly instalment from date of disbursal.	
	31 March 2019	6.92			
	31 March 2020	18.16	8.50 to 9.10%	47 equated monthly instalment from date of disbursal.	
	31 March 2019	24.11			
	31 March 2020	-	9.05 to 9.10%	Repayable within 3 to 4 months	
	31 March 2019	5.00			
Yes Bank Limited	31 March 2020	1.81	9.78%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	2.58			
Axis Bank Limited	31 March 2020	5.75	8.31 to 8.42%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	5.56			
	31 March 2020	-	8.41%	46 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	1.83			
SREI Equipment Finance Limited	31 March 2020	10.53	7.7 to 7.85%	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	14.64			
Total	31 March 2020	45.86			
	31 March 2019	71.53			

(₹ in crores)

		As at 31 March 2020	As at 31 March 2019
B Borrowings-current			
Secured borrowings:			
Working capital loan from bank (refer note (v) below)		9.34	27.02
Unsecured borrowings:			
Preference Shares	Number		Number
9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each	2973450	261.66	2973450
Inter-corporate loan taken*		8.55	
		279.55	288.68
*Refer note 38 for related party transactions			
i Reconciliation of number of preference shares outstanding at the beginning and at the end of the year			
Balance at the beginning of the year	2973450	261.66	2973450
Add: increased during the year	-	-	-
Balance at the end of the year	2973450	261.66	2973450
ii Rights, preferences and restrictions attached to preference shares			
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.			
iii Details of preference shareholder holding more than 5% share capital			
Name of the preference shareholder		Number of shares	Number of shares
- Indiabulls Integrated Services Limited		1979500	1979500
- Albasta Wholesale Services Limited		993950	993950
iv 9% Redeemable non -cumulative, non-convertible preference share of face value of ₹ 10 each fully paid up issued at premium of ₹ 870 each is presented as unsecured borrowings as per Indian accounting standard.			
v The Company has working capital facility with RBL Bank Limited. Cash Credit Facility of ₹ 9.34 crore (31 March 2019: ₹ 27.02 crore) having an interest rate of 10.10% (31 March 2019: 9.90%) per annum. The cash credit facility is secured against (i) first charge on all current assets includes book debts, inventory and plant and machineries of ₹ 35.00 crore at original cost (ii) Further Secured by corporate guarantee given by Indiabulls Integrated Services Limited, Holding Company.			
vi The Company has not defaulted on any loans payable during the year.			
vii No borrowing cost has been capitalised in Property, plant and equipment and Other intangible assets.			

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

(₹ in crores)

	As at 31 March 2020	As at 31 March 2019
Note - 19		
A Other financial liabilities - non current		
Lease liability (Refer note- 35)	4.75	-
	4.75	-
B Other financial liabilities - current		
Current maturities of non-current secured borrowings from banks	19.98	26.40
Current maturity of long term lease liability (Refer note- 35)	2.47	-
Interest accrued but not due on loans *	1.34	0.29
Security deposits-others	1.20	3.56
Expenses payable	12.34	8.19
	37.33	38.44
*Refer note- 38 for related party transactions		
Note - 20		
A Provisions non-current		
Provision for employee benefits:		
Gratuity (Refer note- 36)	1.48	1.11
Compensated absences (Refer note- 36)	1.16	0.84
Provision for warranties of LED Lighting	0.36	0.18
	3.00	2.13
B Provisions -current		
Provision for employee benefits:		
Gratuity (Refer note- 36)	0.02	0.01
Compensated absences (Refer note- 36)	0.02	0.02
	0.04	0.03
Note - 21		
A Other non-current liabilities		
Obligation under operating lease (Refer note- 35)	-	0.15
	-	0.15
B Other current liabilities		
Payable to statutory authorities	1.95	1.43
Advance payment from customers	0.81	5.06
Others	0.03	0.06
	2.79	6.55
Note - 22		
Trade payables - current		
- total outstanding dues of micro enterprises and small enterprises	9.36	5.04
- total outstanding dues of creditors other than micro enterprises and small enterprises	18.65	12.19
	28.01	17.23

(₹ in crores)

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

Particulars	31 March 2020 Amount	31 March 2019 Amount
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9.56	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; and	0.20	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 and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Note - 23		
Revenue from operations		
Revenue from services:		
Income from equipment renting services	75.37	85.00
Income from management and maintenance services	24.75	15.21
Revenue from trading of goods:		
Revenue from LED Lighting	68.24	46.52
Revenue from trading - others	5.06	3.63
	173.42	150.36

Note - 24

Other income

Interest income on loans*	15.58	13.86
Profit on sale of investments (net)	3.42	-
Interest on income tax refund	1.00	-
Dividend on units of mutual funds	0.21	2.55
Liabilities no longer required written back	-	1.49
Profit on disposal of Property, plant and equipment	0.29	0.09
Interest income on fixed deposits	0.07	0.05
Miscellaneous income	0.20	0.03
	20.77	18.07

*Refer note 38 for related party transactions

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

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Note - 25		
Cost of Material and Services		
Cost of LED Lighting and others, sold	51.93	32.10
Property management and assets maintenance services	27.96	14.39
Labour charges	18.30	16.62
Consumables	7.02	6.20
Transportation charges	6.58	5.39
Others	-	0.85
	111.79	75.55
Note - 26		
Employee benefits expense		
Salaries and wages	34.25	29.17
Gratuity and leave encashment (Refer note- 36)	0.99	0.77
Contribution to provident fund and other funds	0.48	0.14
Share based payment expenses (Refer note- 39)	1.66	3.54
Staff welfare expenses	0.58	0.80
	37.96	34.42
Note - 27		
Finance costs		
Interest on borrowings*	9.09	6.14
Interest on micro enterprises and small enterprises	0.14	0.06
Interest on lease liability (Refer note- 35)	0.74	-
Miscellaneous financial expenses	0.05	0.07
	10.02	6.27
*Refer note- 38 for related party transactions		
Note - 28		
Depreciation and amortisation expense		
Depreciation on property, plant and equipment	21.15	19.51
Depreciation on right to use asset (Refer note- 35)	2.56	-
Amortisation on other intangible assets	0.17	0.14
	23.88	19.65

(₹ in crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Note - 29		
Other expenses		
Advertisement and sales promotion	4.93	4.02
Travelling and conveyance expenses	4.43	3.19
Legal and professional charges	1.62	2.27
Rates and taxes	1.09	0.52
Insurance expenses	1.01	0.84
Provision for impairment on financial assets	0.59	-
Corporate social responsibility expenses (refer note-(ii) below)	0.43	0.70
Auditor's remuneration (refer note-(i) below)	0.28	0.20
Communication expenses	0.27	0.26
Warranty expenses	0.18	0.18
Director sitting fees	0.06	0.09
Rent expenses (Refer note- 35 for lease accounting)	0.07	4.34
Loss on fair value of investments	-	0.35
Miscellaneous expenses	0.47	0.52
	15.43	17.48

(i) Details of Auditor's remuneration

Auditor's remuneration

Audit fees*	0.26	0.20
Other services*	0.03	-
Reimbursement of expenses	-	-
	0.28	0.20

*Excluding taxes

(ii) Corporate social responsibility expenses

The Company through its implementing agency "Indiabulls Foundation" in association with "Smile Train India" has planned to help underprivileged children with their surgeries of cleft or palate deformities in various states of India. These surgeries not only does the facial construct of the child comes back to normality but gives the child a new sense of being and confidence.

(a) Gross amount required to be spent by the company during the year ended 31 March 2020 : ₹ 0.43 crore (31 March 2019: ₹ 0.70 crore).

(b) Amount spent during the year on:

Particulars	Period	Paid in cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	31 March 2020	Nil	Nil	Nil
	31 March 2019	Nil	Nil	Nil
ii) On purposes other than (i) above	31 March 2020	0.43	Nil	0.43
	31 March 2019	0.70	Nil	0.70

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

(₹ in crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Note - 30		
Tax expense		
a) Tax expense comprises of:		
Current tax (including earlier years)	-	0.05
Deferred tax (refer accounting policy 3.12)	-	-
Income tax expense reported in the statement of profit and loss	-	0.05
b) Other Comprehensive Income		
Income tax related to items recognised in OCI during the year:		
Re-measurement gain / (losses) on defined benefit plans	-	-
Income tax related to items recognised in OCI during the year	-	-

Reconciliation of tax expenses and the accounting (loss)/profit multiplied by domestic tax rate:

Accounting (loss)/profit before tax	(4.89)	15.06
Statutory income tax rate	25.17%	34.94%
Computed tax (credit)/expenses	(1.23)	5.26
Tax impact of permanent difference	0.52	0.16
Tax impact of temporary difference	0.80	(5.43)
Tax impact of earlier year items	-	0.05
Other items with diff tax rate	(0.09)	-
Effective income tax expenses	-	0.05

As on 01 April 2019, total losses consists of unabsorbed cash losses and unabsorbed depreciation of ₹ 134.50 crore (previous year: ₹ 152.27 crore) and ₹ 24.39 crore (previous year: ₹ 25.63 crore) respectively.

The movement in gross deferred income tax assets for the year ended 31 March 2020 is as follows:

Particular	Opening Balance	Recognised in Profit and Loss	Closing Balance
Deferred tax assets in relation to Minimum alternative tax credit entitlement	0.36	-	0.36
Total deferred tax assets	0.36	-	0.36

The movement in gross deferred income tax assets for the year ended 31 March 2019 is as follows:

Particular	Opening Balance	Recognised in Profit and Loss	Closing Balance
Deferred tax assets in relation to Minimum alternative tax credit entitlement	0.36	-	0.36
Total deferred tax assets	0.36	-	0.36

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the period and year ended 31 March 2020 and re-measured its Deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognised the effect of change by revising the annual effective income tax rate.

Note - 31

(₹ in crores)

Earnings per equity share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(Loss)/Profit after tax	(4.89)	15.01
Less: Dividend on preference share including corporate dividend tax	(0.32)	(0.32)
Profit/(loss) attributable to equity shareholders	(5.21)	14.69
Weighted average number of shares used in computing basic earnings per equity share	31,500,000	29,501,918
Add: Potential number of equity shares on exercise of ESOPs	-	-
Weighted average number of shares used in computing diluted earnings per equity share	31,500,000	29,501,918
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	(1.65)	4.98
Diluted earnings per equity share (₹)	(1.65)	4.98

Option granted to employees under the Schemes, SORIL Infra ESOS-2009 and SORIL Infra ESOS-2009(II) are considered to be potential equity shares. They have been included in the determination of diluted earning per share to the extent they are dilutive. Details relating to the option are set out in Note -39.

Note - 32

Commitments and contingencies

Contingent liabilities (to the extent not provided for)

- Bank guarantees: Performance Bank guarantees of ₹ 1.17 crore (31 March 2019: ₹ 1.21 crore).
- Claims (excluding interest) against the Company not acknowledged as debts: ₹ 24.56 crore (31 March 2019: ₹ 27.80 crore).
- There are no contingent liabilities in respect of income-tax demands for which appeals have been filed as at 31 March 2020 and 31 March 2019.
- The above legal cesses against the Company in the ordinary course of business. Management has evaluated the same and depending upon the facts and after due evaluation of legal aspects of each case, no amount has been provided in respect of the claims made against the Company under these cases. Company does not expect any liability and these litigations /lawsuits and claims may, individually or in aggregate, will not have any material adverse effect on the financial position of the Company.

Commitments

- Estimated amount of Contracts remaining to be executed on capital account (net of advances) ₹ Nil (31 March 2019: ₹ Nil).

Note - 33

Investment in subsidiaries

- These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

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

b) The Company 's investments in subsidiaries are as under:

(₹ in crores)

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Method used to account for the investment
Store One Infra Resources Limited	India	100%	At cost
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)	India	100%	At cost

Note - 34

Restructuring of business

The company has agreed to the restructuring of the businesses with the holding co, Indiabulls Integrated Services Limited. The update and the jist of the proposal is as follows:

To segregate the insurance and non-insurance business of the Group Companies of Indiabulls Integrated Services Limited ('the Holding Company'), an application has been filed for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the composite draft scheme of amalgamation and arrangement amongst Indiabulls Integrated 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 Integrated Services Limited ("Transferee Company" or "Demerging Company 1"), 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 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as amended.

Presently the Scheme is under approval at "NCLT-Chandigarh" after the approval of exchanges.

Note - 35

Leasing arrangements

The Company has leases for office building, warehouses and machine yards. With the exception of short-term leases and some of the leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

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.

Impact on transition and accounting assumptions:

- The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at ₹ 0.15 crore at 01 April 2019.
- Impact on assessment of lease liability as on 01 April 2019.

Particulars	Amount
Lease commitments as at 31 March 2019	5.70
Add: contracts reassessed as lease contracts	3.45
Lease liabilities as on 1 April 2019	9.15

- On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a.

(₹ in crores)

- d) The Company 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.
- e) Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- f) The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount
Short-term leases	0.47
Leases of low value assets	0.16

- g) The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	Amount
Increase in lease liability by	7.22
Increase in rights of use by	6.73
Increase in finance cost by	0.74
Increase depreciation by	2.56

Carrying value of right of use assets at the end of the reporting period

i. Right-of-use assets

Particulars	Amount
Balance as at 1 April 2019	9.15
Addition During the Year	0.14
Total	9.29
Depreciation charged for the year	(2.56)
Balance as at 31 March 2020	6.73

ii. Lease liability

Particulars	Amount
Balance as at 1 April 2019	9.15
Addition During the Year	0.14
Total	9.29
Interest on lease liability	0.74
Repayment of lease liability	(2.82)
Balance as at 31 March 2020	7.22

Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Particulars	Lease payments	Interest expense	Net present values
Within 1 year	3.02	(0.55)	2.47
1-2 years	3.15	(0.31)	2.83
2-5 years	2.01	(0.10)	1.91
Total	8.18	(0.96)	7.22

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

(₹ in crores)

h) Amounts recognised in profit or loss

Particulars	Amount
2020 – Leases under Ind AS 116	
Interest on lease liability	0.74
Depreciation charged for the year	2.56
Expenses relating to short term lease and low-value assets (includes in Rent Expenses)	0.63
2019 – Operating leases under Ind AS 17	
Lease expenses (includes in Rent Expenses)	1.62

i) Amounts recognised in statement of cash flows

Particulars	Amount
Total cash outflow for Lease as per Ind AS 116	2.82

Note - 36

Employee benefits -retiral

Employee Benefits – Provident Fund, ESIC, Gratuity and Compensated Absences disclosures as per Ind AS 19 – Employee Benefits:

(i) Post retirement defined contribution plan

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees under applicable Acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Company has recognized the expense in the statement of profit and loss in respect of following contributions:

Particulars	31 March 2020	31 March 2019
Contribution made to employees' provident fund organisation	0.23	0.07
Contribution made to employees' state insurance corporation	0.01	0.00
Contribution to labour welfare fund	0.01	0.00
Contribution to employees' national pension scheme	0.23	0.06
Total	0.48	0.14

(ii) Post retirement defined benefit obligation

The Company has the following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', obligation are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

(₹ in crores)

Disclosure in respect of Gratuity, Compensated Absences

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Reconciliation of liability recognised in the Balance Sheet:				
Present Value of obligation (as per Actuarial valuation)	1.50	1.12	1.18	0.86
Fair value of plan assets	NA	NA	NA	NA
Net liability in the Balance sheet (as per Actuarial valuation)	1.50	1.12	1.18	0.86
Current	0.02	0.01	0.02	0.02
Noncurrent	1.48	1.11	1.16	0.84
Movement in net liability recognised in the Balance Sheet:				
Net liability as at the beginning of the year	1.12	1.53	0.86	0.79
Amount (paid) during the year/Transfer adjustment	(0.06)	(0.32)	-	(0.14)
Net expenses recognised / (reversed) in the Profit and Loss and OCI	0.44	(0.09)	0.33	0.21
Actuarial changes arising from changes in financial assumptions	-	-	-	-
Experience adjustments	-	-	-	-
Net liability as at the end of the year	1.50	1.12	1.18	0.86
Expenses recognised in the Statement of Profit and Loss:				
Current service cost	0.56	0.44	0.49	0.39
Past service cost	-	-	-	-
Interest Cost	0.10	0.12	0.07	0.06
Actuarial (gains) / losses	-	-	(0.23)	(0.25)
Expected return on plan assets	NA	NA	NA	NA
Expenses charged / (reversal) to the Statement of Profit and Loss	0.66	0.56	0.33	0.21
Return on Plan assets	NA	NA	NA	NA
Amount recognised in the other comprehensive income				
Actuarial gain/(loss) recognised during the year	(0.23)	(0.65)	-	-
Reconciliation of defined-benefit obligation :				
obligation as at the beginning of the year	1.12	1.53	0.86	0.79
Current service cost	0.56	0.44	0.49	0.39
Past service cost	-	-	-	-
Interest cost	0.10	0.12	0.07	0.06
(Paid benefits)	(0.06)	-	-	-
Actuarial (gains) / losses recognised in OCI	(0.23)	(0.65)	(0.23)	(0.25)
Actuarial changes arising from changes in financial assumptions	-	-	-	-
Acquisition adjustment	-	(0.32)	-	(0.14)
Experience adjustments	-	-	-	-
obligation as at the end of the year	1.50	1.12	1.18	0.86
Reconciliation of Plan assets	NA	NA	NA	NA

N.A. - not applicable

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

(₹ in crores)

The actuarial calculations used to estimate obligation and expenses in respect of unfunded Gratuity, Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	6.80%	7.71%	6.80%	7.71%
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Expected rate of salary increase	5.50%	5.50%	5.50%	5.50%
Mortality table	100 % of IALM (2012 - 14)	100 % of IALM (2006 - 08)	100 % of IALM (2012 - 14)	100 % of IALM (2006 - 08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Assumptions	Discount rate			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.10)	0.11	(0.08)	0.08

Gratuity

Assumptions	Expected rate of salary increase			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	0.10	(0.10)	0.09	(0.08)

Compensated absences

Assumptions	Discount rate			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.08)	0.08	(0.05)	0.06

Compensated absences

Assumptions	Expected rate of salary increase			
	31 March 2020		31 March 2019	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	0.08	(0.08)	0.06	(0.06)

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting period)	0.02	0.01	0.02	0.02
Between 1 and 2 years	0.01	0.01	0.02	0.01
Between 2 and 6 years	0.14	0.06	0.11	0.07
Beyond 6 years	1.33	1.04	1.03	0.76
Total expected payments	1.50	1.12	1.18	0.86

(₹ in crores)

Note - 37

Segment Reporting

A) General information

The Companies' corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. Accordingly the Companies has three principal operating and reporting segments; viz., Management and maintenance services, Equipment renting services and LED Lighting .

The Operating Segments have been reported in a manner consistent with the internal reporting structure of the various businesses.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Unallocable".

B) Primary segment information (by business segments)

Particulars	Equipment renting services		Management and maintenance services		LED Lighting		Total	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Revenue								
External revenue	75.65	80.06	26.85	20.15	68.24	46.52	170.74	146.73
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	75.65	80.06	26.85	20.15	68.24	46.52	170.74	146.73
Segment expenses	61.54	57.91	32.21	17.75	90.03	59.82	183.78	135.48
Segment result	14.11	22.15	(5.36)	2.40	(21.79)	(13.30)	(13.04)	11.25
Segment assets	215.53	243.95	18.38	16.64	39.44	26.36	273.35	286.95
Segment liabilities	55.01	83.12	12.58	6.59	26.38	13.66	93.97	103.37
Other disclosures								
Depreciation and amortization expense	20.53	16.61	0.34	0.70	2.07	0.26	22.94	17.57
Depreciation and amortization expense (unallocable)							0.94	2.08
Capital expenditure	3.54	67.51	0.05	0.07	0.88	0.48	4.47	68.05
Capital expenditure (unallocable)							0.12	0.08
Non-cash expenditure other than depreciation	0.77	-	0.14	0.06	1.36	0.18	2.27	0.24
Non-cash expenditure other than depreciation (unallocable)							2.65	4.68

(₹ in crores)

C) Reconciliations to amounts reflected in the financial statements

Reconciliation of Revenue	31 March 2020	31 March 2019
Segment revenue	170.74	146.73
Unallocated revenue	2.68	3.63
Total revenue	173.42	150.36

Reconciliation of profit	31 March 2020	31 March 2019
Segment loss/profit	(13.04)	11.25
Add : Unallocated other income net of unallocated expenditure	10.82	5.33
Less: Interest expense (managed as entity level)	2.67	1.52
(Loss)/Profit before tax	(4.89)	15.06
Less: Income-tax	-	0.05
(Loss)/Profit after tax	(4.89)	15.01

Reconciliation of assets	31 March 2020	31 March 2019
Segment operating assets	273.35	286.95
Unallocated corporate assets	334.78	341.34
Total assets	608.13	628.29

Reconciliation of liabilities	31 March 2020	31 March 2019
Segment operating liabilities	93.97	103.37
Unallocated corporate assets	287.38	294.97
Total liabilities	381.35	398.34

Note - 38

(₹ in crores)

Disclosures in respect of 'Related party'

a) Name and nature of relationship with related parties:

Relationship	Name of Related parties
i) Related Party exercising control :	
Holding Company	Indiabulls Integrated Services Limited
ii) Related Party where control exist:	
Wholly Owned Subsidiary	Indiabulls Rural Finance Private Limited(from 25 January 2019) (formerly known as Littleman Fiscal Services Private Limited) Store One Infra Resources Limited
iii) Other related parties:	
Fellow Subsidiary Company*	Albasta Wholesale Services Limited Airmid Aviation Services Limited
Key Management Personnel	Mr. Anil Malhan, Whole Time Director (from 20 July 2018)

* With whom transactions entered during the year (significant transaction)

(b) Summary of significant transactions with related parties:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Investment in equity shares		
Wholly Owned Subsidiaries	-	119.34
Total	-	119.34
Loans (given)/received back, (net)		
Fellow Subsidiary Company	95.90	(57.22)
Wholly Owned Subsidiary	(83.30)	80.35
Total	12.60	23.13
Loans and borrowings taken/(repaid), (net)		
Wholly Owned Subsidiary	8.55	-
Total	8.55	-
Reimbursement of expenses		
Wholly Owned Subsidiaries	0.40	0.35
Total	0.40	0.35
Other Income		
Interest income on loans:		
Wholly Owned Subsidiaries	8.86	1.77
Fellow Subsidiary Companies	1.66	3.98
Total	10.52	5.75
Finance costs		
Interest on borrowings:		
Wholly Owned Subsidiary	1.24	-
Total	1.24	-
Operating expenses		
Travelling expenses:		
Fellow Subsidiary Company	-	0.85
Total	-	0.85

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

(c) Outstanding balances :

Particulars	As at 31 March 2020	As at 31 March 2019
Inter corporate loan given		
Wholly Owned Subsidiary	83.30	-
Fellow Subsidiary Company	-	95.90
Total	83.30	95.90
Inter corporate loan taken		
Wholly Owned Subsidiary	8.55	-
Total	8.55	-
Interest accrued on Inter corporate loan taken		
Wholly Owned Subsidiary	1.12	-
Total	1.12	-
Interest accrued on Inter corporate loan given		
Fellow Subsidiary Company	-	1.34
Total	-	1.34
Others receivables		
Wholly Owned Subsidiaries	0.68	0.35
Total	0.68	0.35

(d) Corporate guarantee

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Corporate guarantee taken for secured borrowings		
Holding Company	31.97	65.99

*Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

Note - 39

(₹ in crores)

Share Based Payments

Employees' Stock Option Schemes of the Company:

1. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009

The Shareholders vide postal ballot passed a special resolution on 09 February 2009 for issue of 15,00,000 (fifteen lacs) 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 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 lacs) 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 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	No of Options	
	31 March 2020	31 March 2019
Opening balance	1500000	1500000
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	1500000	1500000
Exercisable at the year ended	Nil	Nil

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 (₹)	168.3
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 Company's shares listed on the National Stock Exchange of India Limited.

2. SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) (₹ in crores)

Shareholder's of the 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 lacs) equity settled options for eligible employees of the Company, its subsidiaries, its fellow subsidiaries and the holding company.

The Compensation Committee, constituted by the Board of Directors of the 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 lacs) 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	No of Options	
	31 March 2020	31 March 2019
Opening balance	3000000	3000000
Granted during the year	Nil	Nil
Forfeited during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Closing balance	3000000	3000000
Exercisable at the year ended	Nil	Nil

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 (₹)	168.3
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 Company's shares listed on the National Stock Exchange of India Limited.

During the year, the Company has recognised Share based payment expenses of ₹ 1.66 crore (31 March 2019: ₹ 3.54 crore).

3. SORIL Infra Resources Limited Employee Stock option scheme -2018 ("SORIL Infra ESOS-2018") (₹ in crores)

On 29 September 2018, pursuant to the approval by the Shareholders in the Annual general meeting, the Board (including a committee thereof) has been authorised to create, offer, issue and allot stock options to eligible employees and Directors of the company of its existing and future subsidiaries upto 30,00,000 (Thirty lacs) 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.

The Board has not granted any options under the scheme as on the reporting date 31 March 2020.

During the year ended 31 March 2020, no ESOP/ESOS were exercised or allotted by the Company in any of the above schemes.

Note - 40

Financial instruments-accounting classification and fair value measurement

A Fair value measurements

(i) Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction, in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an, exit price) regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

(ii) Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product, initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

(iii) Fair value hierarchy :

The Company uses the hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole, as explained in Note no. 3.7

Financial assets measured at fair value

31 March 2020	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL				
Investments (Mutual funds)	-	-	-	-
Investments (Non convertible debentures)	-	-	-	-

Financial assets measured at fair value

31 March 2019	Level 1	Level 2	Level 3	Total
Investments (Mutual funds)	50.04	-	-	50.04
Investments (Non convertible debentures)	34.65	-	-	34.65

(iv) Valuation techniques

Mutual fund

Open ended mutual funds are valued at NAV declared by respective fund house as on the balance sheet date and are classified under Level 1.

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

B Classification of Financial Assets and Financial Liabilities

(₹ in crores)

i) Financial instruments by category

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI	Amortised cost	FVTPL*	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	4.63	-	-	8.28
Other bank balances	-	-	1.07	-	-	0.65
Trade receivables	-	-	69.34	-	-	82.82
Loans	-	-	194.83	-	-	101.20
Other financial assets	-	-	0.81	-	-	1.00
Investments (Mutual funds)	-	-	-	50.04	-	-
Investments (Non convertible debentures)	-	-	-	34.65	-	-
Total financial assets	-	-	270.68	84.69	-	193.95
Financial liabilities						
Borrowings	-	-	305.43	-	-	333.81
Trade payables	-	-	28.01	-	-	17.23
Other financial liabilities (including lease liabilities)	-	-	42.08	-	-	38.44
Total financial liabilities	-	-	375.52	-	-	389.48

Investment in subsidiaries and joint ventures are measured at cost as per Ind AS 27, 'Separate financial statements'.

* These financial assets are mandatorily measured at fair value.

The management has assessed that the carrying value of financial assets and financial liabilities measured at amortised costs (cash and cash equivalents, other bank balances, trade receivables, other financial assets, borrowings, trade payables and other financial liabilities including lease liabilities) represents the best estimate of fair value largely due to the short term nature of these instruments.

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Financial risk management

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company's risk management policy is set by the Board. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimise the potential adverse effects on its financial performance. A summary of the risks have been given below:

The Company's principal financial liabilities comprise of borrowings, trade and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, investments, cash and cash equivalents, other bank balances and other financial assets that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

A Credit risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

(₹ in crores)

The customer profile largely includes renowned private corporates and industries houses, accordingly company's customer credit risk is very low. In case of equipment renting business the project cycle is around 9 to 24 Months. General payment terms provide for mobilisation advance, security deposit with a credit period of 30-90 days; for LED lighting business the company collects earnest money deposits and has an internal credit rating mechanism.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

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
Cash and cash equivalents	4.63	-	4.63
Other bank balances	1.07	-	1.07
Trade receivables	69.93	0.59	69.93
Loans	194.83	-	194.83
Other financial assets	0.81	-	0.81

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	8.28	-	8.28
Other bank balances	0.65	-	0.65
Trade receivables	82.82	-	82.82
Loans	101.20	-	101.20
Other financial assets	1.00	-	1.00

Expected credit loss for trade receivables under simplified approach

The Company's trade receivables does not have any expected credit loss as registry of properties sold is generally carried out once the Company receives the entire payment. During the periods presented, the Company made no write-offs of trade receivables and no recoveries from receivables previously written off.

Reconciliation of loss provision	Trade receivables
Loss allowance as on 1 April 2018	-
Impairment loss recognised/reversed during the year	-
Loss allowance on 31 March 2019	-
Impairment loss recognised/reversed during the year	0.59
Loss allowance on 31 March 2020	0.59

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

B Liquidity risk

(₹ in crores)

The Company manages liquidity risk by maintaining sufficient cash and investment in mutual funds and loan given to fellow subsidiaries and by having access to funding through an adequate amount of committed credit line. Given the need to fund diverse businesses, the Company maintains flexibility in funding by maintaining availability under committed credit line to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Maturities of financial liabilities

The tables 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
Contractual maturities of financial liability					
Borrowings (including current maturities)	299.53	18.63	7.20	0.06	325.42
Trade payable	28.01	-	-	-	28.01
Other financial liabilities	14.88	-	-	-	14.88
Total	342.42	18.63	7.20	0.06	368.31

31 March 2019	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Contractual maturities of financial liability					
Borrowings (including current maturities)	315.08	19.79	18.43	6.91	360.22
Trade payable	17.23	-	-	-	17.23
Other financial liabilities	12.04	-	-	-	12.04
Total	344.35	19.79	18.43	6.91	389.49

C Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. Equipment loans are on fixed rate basis and hence not subject to interest rate risk. The cash credit facility is on floating rate basis.

Interest Rate Exposure:

31 March 2019	Less than 1 year	1-2 years
Fixed rate borrowings	45.86	71.53
Floating rate borrowings	9.34	27.02
Total	55.20	98.55
Interest rate sensitivities for floating rate borrowings (impact of increase in 1%):	0.09	0.27

Note: If the rate is increase/decrease by 1%, the profit will decrease/increase by an equal amount.

(₹ in crores)

(ii) Equity price risk:

The Company is not exposed to equity price risk arising from Equity Investments (other than Subsidiary, carried at cost).

(iii) Foreign exchange risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the capital expenditure, LED lighting and spares parts.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like forwards to hedge exposure to foreign currency risk.

Foreign currency risk exposure:

Particulars	Currency	31 March 2020		31 March 2019	
		INR	Foreign Currency	INR	Foreign Currency
Trade payables	USD	0.27	36,400.00	0.01	1,325.00
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	0.27	36,400.00	0.01	1,325.00
Advances	USD	0.18	24,314.98	0.67	97,087.70

D Impact of COVID

The Novel Corona virus (COVID-19) pandemic declared as such by the World Health Organisation on 11 March 2020, has contributed to a significant decline and volatility in the global and Indian markets, and a significant decrease in economic activity. The Company has made a detailed impact assessment of this pandemic based on internal and external information available up to the date of approval of financial results, of its liquidity position, recoverability / carrying values of its receivables, inventories and other assets including financial assets. It has accordingly appropriately made provisions /impaired assets wherever required and accounted for the same in these results as per applicable accounting standards. The impact assessment of COVID-19 is an on-going process and the Company will continue to monitor any material changes in the future conditions.

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

Note - 42

(₹ in crores)

Capital management

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Debt equity ratio

Particular	31 March 2020	31 March 2019
Total Debt (Bank and other borrowings)	55.20	98.54
Less: Current Investments (Mutual Funds)	-	(84.69)
Less: Cash and cash equivalents, other bank balances	(5.70)	(8.93)
Net Debt	49.50	4.92
Total equity	226.78	229.95
Net debt to equity	0.22	0.02

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Dividend on Preference Shares

Preference dividend for ₹ 0.27 crore (31 March 2019: ₹ 0.27 crore) which was declared and approved on 14 August 2019 and dividend distribution tax of ₹ 0.06 crore (31 March 2019: ₹ 0.06 crore), have been recognised.

Note - 44

The sitting fees paid to non-executive directors is ₹ 0.06 crore (31 March 2019: ₹ 0.09 crore).

Note - 45

- Previous year figures have been regrouped wherever applicable.
- Current year and previous year figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

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Other Information

- There are no dues payable under section 125 of Companies Act, 2013 as at 31 March 2020 and 31 March 2019.
- In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues (Previous Year ₹ Nil) required to be credited to the Investor Education and Protection Fund as on 31 March 2020.
- In the opinion of the Board of Directors, all current assets and long term loans and advances, appearing in the balance sheet as at 31 March 2020 and 31 March 2019 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

Place: Gurugram
Date : 11 July 2020

For and on behalf of the Board of Directors

Anil Malhan
Whole Time Director
[DIN : 01542646]

Vijay Kumar Agrawal
Chief Financial Officer

Sargam Kataria
Director
[DIN : 07133394]

Vikas Khandelwal
Company Secretary

(₹ in crores)

Annexure: Statement containing salient features of the financial statement of subsidiaries

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 (Form AOC-I)]

Part "A" Subsidiaries

S. No.	Name of the Subsidiary	Date since when the Subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves	Total Assets (other than investments)	Total Liabilities	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend (including corporate dividend tax)	% of shareholding at the end of the reporting period
1	Store One Infra Resources Limited	15 November 2015	2019-20	INR	1.55	6.74	10.88	2.60	7.38	4.56	1.01	3.55	-	100.00%
2	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	-	100.00%

Part "B" Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: **Not applicable**

For and on behalf of the Board of Directors

Anil Malhan
Whole Time Director
[DIN : 01542646]

Sargam Kataria
Director
[DIN : 07133394]

Vijay Kumar Agrawal
Chief Financial Officer

Vikas Khandelwal
Company Secretary

Place: Gurugram
Date : 11 July 2020



SORIL INFRA RESOURCES LIMITED

Registered Office

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Corporate Office

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